



12 May 2023

This week's highlights

**Bank of England**

Hikes by 25bps

**EUR/\$**

Lower on the week

**US CPI Inflation**

Dips to 4.9%

**UK GDP**

-0.3% in March

**Euro Area**

- Euro lost ground against the dollar over the course of the week, shedding more than a cent to sub \$1.09
- German government 10-year yields fell for a third week running, down around 5bps to trade at 2.25%
- ECB's Schnabel says "we'll raise interest rates until signs core inflation is falling on a sustained basis"

**UK**

- Bank of England hiked rates by 25bps to 4.50%, bringing cumulative increase since Dec 2021 to 440bps.
- The Bank also left the door open to some further policy tightening if inflation pressures prove "persistent"
- Economy grew slightly in Q1 (0.1%) but ended quarter on a weak note, with GDP down 0.3% in March

**US**

- Market believes Fed is done raising interest rates and is pricing in rate cuts over second half of this year
- Both the headline and core rates of CPI inflation nudged down in April, to 4.9% and 5.5% respectively
- Benchmark 10-year yields finished more than 10bps off intra-week highs trading at about 3.40%

**Ireland**

- The annual rate of CPI inflation fell for second month running in April, coming in at 7.2% (7.7% in March)
- The number of payroll employees rose by 0.2% in March and was 3.4% higher than in March 2022
- New private cars licensed in April stood at 11,277, an increase of 12% on the same month last year

Mon May 15

**EA** Industrial Production, European Commission Economic Forecast; **US** Empire Manufacturing Index

Tue May 16

**EA** GDP & Employment (Q1), ZEW Index; **UK** Labour Market Report; **US** Retail Sales, Industrial Production

Wed May 17

**IRL** Residential Property Prices, Goods Exports & Imports; **EA** CPI; **US** Housing Starts & Building Permits

Thu May 18

**US** Jobless Claims, Existing Home Sales, Philly Fed Index, Leading Index

Fri May 19

**IRL** Monthly Services Index; **UK** Consumer Confidence

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