



27 October 2023

This week's highlights

ECB

Goes on hold

EUR/\$

Marginally lower

US GDP

Strong growth in Q3

US PCE Inflation

3.4% in Sept

Euro Area

- ECB left interest rates unchanged as expected, and indicated it is likely to remain on hold for some time.
- The euro was marginally lower against the dollar at \$1.0540 and unchanged against sterling at 87p.
- Composite PMI fell further below key 50 level in Oct, suggesting economy remained weak at start of Q4.

UK

- Composite PMI was little changed in Oct but still below 50, pointing to continued weak economic activity.
- Pound shed almost 0.5 cents against dollar to \$1.2120 (and well down from intra-week high near \$1.23).
- Government 10-year bond yields reversed course this week, falling by around 10bps or so to 4.55%.

US

- The economy grew strongly in Q3 driven by consumer spending, with GDP increasing by 1.2% from Q2.
- Annual headline PCE inflation rate steady at 3.4% in Sep; core rate dipped to 3.7% from 3.8% in Aug.
- Benchmark 10-year bond yields briefly breached the 5% level before falling back by 15bps to 4.86%.

Ireland

- GDP fell 1.8% q-o-q in Q3 (-4.7% y-o-y) according to CSO's early estimate, which is subject to revision.
- Annual rate of HICP inflation down to 3.6% in Oct from 5% in Sep, driven by fall in energy price inflation.
- Retail sales volumes declined for 5th month in a row in Sep, falling by 1.2% from Aug (but up 2.5% y-o-y).

Mon Oct 30

EA Economic Sentiment Indicator; **UK** Mortgage Approvals, Nationwide House Prices

Tue Oct 31

IRL Consumer Confidence; **EA** GDP (Q3), CPI; **UK** Lloyds Business Barometer; **US** Employment Cost Index, Consumer Confidence, House Prices

Wed Nov 1

IRL Manufacturing PMI; **UK** Nationwide House Prices, Manufacturing PMI; **US** Fed Meeting, ADP Employment, Job Openings, ISM Manufacturing Index, Construction Spending

Thu Nov 2

IRL Unemployment, Exchequer Returns; **EA** Manufacturing PMI; **UK** Bank of England Meeting; **US** Jobless Claims, Unit Labour Costs, Factory Goods Orders

Fri Nov 3

IRL Services PMI; **EA** Unemployment; **UK** Services PMI; **US** Employment (Payrolls) Report, ISM Services Index, Services PMI

Contact Us at economics@boi.com

www.Corporate-Economy.Bankofireland.com

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