



9 September 2022
This week's highlights

ECB
Hikes by 75bps

EUR/\$
Marginally firmer

Bond Yields
Higher again

New PM in UK
Liz Truss

Euro Area

- The ECB hiked interest rates by 75bps at Thursday's policy meeting, following a 50bps increase in July
- ECB also said it would raise rates further "over next several meetings" in order to achieve inflation target
- EUR/\$ marginally firmer just above parity; German government 10-year bond yields up 20bps to 1.70%

UK

- Liz Truss defeats Rishi Sunak to become the new leader of the Conservative Party and Prime Minister
- Government announced that it will cap domestic energy bills at £2500 a year for the next two years
- Government 10-year bond yields rose again this week, increasing by best part of 20bps to about 3.10%

US

- Fed's Bullard says "bringing..inflation rate back down to the 2% target is the top priority" for central bank
- Benchmark government 10-year bond yields increase by about 10bps on the week to circa 3.30%
- ISM services index ticked up in August (56.9), suggests activity still expanding in this sector of economy

Ireland

- The annual rate of consumer price inflation eased in August, dipping to 8.7% from 9.1% in July
- The number of new private cars licensed last month came in at 8,942, increase of 4.0% on August 2021
- Government 10-year bond yields higher again this week, increasing by around 15bps to almost 2.30%

Monday	UK GDP (July), Trade Balance
Tuesday	EA Zew Index; UK Labour Market Report; US CPI, Real Hourly Earnings, Small Business Optimism Index
Wednesday	IRL Residential Property Prices, Payroll Employees; EA Industrial Production; UK CPI, House Prices; US PPI
Thursday	IRL Goods Exports & Imports; EA Labour Costs; UK BOE Meeting; US Retail Sales, Industrial Production
Friday	EA CPI; UK Retail Sales; US Consumer Confidence

Contact Us at economics@boi.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 Union (Markets in Financial Instruments) Regulations 2017 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 9 September 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. Bank of Ireland is authorised and regulated by the Central Bank of Ireland. Authorised by the Prudential Regulation Authority and with deemed variation of permission. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. The nature and extent of consumer protections may differ from those for firms based in the UK. Details of the Temporary Permissions Regime, which allows EEA-based firms to operate in the UK for a limited period while seeking full authorisation, are available on the Financial Conduct Authority's website. 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 C1.

[Update My Preferences](#)

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