



4th August 2023

This week's highlights

**Bank of England**

Hikes by 25bps

**Sterling**

Loses ground

**US Bond Yields**

Spike higher

**US Payrolls**

+187k in July

**Euro Area**

- The euro fell to an intra-week low of almost \$1.09 against the dollar before recovering to about \$1.10
- German government 10-year bond yields rose by just over 10bps on the week to 2.60%
- ECB's Lane says inflation "should come down quite a lot later this year", helped by lower energy prices

**UK**

- Bank of England voted 6-3 to hike rates 25bps to 5.25% - 2 of 3 preferred 50bps hike and 1 no change
- BOE said it will ensure rates are "sufficiently restrictive for sufficiently long" to return inflation to 2%
- Pound shed around a cent to \$1.2760 against the dollar, also weaker vis-a-vis the euro at 86.25p

**US**

- The economy added 187k jobs in July according to payrolls report, after a gain of 185k in June
- The unemployment rate dipped to 3.5% from 3.6% in June, while wage growth remained at 4.4% y-o-y
- There was a notable enough spike in government 10-year bond yields, which rose by 20bps to 4.15%

**Ireland**

- Exchequer returns show tax receipts for Jul (€6.9bn) up 4.6% y-o-y & for Jan-Jul (€47.8bn) +10% y-o-y
- Unemployment rate in June revised up to 4.2% from initial estimate of 3.8%, dipped to 4.1% in July
- Output in the services sector rose by 2.4% in Q2, after a gain of 4.2% in Q1, and was up 3.4% on Q2'22

Mon Aug 7

**EA** Sentix Investor Confidence; **US** Consumer Credit

Tue Aug 8

**UK** BRC Retail Sales; **US** Small Business Optimism Index, Trade Balance, Wholesale Inventories

Wed Aug 9

**IRL** Industrial Production; Vehicle Licenses; **US** MBA Mortgage Applications

Thu Aug 10

**IRL** CPI; **EA** ECB Monthly Bulletin; **UK** RICS Housing Survey; **US** CPI, Real Hourly Earnings, Jobless Claims, Monthly Budget Statement

Fri Aug 11

**UK** GDP (June and Q2), Trade Balance; **US** University of Michigan Consumer Confidence, Producer Prices

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