

Weekly Round Up



17 February 2023

This week's highlights

EUR/\$

Loses more ground

Bond Yields

Higher on the week

US CPI Inflation

Dips in Jan

UK CPI Inflation

10.1% in Jan

Euro Area

- The euro lost ground against the dollar, falling to around \$1.06 from about \$1.08 at the start of the week
- German 10-year bond yields rose for a second week running, increasing by around 10bps to 2.45%
- ECB's Schnabel says there's a risk "inflation proves...more persistent than currently priced by markets"
- European Commission revised up its forecast for GDP growth in the zone this year to 0.9% (from 0.3%)

UK

- Sterling shed around one cent to \$1.1950 against the dollar; also a touch weaker versus euro at c.89p
- Government 10-year bond yields rose again this week, increasing by about 10bps to trade at 3.50%
- Annual rate of CPI inflation fell to 10.1% in Jan from 10.5% in Dec; core rate down to 5.8% from 6.3%
- Employment rose slightly in the final quarter of 2022 and the unemployment rate remained low at 3.7%

US

- Benchmark government 10-year bond yields rose again, up more than 15bps on the week to 3.90%
- Equities reversed course late in the week, with the S&P 500 down marginally from last Friday's close
- Annual rates of headline and core CPI inflation both eased a touch in Jan, to 6.4% and 5.6% respectively
- Fed's Mester says "we will need to bring (interest rates) above 5% and hold (them) there for some time"

Ireland

- The annual rate of consumer price inflation fell for a third month running in January, coming in at 7.8%
- Residential property prices nationally rose 7.8% in year to Dec'22, after 14.2% increase in year to Dec'21
- Unemployment rate unchanged in Jan (from Dec) at 4.4%, half a percentage point lower than in Jan'22
- Government 10-year bond yields followed the trend elsewhere, increasing by around 10bps to 2.90%

Mon Feb 20

UK Rightmove House Prices

Tue Feb 21

Flash PMIs EA, UK, US; EA ZEW Index; UK Public Sector Net Borrowing; US Philly Fed Index

Wed Feb 22

IRL Wholesale Prices; US Fed Minutes (Jan 31 / Feb 1 Meeting)

Thu Feb 23

IRL Labour Force Survey (Q4); EA CPI (Jan, final); UK CBI Retail Sales; US GDP (Q4, 2nd est.)

Fri Feb 24

UK Consumer Confidence; US PCE Inflation, Consumer Spending, Consumer Confidence, New Home Sales

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