

## Weekly Round Up



26th August 2022

This week's highlights

### EUR/\$

Trades below parity

### Bond Yields

Higher again

### Flash PMIs

Soft in August

### US PCE Inflation

Dips to 6.3%

#### Euro Area

- Euro dipped sub parity against the dollar, trading down to \$0.99 at one point, before recovering to \$1.00
- German government 10-year bond yields were higher again, increasing by around 20bps to 1.40%
- Composite PMI dipped further below key 50 level in August, suggesting economy may be contracting

#### UK

- Government 10-year bond yields rose sharply this week, increasing by about 20bps to circa 2.60%
- Pound was little changed against the dollar at \$1.18; also largely flat vis-a-vis the euro at about 85p
- Composite PMI fell for 2nd month in a row in August to 50.9, pointing to slowing pace of economic activity

#### US

- Annual headline PCE inflation rate fell to 6.3% in July from 6.8% in June, core rate ticked down to 4.6%
- Fed's Powell says getting inflation under control "will take some time", means acting 'forcefully' to do so
- Benchmark government 10-year bond yields rose by around 10bps on the week to just over 3.05%

#### Ireland

- Employment increased by 205,500 - or 8.7% - to 2,554,600 in the year to the second quarter of 2022
- The unemployment rate declined to 4.4% in Q2 from 4.9% in Q1 and is estimated at 4.2% in July
- Government 10-year bond yields rose by 15bps to reach almost 2% (now up c.50bps since end-July)

#### Monday

IRL Economic Pulse, Retail Sales; UK Nationwide House Prices

#### Tuesday

EA Economic Sentiment Indicator; UK Mortgage Approvals; US Consumer Confidence, Job Openings

#### Wednesday

IRL Monthly Unemployment; EA Flash CPI; UK Lloyds Business Barometer; US ADP Employment Report

#### Thursday

Manufacturing PMIs IRL, EA, UK & US; EA Unemployment; US ISM Manufacturing Index, Jobless Claims

#### Friday

IRL Live Register; EA PPI; US Payrolls (Employment) Report, Factory Goods Orders

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