



22 September 2023  
This week's highlights

<p><b>Fed</b></p> <p>'Hawkish' Hold</p>	<p><b>BOE</b></p> <p>Rates unchanged</p>	<p><b>UK Core Inflation</b></p> <p>Sharp fall</p>	<p><b>PMIs</b></p> <p>Soft again in Sept</p>
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**Euro Area**

- The euro fell back from an intra-week high of almost \$1.0740 to trade at around \$1.0640 on Friday.
- Flash Composite PMI improved slightly in Sep but remained below 50 level (47.1) for 4th month in a row.
- ECB's Knot says, with interest rates at current level, "credible prospect" of inflation returning to 2% target.

**UK**

- The BoE's MPC voted 5-4 to keep rates on hold at 5.25%, with four dissenters preferring a 25bps hike.
- Headline CPI inflation touch lower in Aug at 6.7%, but sharp fall in core inflation to 6.2% from 6.9% in Jul.
- Composite PMI fell to 46.8 in Sep, adding to pound's woes (down to 1.2250 against \$ & to 86.8p v euro).

**US**

- Fed left interest rates on hold (5.25%-5.5%) this week, but indicated it could hike again before end-23.
- It also pared back extent of expected rate cuts in 2024 & 2025, by 50bps for each year (to 5.1% & 3.9%).
- Dollar generally firmer on the week, while government 10-year bond yields rose by circa 15bps to 4.49%.

**Ireland**

- Residential property prices nationally rose 0.3% in July, with y-o-y increase easing to 1.5% (2.1% in Jun).
- On an annual basis, Dublin property prices fell by 1.4% in July, while prices outside Dublin rose by 3.8%.
- Government 10-year bond yields rose for a 3rd consecutive week, increasing by almost 10bps to 3.15%.

Mon Sep 25	<b>IRL</b> Population/Migration Estimates (2023); <b>UK</b> CBI Industry Survey; <b>US</b> Chicago Fed National Activity Index
Tue Sep 26	<b>US</b> Consumer Confidence, House Prices
Wed Sep 27	<b>EA</b> Money Supply & Credit Growth; <b>US</b> Durable Goods Orders
Thu Sep 28	<b>IRL</b> Flash HICP Inflation; <b>EA</b> Economic Sentiment Indicator; <b>UK</b> Nationwide House Prices; <b>US</b> GDP (Q2, final), Jobless Claims
Fri Sep 29	<b>EA</b> Flash CPI (Sep); <b>UK</b> GDP (Q2, final), Mortgage Approvals, Lloyds Business Barometer; <b>US</b> PCE Inflation, Consumer Spending, University of Michigan Consumer Confidence (Sep, final)

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