

Weekly Round Up



6th May 2022

This week's highlights

Fed

Hikes by 50bps

BOE

Ups rates again

Sterling

Loses ground

Bond Yields

Higher on the week

Euro Area

- The single currency was unchanged against the dollar over the week as a whole at just under \$1.06
- German government 10-year bond yields increased by around 15bps to 1.10%, highest since mid-2014
- Brent crude oil prices rose to a 3-week high of \$1.12, as EU plans to phase out oil imports from Russia

UK

- Bank of England's MPC raised rates by 25bps to 1%, though 3 of the 9 members voted for 50bps hike
- MPC said further increase in rates may be needed, but "some" members were circumspect about this
- Sterling lost ground late in the week, shedding 3 cents to \$1.23 against dollar, down 2p to 86p vs euro

US

- The Fed hiked interest rates by 50bps and said a half point increase likely at each of its next 2 meetings
- Benchmark 10-year yields rose by almost 15bps, breaching 3% in the process to trade just shy of 3.10%
- Economy added 428k jobs in April according to Friday's payrolls report, unemployment steady at 3.6%

Ireland

- The unemployment rate fell to 4.8% in April (from 5.1% in March), in line with its pre-pandemic level
- Exchequer returns showed tax revenues in Jan-Apr at €21.1 billion, some 31% ahead of Jan-Apr 2021
- Government 10-year bond yields increased by the best part of 20bps to trade just shy of 1.80%

Monday

IRL Live Register, Industrial Production

Tuesday

IRL Services Index; EA ZEW Index; UK BRC Retail Sales; US Small Business Optimism Index

Wednesday

IRL New Vehicles Licenses; UK Unit Labour Costs; US CPI

Thursday

IRL CPI; UK GDP (Q1), RICS Housing Survey; US PPI, Jobless Claims

Friday

EA Industrial Production; US Consumer Confidence, Import Prices

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