



26 May 2023

This week's highlights

Dollar

Firmer again

Bond Yields

Higher again

UK CPI Inflation

Down to 8.7%

US PCE Inflation

4.4% in April

Euro Area

- The euro lost ground against the dollar again this week, shedding more than half a cent to under \$1.0750
- German government 10-year bond yields rose for a 2nd week running, increasing by 10bps to 2.53%
- The Composite PMI dipped in May but at 53.1 still consistent with expanding economic activity

UK

- The annual rate of headline CPI inflation fell to 8.7% in April, but core rate (unexpectedly) rose to 6.8%
- Bond yields soared as market priced in more aggressive BOE rate hikes: 2-year yields +55bps to 4.50%
- Higher yields didn't help sterling though, which was about a cent lower against the dollar at c.\$1.2350

US

- Annual rate of PCE inflation ticked up to 4.4% in April (4.2% in March), core rate nudged up 4.7% (4.6%)
- Government 10-year bond yields rose for 4th week running, increasing by about 15bps to almost 3.85%
- The Biden administration and Congress appeared to make some progress towards a 'debt ceiling' deal

Ireland

- Employment rose by 102,700 - or 4.1% - in the year to Q1 2023 to reach a record high of over 2.6 million
- The unemployment rate fell to 4.1% in Q1 from 4.4% in final quarter of 2022, estimated at 3.9% in April
- Like elsewhere, government bond yields rose on the week with 10-year yields 10bps higher at 2.95%

Mon May 29

IRL Retail Sales; UK Nationwide House Prices; OECD Economic Outlook

Tue May 30

EA Money Supply, Economic Sentiment Indicator; US Consumer Confidence, House Prices

Wed May 31

IRL Unemployment, Flash HICP, Earnings & Labour Costs; EA CPI, Unemployment; UK Lloyds Business Barometer; US Job Openings

Thu Jun 1

IRL, EA, UK, US Manufacturing PMIs; IRL Building & Construction Output; EA CPI, Unemployment; UK Mortgage Approvals; US ISM Manufacturing Index, Jobless Claims

Fri Jun 2

US Employment (Payrolls) Report

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