



25th August 2023
This week's highlights

<p>PMIs</p> <p>Soften in August</p>	<p>UK Bond Yields</p> <p>Sharp fall</p>	<p>Sterling</p> <p>Loses ground</p>	<p>EUR/\$</p> <p>Lower on the week</p>
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Euro Area

- Composite PMI fell further below 50 expansion-contraction threshold in Aug, suggests GDP may fall in Q3
- German 10-year bond yields fell back from Monday's intra-week high of 2.70%, declining to 2.57%
- Euro lost ground against the dollar for a 6th week running, shedding a cent to trade just below \$1.08

UK

- The Composite PMI fell below the key 50 level in August, pointing to a contraction in economic activity
- Market pared back expectations for further BOE rate hikes, 10-year gilt yields 20bps lower at 4.47%
- Pound shed around 1.5 cents to \$1.2575 against the dollar, also a touch softer vis-a-vis the euro at 85.8p

US

- The Composite PMI dropped for a third month running in August, falling to 50.4 from 52.0 in July
- Fed's Powell: "prepared to raise rates further if appropriate", keep policy "restrictive" to reach 2% inflation
- 10-year bond yields rose to fresh cycle high of 4.35% early in the week, before retreating to about 4.25%

Ireland

- Employment rose by 88,400 (+3.5%) y-o-y in Q2 2023, taking number in work to a record high of 2.64m
- Unemployment rate was unchanged in Q2 from Q1 at 4.2%, estimated to have dipped to 4.1% in July
- Mortgage approvals for first-time buyers rose by 22.8% y-o-y in volume terms in July, up 26.7% in value

Mon Aug 28	IRL Retail Sales; EA Money Supply & Credit Growth
Tue Aug 29	IRL Earnings & Labour Costs (Q2); US Consumer Confidence, House Prices, Job Openings
Wed Aug 30	IRL Flash HICP; EA Economic Sentiment Indicator; UK Mortgage Approvals, Mortgage Lending, Consumer Credit; US GDP (Q2, 2nd est.), ADP Employment, Trade Balance, Pending Home Sales
Thu Aug 31	EA Flash CPI, Unemployment; US PCE Inflation, Consumer Spending, Jobless Claims, Chicago PMI Index
Fri Sep 1	IRL GDP (Q2), International Accounts (Q2); IRL, EA, UK & US Manufacturing PMI; EA EU Commission Forecasts; UK Nationwide House Prices; US Employment (Payrolls) Report, ISM Manufacturing Index, Construction Spending

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