

Economic Research Unit



8th September 2023
This week's highlights

FX Market

US dollar gains

Equities

Pull back

US Beige Book

Modest growth

Irish Inflation

6.3% in August

Euro Area

- The euro was down about 1 cent on the week to trade at around \$1.0725
- German 10-year Bund yield rises about 5bp to just under 2.6%
- Retail sales were down 0.2% m-on-m in July, August construction PMI was weak at 43.4
- GDP was up 0.5% y-on-y in Q2, while employment was up 1.3% y-on-y

UK

- Pound drops roughly 1 cent to c.\$1.25 vs the dollar, broadly unchanged vs the euro at £0.858
- 10 year gilt yield largely unchanged at 4.42%
- Construction PMI holding up better than the Euro Area - at 50.8 in August vs 51.7 prior
- Halifax house prices down 1.9% m-on-m and 4.6% y-on-y in August

US

- 10-year Treasury yields up slightly on the week to 4.2%; S&P 500 down a bit more than 1%
- Factory orders were down 2.1% m-on-m in July, broadly as expected
- ISM Services Index comes in stronger than expected in August, at 54.5 vs 52.7 prior
- Fed Beige Book finds growth in activity and jobs was 'modest' and 'subdued' respectively in July/August

Ireland

- 10-year government bond yield rises over 5bp to end the week at just below 3.0%
- Consumer price inflation ticked up to 6.3% in August from 5.8% in July, core rate at 6.4%
- The unemployment rate held steady at 4.1% in August
- Planning permissions for new dwellings were up 3% y-on-y in the first half of 2023

Mon Sep 11

UK BoE Pill Speech **EA** EU Commission Forecasts

Tue Sep 12

UK Labour Market Data; **EA** ZEW Economic Sentiment Index **US** NFIB Small Business Optimism

Wed Sep 13

IRL Monthly Payrolls ; **UK** Monthly GDP, Trade Balance; Industrial Production **EA** Industrial Production; **US** Consumer Price Inflation

Thu Sep 14

UK RICS House Price Balance; **EA** ECB Monetary Policy Decision; **US** Retail Sales, Producer Prices

Fri Sep 15

IRL Trade Data; **EA** ECB President Lagarde Speech, Trade Balance, Wage Growth; **US** Industrial Production, U. of Michigan Sentiment

Contact Us at economics@boi.com

www.Corporate-Economy.BankofIreland.com

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