

Weekly Round Up



21 October 2022

This week's highlights

UK

High political drama

Pound

Little changed

EUR/\$

Marginally firmer

US Bond Yields

Climb again

Euro Area

- The euro traded in a narrow range against the dollar and was marginally firmer at around \$0.98
- German government 10-year bond yields followed US yields higher, rising by 10bps to almost 2.45%
- Annual rate of CPI inflation in September revised down slightly to 9.9%; core rate confirmed at 4.8%

UK

- In a week of more policy U-turns and high political drama, pound was little changed at \$1.12 and 87.5p
- Government 10-year yields bucked the trend elsewhere though, falling by around 30bps to under 4.10%
- The annual rate of CPI inflation ticked up to 10.1% in September with the core rate rising to 6.5%

US

- Benchmark government 10-year bond yields climbed by the best part of 25bps to just shy of 4.25%
- Fed's Barker says further interest rate hikes needed, given "disappointing progress" in curtailing inflation
- The market is currently pricing in a further 150 basis points increase in rates by the end of this year

Ireland

- Value of goods exports rose by 30% y-o-y over the first eight months of this year, with imports up 39%
- Central Bank eases mortgage rules somewhat, including increase in loan/income multiple to 4 for FTBs
- Government 10-year bond yields were marginally higher on the week as a whole at just over 2.90%

Monday

Flash PMIs EA, UK& US;

Tuesday

UK CBI Industry Survey; US Consumer Confidence, House Prices

Wednesday

EA Money Supply (M3); US Trade Balance, New Home Sales

Thursday

IRL New Dwelling Completions; EA ECB Meeting; UK CBI Retail Sales Survey; US GDP (Q3, 1st estimate)

Friday

IRL Retail Sales, Flash HICP Inflation ; EA ESI; UK House Prices; US PCE Inflation, Employment Cost Index

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