



7 July 2023

This week's highlights

EUR/£

Lower

Bond Yields

Rise further

US Payrolls

+209k in June

US Jobless Rate

Dips to 3.6%

Euro Area

- Euro little changed against the dollar at around \$1.09; about half a penny lower against pound sub 85.5p
- The market is currently pricing in a further 50bps increase in ECB interest rates by the end of this year
- German government 10-year bond yields rose by more than 20bps on the week to almost 2.65%

UK

- Market sees the Bank of England raising interest rates by another 150bps to 6.5% by early next year
- Government 10-year bond yields jumped by around 30bps to 4.69%, highest level since late 2008
- The pound gained almost a cent against the dollar over the week to trade just shy of \$1.28

US

- Economy added 209k jobs in June according to Friday's payrolls report, after a gain of 306k in May
- Unemployment rate nudged down to 3.6% last month, while hourly earnings growth held at 4.4% yoy
- Government 10-year bond yields rose by 20bps to 4.05%, not far off cycle high to date of 4.25% last Oct

Ireland

- Exchequer returns showed tax receipts for Jan-Jun were €4 billion - or 10.9% - ahead of Jan-Jun 2022
- Government says Budget 2024 in October will deliver an overall tax/spending package of €6.4 billion
- In the labour market, the unemployment rate remained unchanged in June from May at 3.8%

Mon Jul 10

IRL Industrial Production, New Vehicle Licenses; **EA** Sentix Investor Confidence; **US** Wholesale Inventories, Consumer Credit

Tue Jul 11

IRL Earnings & Labour Costs; Agricultural Prices; **EA** ZEW Index; **UK** Labour Market Report, BRC Retail Sales; **US** Small Business Optimism Index

Wed Jul 12

IRL Payroll Estimates; **EA** Producer Prices; **US** CPI, Real Hourly Earnings, Fed Beige Book

Thu Jul 13

IRL CPI; **EA** Industrial Production; **UK** GDP, Trade Balance, RICS Housing Survey; **US** Producer Prices, Jobless Claims, Monthly Budget Statement

Fri Jul 14

IRL Quarterly National Accounts & International Accounts Q1 2023, Annual National Accounts 2022; **EA** Trade Balance; **US** Consumer Consumer Confidence, Import Prices

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