



18th August 2023
This week's highlights

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| <p>EUR/\$</p> <p>Lower on the week</p> | <p>US Bond Yields</p> <p>Higher again</p> | <p>UK CPI Inflation</p> <p>Falls to 6.8%</p> | <p>UK Wage Growth</p> <p>Picks up in Q2</p> |
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Euro Area

- Euro trended lower against dollar and sterling over the week, weakening to around \$1.0850 and 85.5p
- German government 10-year bond yields were broadly flat on the week trading just below 2.65%
- GDP rose by 0.3% q-o-q in Q2 according to 2nd estimate (same as 1st estimate), having stagnated in Q1

UK

- Annual rate of headline CPI inflation fell to 6.8% in July (7.9% in June), but core rate remained at 6.9%
- Wage growth picked up in Q2, with weekly earnings increasing by 7.8% y-o-y after a 6.8% gain in Q1
- Market pricing now sees Bank of England interest rates peaking at around 6% by early next year
- Pound little changed on week against dollar (\$1.27), while 10-year gilt yields up almost 20bps to 4.70%

US

- Value of retail sales rose by greater than expected 0.7% in July, after upward revised 0.3% gain in June
- Fed minutes (Jul meeting) showed "most participants continued to see significant upside risks to inflation"
- Benchmark government 10-year yields rose to fresh cycle high of over 4.30% before retreating to 4.27%

Ireland

- Annual rate of residential property price inflation nationally eased to 2.2% in June from 2.6% in May
- The number of payroll employees was unchanged in June from May and was 2.6% higher than in Jun'22
- Value of goods exports rose by 10.4% y-o-y in June, while value of goods imports was 4.1% lower y-o-y
- Over first half of 2023, goods exports were down 3% on H1'22 while goods imports were 2% higher

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| Mon Aug 21 | UK Rightmove House Prices |
| Tue Aug 22 | IRL Wholesale Prices; EA Current Account; UK ; Public Sector Net Borrowing, CBI Industry Survey; US Existing Home Sales |
| Wed Aug 23 | EA, UK and UK Flash PMIs (August); EA Consumer Confidence; US New Home Sales |
| Thu Aug 24 | IRL Labour Force Survey (Q2); UK CBI Retail Sales Survey; US Jobless Claims, Capital Goods Orders, Fed's Jackson Hole Conference begins |

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