

## Economic Research Unit



1st September 2023

This week's highlights

**EUR/USD**

Unchanged

**Euro Area Inflation**

5.3% Y-o-Y in Aug

**US Payrolls**

+187k in Aug

**Irish GDP**

+0.5% Q-o-Q in Q2

**Euro Area**

- The euro rises to over \$1.09 midweek versus the dollar but ends week unchanged at \$1.08
- German 10-year Bund yield declines marginally to 2.5%
- Headline and core inflation at 5.3% in August (headline above expectations, core in line)
- Economic Sentiment Index down a touch in August, unemployment rate unchanged in July at 6.4%

**UK**

- Pound gains about 1c to a little under \$1.27 midweek then back to \$1.26, at £0.856 versus the euro
- 10 year gilt yield falls marginally to 4.4%
- Nationwide house prices fall 0.8% m-o-m and 5.3% y-o-y in August, worse than expected
- Mortgage approvals for July come in at 49k vs expectations for 51k

**US**

- 10-year Treasury yield down roughly 5bp on the week, to just under 4.2%; S&P 500 up over 2%
- PCE inflation for July in line with expectations at 3.3% (headline) and 4.2% (core). Personal spending up healthy 0.8% on the month
- August payrolls up 187k, a touch better than expected, but unemployment rate up to 3.8% from 3.5%
- ISM Manufacturing index for August comes in at 47.6, a touch above expectations

**Ireland**

- 10-year government bond yield down fractionally to end the week at 2.9%
- GDP rose 0.5% q-on-q in Q2, with Modified Domestic Demand up 1.0% q-on-q
- Retail sales were soft in July, down 0.8%, though possibly partly due to bad weather
- The flash reading for August HICP inflation came in at 4.9%, up from 4.6% in July

Mon Sep 4

IRL Construction Output, Exchequer Returns

Tue Sep 5

IRL Services PMI; UK Services/Composite PMI; EA Services/Composite PMI, Producer Prices; US Factory Orders/Durable Goods

Wed Sep 6

IRL Unemployment Rate, Services Index; UK Construction PMI; EA Construction PMI, Retail Sales; US Services/Composite PMI, ISM Services, Trade Balance, Fed Beige Book

Thu Sep 7

IRL Inflation Rate, Household Savings; EA Final Q2 GDP; US Initial Jobless Claims

Fri Sep 8

IRL Industrial Production, Planning Permissions; US Consumer Credit

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