



30 June 2023

This week's highlights

EUR/\$

Unchanged

Bond Yields

Pop higher

EA CPI Inflation

5.5% in June

US PCE Inflation

3.8% in May

Euro Area

- The single currency was largely unchanged against the dollar on the week overall, trading at about \$1.09
- German government 10-year bond yields reversed about half of last week's fall, rising by 6bps to 2.41%
- Annual rate of headline CPI inflation fell to 5.5% in June (6.1% in May); core rate ticked up to 5.4%

UK

- The pound was marginally lower against the dollar trading just under \$1.27; flat vis-a-vis euro at c.86p
- Government 10-year bond yields increased by almost 10bps on the week to around 4.40%
- House prices up 0.1% in June according to Nationwide measure, still 3.5% lower than in June 2022

US

- Annual rate of headline PCE inflation fell to 3.8% in May from 4.3% in April; core rate dipped to 4.6%
- Economy grew bit more strongly in Q1 2023 than previously estimated, with GDP rising by 0.5% q-o-q
- Government 10-year bond yields increased by 10bps to 3.83%, albeit hitting almost 3.90% at one point

Ireland

- The volume of retail sales in May fell by 1.6% from April, though it was still 5.1% higher than in May 2022
- Annual HICP inflation down to 4.8% in June from 5.4% in May, continues to run below EA rate (5.5%)
- Government 10-year bond yields followed trend elsewhere, increasing by around 10bps to circa 2.82%

Mon Jun 12

IRL, EA, UK & US Manufacturing PMIs; **US** ISM Manufacturing Index, Construction Spending

Tue Jun 13

IRL Exchequer Returns; **US** Independence Day

Wed Jun 14

IRL, EA & UK Services PMIs; **IRL** Unemployment; **EA** Producer Prices; **US** Factory Orders, Fed Minutes

Thu Jun 15

IRL Services Index; **EA** Retail Sales; **UK** Construction PMI; **US** Services PMI, ISM Services Index, ADP Report, Jobless Claims

Fri Jun 16

IRL Live Register; **UK** Output per hour; **US** Employment (Payrolls) Report

Contact Us at economics@boi.com

www.Corporate-Economy.BankofIreland.com

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