



19 May 2023
This week's highlights

<p>Dollar</p> <p>Still on front foot</p>	<p>Bond Yields</p> <p>Spike higher</p>	<p>EA CPI Inflation</p> <p>Confirmed at 7%</p>	<p>UK Unemployment</p> <p>Ticks up in Q1</p>
---	---	---	---

Euro Area

- Euro lost ground against the dollar for a 2nd week running, shedding more than half a cent to sub \$1.08
- Government bond yields generally spiked higher this week, with German 10-year yields +20bps to 2.47%
- The annual rate of headline CPI inflation confirmed at 7% in April, up very slightly from 6.9% in March

UK

- Pound fell by half a cent against the dollar to trade below \$1.2450; marginally firmer v euro below 87p
- Government 10-year bond yields rose by the best part of 25bps to 4.0%, a circa seven-month high
- Unemployment ticked up to 3.9% in Q1 (3.7% in Q4), mainly reflecting rise in labour force participation

US

- Market changed tack this week and is now pricing in some chance of a 25bps Fed rate hike in June
- Benchmark government 10-year bond yields rose by 20bps to 3.65% and up some 30bps since early May
- The value of retail sales rose by 0.4% in April, following month-on-month falls of 0.7% in both Feb & Mar

Ireland

- The annual rate of residential property price inflation slowed to 3.9% in March from 5.1% in February
- Dublin property prices were up 1.7% year-on-year in March, while prices outside Dublin were up 5.7%
- In Q1, the value of goods exports fell by 3% on same quarter in 2022, while value of imports rose 10%

Mon May 22	IRL Wholesale Prices; EA Construction Output, Consumer Confidence; UK Rightmove House Prices
Tue May 23	EA, UK and US Flash PMIs; UK Public Sector Borrowing; US New Home Sales
Wed May 24	IRL Labour Force Survey (Q1); UK CPI, PPI, House Prices; US Minutes of Fed's May 1-2 meeting
Thu May 25	US Jobless Claims, GDP (Q1, 2nd est.)
Fri May 26	UK Retail Sales; US PCE Inflation, Consumer Spending, Durable Goods Orders

Contact Us at economics@boi.com

www.Corporate-Economy.BankofIreland.com

Disclaimer

This document has been prepared by the Economic Research Unit at The Governor and Company of the Bank of Ireland ("BOI") for information purposes only and BOI is not soliciting any action based upon it. BOI believes the information contained herein to be accurate but does not warrant its accuracy nor accepts or assumes any responsibility or liability for such information other than any responsibility it may owe to any party under the European Union (Markets in Financial Instruments) Regulations 2017 as may be amended from time to time, and under the Financial Conduct Authority rules (where the client is resident in the UK), for any loss or damage caused by any act or omission taken as a result of the information contained in this document. Any decision made by a party after reading this document shall be on the basis of its own research and not be influenced or based on any view or opinion expressed by BOI either in this document or otherwise. This document does not address all risks and cannot be relied on for any investment contract or decision. A party should obtain independent professional advice before making any investment decision. Expressions of opinion contained in this document reflect current opinion as at 19th May 2023 and is based on information available to BOI before that date. This document is the property of BOI and its contents may not be reproduced, either in whole or in part, without the express written consent of a suitably authorised member of BOI. Bank of Ireland is authorised and regulated by the Central Bank of Ireland. Authorised by the Prudential Regulation Authority and with deemed variation of permission. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. The nature and extent of consumer protections may differ from those for firms based in the UK. Details of the Temporary Permissions Regime, which allows EEA-based firms to operate in the UK for a limited period while seeking full authorisation, are available on the Financial Conduct Authority's website. The Governor and Company of the Bank of Ireland is incorporated in Ireland with limited liability. Registered Office 40 Mespil Road, Dublin 4, Ireland.

Registered Number C1.

[Update My Preferences](#)

If you'd rather not receive future e-mails from us, please [opt-out here](#).