



23rd July 2021  
This week's highlights

<b>EUR/\$</b> Marginally weaker	<b>Bond yields</b> Lower again	<b>ECB</b> Remains on hold	<b>UK Retail Sales</b> Recover in June
------------------------------------	-----------------------------------	-------------------------------	---

**Euro Area**

- Euro threatened to break lower against the dollar on a few occasions, ended marginally down at sub \$1.18
- German 10-year bond yields fell for a fourth week in a row, declining by around 6bps to -0.41%
- ECB stayed on hold on Thursday, said persistently accommodative stance needed to achieve 2% inflation

**UK**

- Pound fell to lows of \$1.36 and c.87p against dollar and euro before recovering to about \$1.3750 and 85.5p
- The Composite PMI was firmly in expansionary territory in July, pointing to continued economic growth
- Retail sales rebounded in June, after slipping in May, increasing by 0.5% on the month

**US**

- Equity markets recovered from a mini sell-off at the start of the week with the S&P 500 gaining about 1.0%
- Benchmark 10-year yields retraced Monday's 10bps fall and ended up largely unchanged for the week at 1.29%
- The Composite PMI for July, which came in at 59.7, suggests the economic recovery is continuing apace

**Ireland**

- Number of Pandemic Unemployment Payment recipients fell by 26k (to c.202k) through first 3 weeks of July
- The general government deficit stood at €6.8bn, or 6.7% of quarterly GDP, in Q1 2021 according to the CSO
- Factory gate prices rose by 0.9% m-o-m in June, though they were down 5.3% on June 2020

<b>Monday</b>	IRL Economic Pulse; US New Home Sales
<b>Tuesday</b>	IRL GVA 2020; EA Money Supply (M3); US Consumer Confidence, Durable Goods Orders
<b>Wednesday</b>	IRL Retail Sales; UK Nationwide House Prices; US Trade Balance, Fed Meeting
<b>Thursday</b>	IRL New Dwelling Completions; EA Economic Sentiment Indicator; UK Mortgage Approvals; US GDP (Q2)
<b>Friday</b>	EA GDP (Q2), CPI, Unemployment; UK Lloyds Business Barometer; US Consumer Spending, PCE Inflation

Contact Us at [economics@boi.com](mailto:economics@boi.com)

[www.Corporate-Economy.BankofIreland.com](http://www.Corporate-Economy.BankofIreland.com)

**Disclaimer**

This document has been prepared by the Economic Research Unit at The Governor and Company of the Bank of Ireland ("BOI") for information purposes only and BOI is not soliciting any action based upon it. BOI believes the information contained herein to be accurate but does not warrant its accuracy nor accepts or assumes any responsibility or liability for such information other than any responsibility it may owe to any party under the European Communities (Markets in Financial Instruments) Regulations 2007 as may be amended from time to time, and under the Financial Conduct Authority rules (where the client is resident in the UK), for any loss or damage caused by any act or omission taken as a result of the information contained in this document. Any decision made by a party after reading this document shall be on the basis of its own research and not be influenced or based on any view or opinion expressed by BOI either in this document or otherwise. This document does not address all risks and cannot be relied on for any investment contract or decision. A party should obtain independent professional advice before making any investment decision. Expressions of opinion contained in this document reflect current opinion as at 23rd July 2021 and is based on information available to BOI before that date. This document is the property of BOI and its contents may not be reproduced, either in whole or in part, without the express written consent of a suitably authorised member of BOI.

The Governor and Company of the Bank of Ireland is regulated by the Central Bank of Ireland. In the UK, The Governor and Company of the Bank of Ireland is authorised by the Central Bank of Ireland and the Prudential Regulation Authority and subject to limited regulation by the Financial Conduct Authority and the Prudential Regulation Authority. Details about the extent of our authorisation and regulation by the Prudential Regulation Authority and regulation by the Financial Conduct Authority are available from us on request. The Governor and Company of the Bank of Ireland is incorporated in Ireland with limited liability. Registered Office - 40 Mespil Road, Dublin 4, Ireland.

Registered Number - C-1.

[Update My Preferences](#)

If you'd rather not receive future e-mails from us, please [opt-out here](#).