



28 July 2023

This week's highlights

ECB

Hikes rates again

Fed

Raises rates 25bps

US GDP

+0.6% in Q2

US PCE Inflation

Falls to 3%

Euro Area

- ECB raised interest rates by another 25bps, taking deposit & refi rates to 3.75% and 4.25% respectively
- It was non-committal about Sept meeting, saying it could hike or pause depending on the economic data
- Euro fell by 1.25 cents to \$1.10 against the dollar; German 10-year yields largely unchanged at 2.47%

UK

- Sterling fell by almost 1.5 cents from its intra-week highs against the dollar to trade at around \$1.2870
- Government 10-year bond yields reversed some of last week's fall, rising by around 5bps to 4.33%
- The Composite PMI fell to 50.7 in July, suggesting continued modest economic growth at the start of Q3

US

- Fed hiked interest rates by 25bps as expected; benchmark 10-year yields up 10bps on week to 3.95%
- Pace of GDP growth picked up slightly in Q2 to 0.6% quarter-on-quarter, from 0.5% in the first quarter
- The annual rate of PCE inflation fell to 3% in June from 3.8% in May; core rate down to 4.1% from 4.6%

Ireland

- GDP rebounded in Q2 according to initial estimate, increasing by 3.3% q-o-q after falling by 2.8% in Q1
- The annual rate of HICP inflation dipped to 4.6% in July according to flash reading, from 4.8% in June
- Retail sales volumes rose by 4% q-o-q in Q2, after a gain of 1.4% in Q1, and were up 6.9% on Q2 2022

Mon Jul 31

EA GDP (Q2), CPI; UK Mortgage Approvals; US Chicago PMI

Tue Aug 1

IRL, EA, UK & US Manufacturing PMIs; EA Unemployment; UK Lloyds Business Barometer, Nationwide House Prices; US ISM Manufacturing Index, Job Openings, Construction Spending

Wed Aug 2

IRL Unemployment; US ADP Employment Report

Thu Aug 3

IRL, EA, UK & US Services PMIs; EA PPI; UK BOE Meeting; US ISM Services Index, Jobless Claims, Unit Labour Costs, Factory Orders

Fri Aug 4

IRL Services Index, Live Register; EA Retail Sales; UK Construction PMI; US Employment (Payrolls) Report

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