



3rd June 2022

This week's highlights

EUR/\$

Steady

Bond Yields

Sharp rise

EA CPI Inflation

Up to 8.1%

US Payrolls

+390k in May

Euro Area

- The euro's advance against the dollar stalled this week, with the single currency unchanged at \$1.0750
- With the ECB upping the ante on interest rates, German bond yields surged, rising by 30bps to 1.25%
- The annual rate of headline CPI inflation rose further in May to 8.1%; core rate also up again, to 3.8%

UK

- The pound was marginally weaker vis-a-vis the dollar and the euro at \$1.2550 and 85.5p respectively
- Government 10-year bond yields rose by around 20bps to 2.15%, highest level since the middle of 2015
- House prices up 0.9% in May according to Nationwide, with the annual increase again easing to 11.2%

US

- Employment (payrolls) rose by 390,000 in May following a gain of 436,000 in the month of April
- Unemployment remained at 3.6% last month, while y-o-y increase in hourly earnings dipped to 5.2%
- Benchmark 10-year bond yields reversed course this week, increasing by best part of 20bps to 2.95%

Ireland

- Economic Pulse edged up in May, increasing 1.4 from April to 82.7, albeit still 6.8 lower than in May 2021
- GDP increased by 10.8% q-o-q in the first quarter of this year and grew by 11.0% on an annual basis
- The unemployment rate dipped for a second consecutive month in May to stand at 4.7%

Monday

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Tuesday

UK BRC Retail Sales, Services PMI; US Trade Balance, Consumer Credit

Wednesday

IRL Industrial Production, New Vehicle Licenses; EA GDP (Q1); UK Construction PMI; OECD Outlook

Thursday

IRL CPI, Household Saving (Q1); EA ECB Meeting; UK RICS Housing Survey; US Jobless Claims

Friday

IRL Planning Permissions (Q1); US CPI, Real Average Weekly Earnings, Consumer Confidence

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