



10 November 2023
This week's highlights

<p>Bond Yields</p> <p>Higher on the week</p>	<p>EUR/\$</p> <p>A little softer</p>	<p>Sterling</p> <p>Loses ground</p>	<p>UK GDP</p> <p>Flat in Q3</p>
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Euro Area

- The euro was a touch softer against the dollar, shedding around a half a cent or so to trade at \$1.0680.
- German 10-year bond yields partially reversed last week's fall, increasing by almost 10bps to 2.72%.
- ECB members push back against interest rate cuts, saying discussing lowering rates is too "premature".

UK

- Economy stagnated in Q3 with GDP flat in the quarter, having increased by 0.2% in Q2 and 0.3% in Q1.
- Higher interest rates took a toll on consumer spending and business investment, both down q-o-q in Q3.
- Pound fell as market priced in earlier start to rate cuts in 2024, declining to \$1.22 v \$ and 87.5p v euro.

US

- Fed's Powell says central bank "not confident" interest rates "sufficiently restrictive" to get inflation to 2%.
- He also adds that the Fed "will not hesitate to tighten policy further if it becomes appropriate to do so."
- Long-term Treasury yields remain volatile, with 10-year yields ending the week c.5bps higher at 4.60%.

Ireland

- CPI inflation resumed its descent in Oct, having risen in Aug-Sep, falling to a near 2-year low of 5.1%.
- New private cars licensed in Oct up just 1% y-o-y (at 4,587), but 16% ahead for Jan-Oct (at 114,069).
- Manufacturing output fell 22.8% y-o-y in Q3, reflecting a 24.1% decline in output in the "modern" sector.

Mon Nov 13	UK Rightmove House Prices; US Monthly Budget Statement
Tue Nov 14	EA GDP & Employment (Q3), ZEW Index; UK Labour Market Data; US CPI, Real Hourly Earnings; Small Business Optimism Index
Wed Nov 15	IRL Goods Exports & Imports, Payroll Employees, Residential Property Prices; EA Industrial Production, Trade Balance, European Commission Economic Forecasts; UK CPI, Producer Prices, House Prices; US Retail Sales, Producer Prices, Empire Manufacturing Index
Thu Nov 16	IRL Inbound Tourism; US Industrial Production, Jobless Claims, NAHB Housing Market Index, Philadelphia Fed Manufacturing Index, Import Prices
Fri Nov 17	EA CPI, Current Account; UK Retail Sales; US Housing Starts and Building Permits

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