



11th March 2022  
This week's highlights

<b>ECB</b> Speeds up tapering	<b>EUR/\$</b> Marginally firmer	<b>Bond Yields</b> Sharply higher	<b>US CPI Inflation</b> 7.9% in Feb
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**Euro Area**

- ECB surprised markets by announcing that it may end its bond purchases by the middle of this year
- Owing largely to higher energy prices, ECB also raised forecast for inflation this year to 5.1% (from 3.2%)
- Euro marginally firmer against the dollar at \$1.10; German 10-year bond yields surge 30ps to 0.26%

**UK**

- The economy rebounded in January, having contracted in December, with GDP increasing by 0.8%
- Pound lost ground against the dollar and euro, shedding 1.5 cents to \$1.31 and 1.5p to around 84p
- Government 10-year bond yields rose by more than 30bps on the week to a little over 1.50%

**US**

- The annual rate of CPI inflation picked up further in February to 7.9%, core rate also higher at 6.4%
- Benchmark government 10-year bond yields reversed last week's fall, rising by 30 bps to circa 2%
- Fed meets next week with the market expecting it to raise the policy rate by 25bps to 0.25%-0.5% range

**Ireland**

- The annual rate of CPI inflation rose to 5.6% in February, the highest reading in almost 21 years.
- Energy prices rose 29.9% y-o-y in February, contributing 2.3 percentage points to annual inflation rate
- The number of new cars licensed in February came to 13,643, an increase of 17% on February 2021

<b>Monday</b>	-
<b>Tuesday</b>	IRL Goods Exports & Imports; EA Industrial Production; UK Labour Market Report; US Producer Prices
<b>Wednesday</b>	IRL Residential Property Prices; US Fed Meeting, Retail Sales, Import Prices
<b>Thursday</b>	EA CPI; UK BOE Meeting; US Housing Starts and Building Permits, Jobless Claims
<b>Friday</b>	EA Labour Costs (Q4); US Existing Home Sales

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