



21 July 2023

This week's highlights

**UK CPI Inflation**

Down to 7.9%

**Sterling**

Loses ground

**UK Bond Yields**

Fall on the week

**EUR/\$**

Marginally lower

**Euro Area**

- Euro came off the boil against the dollar in latter part of week, shedding around a cent to just shy of \$1.11
- German 10-year bond yields rose by almost 10bps from early week lows to finish down a touch at 2.45%
- ECB meets this coming Thursday with the market fully priced for another 25bps hike in interest rates

**UK**

- Annual headline inflation rate fell to 7.9% in June from 8.7% in May; core rate dipped to 6.9% from 7.1%
- The pound lost ground post inflation data, falling to \$1.2850 and 86.6p versus dollar & euro respectively
- Bond yields fell by 15-20bps across the curve as market lowered expected peak in BOE rates (to c.6%)

**US**

- Number of new jobless claimants fell to a 2-month low last week, suggests labour market remains tight
- Benchmark government 10-year bond yields were marginally lower on the week overall at about 3.82%
- Fed meets next Tuesday/Wednesday with the market expecting it to increase interest rates by 25bps.

**Ireland**

- Residential property price inflation nationally eased again in May to 2.4% year-o-year (from 3.4% in April)
- Value of goods exports in Jan-May down 6% on same period in 2022, while goods imports were up 5%
- Government 10-year bond yields were slightly lower on the week as a whole trading just below 2.85%

Mon Jul 24

**EA, UK & US** Flash PMIs; **US** Chicago Fed National Activity Index

Tue Jul 25

**UK** CBI Industry Survey; **US** Consumer Confidence, House Prices

Wed Jul 26

**IRL** New Dwelling Completions (Q2); **EA** Money Supply; **US** Fed Meeting, New Home Sales

Thu Jul 27

**EA** ECB Meeting; **UK** CBI Retail Sales Survey; **US** GDP (Q2, 1st est.), Jobless Claims, Capital Goods Orders, Trade Balance

Fri Jul 28

**IRL** Preliminary GDP Estimate (Q2); Flash HICP Inflation; Retail Sales; **EA** Economic Sentiment Indicator; **UK** Nationwide House Prices; **US** PCE Inflation, Employment Cost Index (Q2), Consumer Spending

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