



09 July 2021  
This week's highlights

<b>EUR/\$</b> Broadly flat	<b>Bond yields</b> Lower on the week	<b>ECB</b> New inflation goal	<b>UK GDP</b> Up again in May
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**Euro Area**

- The euro ended broadly flat on the week at around \$1.1850, though it briefly dipped below \$1.18
- There was another decline in German 10-year bond yields, which fell by a further 6bps to -0.30%
- ECB sets new 2% medium-term inflation goal with negative and positive deviations from 2% "equally undesirable"

**UK**

- GDP rose for a 4th month in a row in May though pace of increase slowed to 0.8% m-o-m (from 2% in April)
- Sterling marginally firmer against the dollar at around \$1.3850, flat vis-a-vis the pound at just under 86p
- Bond yields fell in line with other markets with 10-year yields ending around 5bps lower at 0.65%

**US**

- The ISM index of activity in the services sector eased to 60.1 in June but still signalling solid growth
- Fed minutes (June meeting) show "substantial majority" of officials see upside risks to inflation projections
- Benchmark 10-year yields fell again, declining by almost 10bps to a circa five-month low of 1.35%

**Ireland**

- The annual rate of CPI inflation eased to 1.6% in June, having ticked up in each of the previous 3 months
- A total of 59,823 new private cars were licensed in the first half of 2021, up 21.6% on January-June 2020
- 10-year bond yields fell for a second week in a row, dropping by around 5bps or so to just under 0.1%

Monday	-
Tuesday	IRL Agricultural Prices; UK BRC Retail Sales; US CPI, Real Hourly Earnings
Wednesday	IRL Residential Property Prices; EA Industrial Production; UK CPI, PPI; US PPI
Thursday	IRL National Accounts 2020, GDP (Q1 2021), Goods Exports & Imports; UK Labour Market Report; US IP
Friday	EA CPI; US Retail Sales, Consumer Confidence

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