



5 May 2023

This week's highlights

**ECB & Fed**

Both hike by 25bps

**EUR/\$**

Marginally lower

**Euro area Inflation**

Ticks up to 7%

**US Payrolls**

+253k in April

**Euro Area**

- ECB raised key interest rates by 25bps, taking the deposit and refi rates to 3.25% & 3.75% respectively
- Further hikes ahead, as ECB said it will increase rates to 'sufficiently restrictive' level to get inflation to 2%
- The annual rate of inflation ticked up to 7% in April according to flash reading, core rate dipped to 5.6%
- Euro bounced around against the dollar during the week but marginally lower overall just below \$1.10

**UK**

- The pound gained around half a cent to c.\$1.26 against the dollar, touch firmer versus the euro at 87.5p
- Government 10-year bond yields were marginally higher on the week trading at around 3.75%
- Mortgage approvals for house purchase increased for a 2nd month in a row in March, according to BOE
- House prices rose in April for the first time since August last year, increasing by 0.5% from March

**US**

- Fed raised interest rates by 25bps, which brought the cumulative increase since March 2022 to 500bps
- The Fed retained a 'tightening bias', but indicated a pause in rate-hiking cycle is possible at June meeting
- Economy added 253k jobs in April according to latest payrolls report, following a gain of 165k in March
- Unemployment dipped to 3.4% last month, while y-o-y increase in hourly earnings ticked up to 4.4%

**Ireland**

- The unemployment rate edged down to 3.9% in April from 4.0% the previous month.
- Exchequer returns show tax receipts in Jan-Apr were 14.2% (or €3bn) ahead of same period last year.
- Government 10-year bond yields were a little higher on the week trading just above 2.70%

Mon May 8

IRL Live Register

Tue May 9

IRL Industrial Production, New Vehicle Licenses; **UK** BRC Retail Sales; **US** Small Business Optimism Index

Wed May 10

IRL Services Index; **US** CPI, Real Hourly Earnings

Thu May 11

IRL CPI; **UK** Bank of England MPC Meeting **US** Jobless Claims, Producer Prices

Fri May 12

IRL Payroll Employees; **UK** GDP (March & Q1), Trade Balance; **US** Consumer Confidence, Import Prices

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