



26th February 2021
This week's highlights

Sterling Week of 2 halves	EUR/\$ Unchanged	US Bond Yields Jump	US Inflation 1.5% in Jan
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Euro Area

- Euro ended little changed on the week against the dollar at \$1.21, though off its highs of over \$1.22
- German 10-year yields rise further, increasing by another 5bps or so to -0.25%
- ECB's Philip Lane says central bank closely monitoring the "evolution" of longer-term bond yields

UK

- It was a week of two halves for the pound, which rose to under 86p against the euro before ending at 87p
- Employment fell by 114,000 (or 0.4%) in Q4 2020 while the unemployment rate ticked up to 5.1%
- BOE's Haldane says there's a "risk central bank complacency lets the inflation (big) cat out of the bag"

US

- Benchmark 10-year bond yields jump by around 15bps to just shy of 1.50%, a circa twelve-month high
- Fed Chair Powell sees central bank is still some way from meeting its employment and inflation goals
- The annual rate of PCE inflation rose to 1.5% in January while the core rate also came in at 1.5%

Ireland

- The Economic Pulse stood at 68.6 in February, up 7.0 from January but down 17.8 on a year earlier
- Consumer and business confidence up, vaccine-related optimism offsets lockdown fatigue & post-Brexit headaches
- Government 10-year bond yields up again this week, increasing by around 5bps to 0.10%

Monday	Manufacturing PMIs IRL,EA,UK,US; IRL Retail Sales; UK Mortgage Approval; US ISM Manufacturing Index
Tuesday	IRL Earnings & Labour Costs (Q4), Building & Construction Index ; EA CPI; UK Nationwide House Prices
Wednesday	Services PMIs IRL,EA,UK,US; IRL Unemployment; EA PPI; US ISM Services Index
Thursday	EA Unemployment, Retail Sales; UK Construction PMI; US Jobless Claims, Factory Orders
Friday	IRL GDP (Q4), International Accounts, Live Register; US Employment Report, Trade Balance

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