



16 December 2022
This week's highlights

Fed, ECB, BOE

+50bps all round

EUR/\$

Gains ground

Sterling

Softer

US CPI Inflation

Drops to 7.1%

Euro Area

- ECB strikes hawkish tone after hiking interest rates by 50bps, says further 'significant' increase to come
- German government 10-year bond yields spiked higher post ECB, increasing by 25bps to around 2.20%
- The single currency gained ground against the dollar, rising by around a cent on the week to over \$1.06

UK

- Bank of England raised interest rates by 50bps (to 3.5%) and said "further increases..may be required"
- Government 10-year bond yields rose by the best part of 20bps on the week, reaching 3.35%
- The pound shed about 1p to 87p against the euro, and about half a cent lower vis-a-vis dollar at \$1.22

US

- Fed raised interest rates by 50bps to range of 4.25%-4.50%, indicated further increase to 5.0%-5.25%
- US government 10-year bonds bucked the trend elsewhere, with yields falling by around 10bps to 3.50%
- Annual rate of CPI inflation dropped to 7.1% in Nov from 7.7% in Oct; core rate dipped to 6.3% (6.5%)

Ireland

- Annual rate of residential property price inflation eased in October, to 9.8% from 10.7% in September
- Dublin residential property prices were up 8.3% year-on-year in Oct, with prices outside Dublin up 11.0%
- Government 10-year bond yields rose for a 2nd week in a row, increasing by about 30bps to 2.65%

Monday	EA Labour Costs, Construction Output; US NAHB Housing Market Index
Tuesday	EA Consumer Confidence, Current A/C; US Housing Starts & Building Permits
Wednesday	UK Lloyds Business Barometer; US Consumer Confidence, Existing Home Sales
Thursday	IRL Wholesale Prices; UK GDP (Q3, final est.); US GDP (Q3, final est.), Jobless Claims
Friday	US Consumer Spending, Consumer Confidence, PCE Inflation, New Home Sales

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