



17th June 2022

This week's highlights

<p>Fed</p> <p>75bps rate hike</p>	<p>BOE</p> <p>Raises rates again</p>	<p>Bond Yields</p> <p>Volatile</p>	<p>EUR/\$</p> <p>Flat on week</p>
--	---	---	--

Euro Area	<ul style="list-style-type: none"> • German government 10-year bond yields rose for a 3rd week running, increasing by 15bps to 1.65% • ECB to create new tool to counter fragmentation in bond markets; Italian yields drop 60bps to 3.60% • The euro was largely unchanged on the week against both the dollar (\$1.05) and the pound (85.5p)
------------------	---

UK	<ul style="list-style-type: none"> • Bank of England MPC voted 6-3 to raise interest rates by 25bps to 1.25%; 3 dissenters favoured +50bps • The MPC also said it is prepared to respond 'forcefully' if inflationary pressures prove 'more persistent' • Pound fell v dollar after government published NI Protocol Bill, but recovered to end a little lower at \$1.22
-----------	---

US	<ul style="list-style-type: none"> • Fed raised interest rates by 75bps (to 1.5% -1.75%) and said another 75bps hike may be in offing in July • The central bank also indicated rates may need to rise to 4% to help bring inflation back under control • Benchmark government 10-year bond yields finish at about 3.25%, down from intra-week high of 3.50%
-----------	---

Ireland	<ul style="list-style-type: none"> • Residential property prices nationally rose by 0.1% in April, with the annual increase easing to 14.2% • The value of goods exports increased by 44% year-on-year in April, while goods imports rose 36% y-o-y • Government 10-year bond yields jumped by almost 20bps on the week to trade just shy of 2.35%
----------------	---

Monday	EA Construction Output; UK Rightmove House Prices
Tuesday	IRL Monthly Estimates of Payroll Employees (April); US Existing Home Sales
Wednesday	IRL Wholesale Prices; EA Consumer Confidence; UK CPI
Thursday	IRL Census 2022 Preliminary Report; Flash PMIs EA, UK & US; US Jobless Claims
Friday	UK Retail Sales, Consumer Confidence; US New Home Sales

Contact Us at economics@boi.com

www.Corporate-Economy.BankofIreland.com

Disclaimer

This document has been prepared by the Economic Research Unit at The Governor and Company of the Bank of Ireland ("BOI") for information purposes only and BOI is not soliciting any action based upon it. BOI believes the information contained herein to be accurate but does not warrant its accuracy nor accepts or assumes any responsibility or liability for such information other than any responsibility it may owe to any party under the European Communities (Markets in Financial Instruments) Regulations 2007 as may be amended from time to time, and under the Financial Conduct Authority rules (where the client is resident in the UK), for any loss or damage caused by any act or omission taken as a result of the information contained in this document. Any decision made by a party after reading this document shall be on the basis of its own research and not be influenced or based on any view or opinion expressed by BOI either in this document or otherwise. This document does not address all risks and cannot be relied on for any investment contract or decision. A party should obtain independent professional advice before making any investment decision. Expressions of opinion contained in this document reflect current opinion as at 17th June 2022 and is based on information available to BOI before that date. This document is the property of BOI and its contents may not be reproduced, either in whole or in part, without the express written consent of a suitably authorised member of BOI.

The Governor and Company of the Bank of Ireland is regulated by the Central Bank of Ireland. In the UK, The Governor and Company of the Bank of Ireland is authorised by the Central Bank of Ireland and the Prudential Regulation Authority and subject to limited regulation by the Financial Conduct Authority and the Prudential Regulation Authority. Details about the extent of our authorisation and regulation by the Prudential Regulation Authority and regulation by the Financial Conduct Authority are available from us on request. The Governor and Company of the Bank of Ireland is incorporated in Ireland with limited liability. Registered Office - 40 Mespil Road, Dublin 4, Ireland.

Registered Number - C-1.

[Update My Preferences](#)

If you'd rather not receive future e-mails from us, please [opt-out here](#).