

## Weekly Round Up



28 October 2022

This week's highlights

### ECB

Hikes by 75bps

### EUR/\$

A little firmer

### Bond Yields

Sizeable decline

### US GDP

Rebounds in Q3

#### Euro Area

- ECB raised interest rates by 75bps at Thursday's meeting, but indicated smaller rate hike steps ahead
- The euro gained ground against the dollar, rising to over \$0.99, albeit off its best level of above parity
- There was a notable decline in German government 10-year bond yields, which fell by 30bps to 2.10%

#### UK

- Former Chancellor Rishi Sunak announced as new leader of the Tory Party and next Prime Minister
- Markets responded positively, with government 10-year bond yields down 60bps to 3.45% and £ firmer
- Composite PMI fell further below 50 level in October, suggesting economy contracted at start of Q4

#### US

- Economy expanded in Q3 - GDP rose by 0.6% quarter-on-quarter - after contracting slightly in Q1 & Q2
- Annual rate of headline PCE inflation held steady in September at 6.2%, core rate nudged up to 5.1%
- Benchmark government 10-year bond yields reversed last week's rise, falling by around 20bps to 4.0%

#### Ireland

- There were 7,544 new dwelling completions in Q3, an increase of 62.5% on the same quarter in 2021
- The volume of retail sales fell by 3.1% in September (from August) and was down 7.0% year-on-year
- Government 10-year bond yields were well down on the week, falling by around 35bps to 2.55%

#### Monday

EA GDP (Q3, 1st est.), CPI; UK Mortgage Approvals

#### Tuesday

IRL Economic Pulse; Manufacturing PMIs IRL, EA, UK & US; UK House Prices; US ISM Manufacturing Index

#### Wednesday

EA Unemployment; Fed Meeting

#### Thursday

IRL Unemployment; Services PMIs IRL, EA, UK & US; EA PPI; BOE Meeting; US ISM Services Index

#### Friday

UK Construction PMI; US Labour Market Report

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