



1st October 2021
This week's highlights

<p>Dollar</p> <p>A good bit firmer</p>	<p>UK Bond Yields</p> <p>Higher again</p>	<p>EA CPI Inflation</p> <p>Up to 3.4% in Sep</p>	<p>US PCE Inflation</p> <p>Ticks up to 4.3%</p>
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Euro Area

- The euro fell by quite a bit against a generally stronger dollar, shedding more than a cent to around \$1.16
- Annual rate of CPI inflation picked up again in September to 3.4%, the highest reading since late 2008
- The unemployment rate fell further in August and at 7.5% is now not far off its pre-pandemic low of 7.1%

UK

- Government bond yields rose again this week with 10-year yields trading at 1% for first time since mid '19
- Sterling lost ground to the dollar, falling by about a cent to \$1.3550; a touch firmer vis-a-vis euro at 85.5p
- Economy grew more strongly in Q2 than initially estimated - GDP up 5.5% from Q1 (previously 4.8%)

US

- The annual rate of PCE inflation ticked up to 4.3% in August, while the core rate held steady at 3.6%
- ISM manufacturing index rose to 61.1 in September, points to solid growth in this sector of the economy
- Benchmark government 10-year bond yields moved up on the week, increasing by about 5bps to 1.50%

Ireland

- Economic Pulse came in at 88.3 in September, 0.6 lower than in August but up 23.1 on a year ago
- The volume of retail sales rose by 3.5% in August from July and was up 6.0% on August 2020
- Department of Finance expects GDP growth of 15.6% this year, before moderating to 5% in 2022

Monday	IRL Exchequer Returns; US Factory Orders
Tuesday	Services PMIs IRL, EA, UK, US; EA PPI; US Trade Balance, ISM Services Index
Wednesday	IRL Monthly Unemployment; EA Retail Sales; UK Construction PMI; US ADP Employment
Thursday	IRL Industrial Production, Services Index; UK Unit Labour Costs; US Jobless Claims
Friday	IRL Vehicle Licenses; US Employment ('Payrolls') Report

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