



28th January 2022
This week's highlights

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| Fed To hike 'soon' | Dollar Firmer | Bond Yields Up on the week | US GDP +1.7% in Q4 |
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Euro Area

- The euro lost ground against a generally firmer dollar, shedding almost 2 cents to around \$1.1150
- Stocks were under pressure - the Euro Stoxx 50 was down 3% - but bond yields still nudged higher
- Composite PMI edged lower again in January (52.4), suggesting growth softened further at start of 2022

UK

- Sterling down around a cent to \$1.34 against the dollar; nearly 1p firmer vis-a-vis euro at about 83p
- Government 10-year bond yields rose by the best part of 10bps to a circa three-year high of 1.28%
- The Composite PMI dipped to 53.4 in January as services sector activity eased for a 3rd month running

US

- Fed says appropriate to raise interest rates 'soon', citing strong labour market and elevated inflation
- Dollar strengthened on the week while benchmark 10-year bond yields rose by almost 10bps to 1.83%
- GDP growth picked up to 1.7% q-o-q in the final quarter of last year, from 0.6% in the third quarter

Ireland

- Volume of retail sales ex cars fell by 3.1% in December (from November), was up 0.3% on Dec 2020
- New dwelling completions for 2021 came in 20,433, down just 0.5% from 20,526 completions in 2020
- The Central Bank sees the economy expanding by 8.7% in GDP terms this year and by 5.0% in 2023

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| Monday | IRL Economic Pulse; EA GDP (Q4); UK Lloyds Business Barometer |
| Tuesday | Manufacturing PMIs IRL, EA, UK & US; EA Unemployment; UK House Prices; US ISM Manufacturing Index |
| Wednesday | IRL Monthly Unemployment, Exchequer Returns; EA CPI; US ADP Employment |
| Thursday | Services PMIs IRL, EA, UK & US; EA ECB Meeting, PPI; UK BOE Meeting; US ISM Services Index |
| Friday | IRL Live Register; Services Index; EA Retail Sales; UK Construction PMI; US Employment (Payrolls) Report |

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