



12th March 2021  
This week's highlights

<b>EUR/\$</b> Little changed	<b>US Yields</b> Higher again	<b>UK GDP</b> -2.9% in Jan	<b>US Inflation</b> 1.7% in Feb
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**Euro Area**

- The euro was largely unchanged against the dollar, ending the week trading a touch above \$1.19
- ECB says it will up the pace of its bond purchases in Q2 to help preserve favourable financing conditions
- GDP fell by 0.7% quarter-on-quarter in Q4 2020, and was down 4.9% on Q4 2019, according to revised data

**UK**

- Pound little changed on the week against both the euro and the dollar at 86p and \$1.39 respectively
- GDP fell by 2.9% in January (from December) as tighter public health restrictions took a toll on the economy
- BOE Governor Bailey says beyond the near-term, risks to the inflation outlook have become 'more two-sided'

**US**

- Annual rate of headline CPI inflation rose to 1.7% in February from 1.4% in January, core rate dipped to 1.3%
- Congress approved new stimulus package for the economy which President Biden has now signed into law
- Benchmark 10-year bond yields rose for a 6th consecutive week, increasing by a further 5bps or so to 1.61%

**Ireland**

- The annual rate of CPI inflation came in at -0.4% in February, following a reading of -0.2% in January
- In February, 11,672 new private cars were licensed, a decrease of 12.0% on the same month last year
- Annual residential property price inflation nationally picked up again in January to 2.6% from 2.2% in Dec

<b>Monday</b>	UK Rightmove House Prices; US Empire Manufacturing Index
<b>Tuesday</b>	EA ZEW Index; US Retail Sales, Industrial Production, Import Prices, NAHB Housing Market Index
<b>Wednesday</b>	EA CPI, Construction Output; US Housing Starts & Building Permits, Fed Meeting
<b>Thursday</b>	IRL Goods Exports & Imports; EA Trade Balance, Labour Costs; UK BOE Meeting; US Jobless Claims
<b>Friday</b>	UK Public Sector Borrowing

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