



2 June 2023

This week's highlights

EUR/\$

Off lows

Sterling

Firmer on the week

EA CPI Inflation

Falls to 6.1%

US Payrolls

+339k in May

Euro Area

- The euro rebounded from intra-week lows of sub \$1.0650 against the dollar to trade at about \$1.0750
- German government 10-year bond yields reversed last week's increase, falling by 25bps to 2.30%
- Annual rate of CPI inflation fell to 6.1% in May from 7% in April, with the core rate dipping to 5.3% (5.6%)

UK

- The pound gained 1.5 cents against the dollar to \$1.25; and about a penny firmer v euro at just under 86p
- Government 10-year bond yields reversed about half of last week's increase, falling circa 15bps to 4.15%
- House prices dipped 0.1% in May according to Nationwide, after 0.4% gain in April, and down 3.4% y-o-y

US

- Economy added 339k jobs in May according to payrolls report, after upward revised gain of 294k in April
- Unemployment rate ticked up to 3.7% though (3.4% in April), while y-o-y earnings growth dipped to 4.3%
- Government 10-year bond yields fell by 15bps to 3.65%; market pared back likelihood of June rate hike

Ireland

- GDP fell by 4.6% q-o-q in Q1, due to volatile multinational-dominated industry sector, and by 0.2% y-o-y
- Domestic economy performed solidly in Q1 - modified domestic demand up 2.7% q-o-q and +5.5% y-o-y
- Annual HICP inflation fell to 5.4% in May (6.3% in Apr); unemployment at new low of 3.8% last month

Mon Jun 5

EA, UK & US Services PMIs; **EA** PPI; **US** ISM Services Index, Factory Orders

Tue Jun 6

IRL Services PMI; **EA** Retail Sales; **UK** BRC Retail Sales, Construction PMI

Wed Jun 7

IRL Industrial Production; **US** Consumer Credit, Trade Balance, Mortgage Applications; **OECD** Economic Outlook

Thu Jun 8

IRL CPI, Household Saving (Q1); **EA** GDP & Employment (Q1, final); **UK** RICS Housing Survey; **US** Jobless Claims, Household Net Worth

Fri Jun 9

IRL Services Index, New Vehicle Licenses, Planning Permissions (Q1)

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