



15 December 2023
This week's highlights

Fed Dovish	ECB, BoE On hold again	Dollar Weaker	Bond Yields Lower
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Euro Area	<ul style="list-style-type: none"> The ECB left interest rates unchanged and indicated that they would remain on hold for some time yet. Composite PMI fell back a little in December and remained below key 50 level for 7th month in a row. Euro gained almost 1.5 cents to \$1.092 against the dollar; German 10-year yields 25bps lower at 2.02%.
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UK	<ul style="list-style-type: none"> Bank of England MPC voted 6-3 to keep interest rates on hold, the 3 dissenters voting for a 25bps hike. Composite PMI rose in December and at 51.7 was above key 50 level for a second consecutive month. Pound up almost 2 cents to \$1.272 against dollar, while 10-year gilt yields fell by about 35bps to 3.68%.
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US	<ul style="list-style-type: none"> Fed left interest rates unchanged at this week's meeting, with Powell saying they have probably peaked. Powell also said the question of when it might be appropriate to begin lowering rates was discussed. Dollar fell, stocks rose, and bonds rallied post Fed, with 2- & 10-year yields 30-35bps lower on the week.
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Ireland	<ul style="list-style-type: none"> Annual rate of CPI inflation fell sharply again in Nov, down to 3.9% from 5.1% in Oct (and 6.4% in Sep). Y-o-Y increase in residential property prices nationally picked up for 2nd month in a row in Oct to 2.3%. Number of new private cars licensed fell by 3% y-o-y in Nov, but up 16% y-o-y for the Jan-Nov period.
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Mon Dec 18	IRL Vehicle Licenses, Agricultural Prices; US NAHB Housing Market Survey
Tue Dec 19	EA CPI (Nov, final); UK CBI Industry Trends Survey; US Housing Starts and Building Permits
Wed Dec 20	EA Consumer Confidence, Construction Output, Current Account; UK CPI, Producer Prices, House Prices; US Conference Board Consumer Confidence, Existing Home Sales
Thu Dec 21	IRL Productivity (Q3); UK Lloyds Business Barometer, Public Sector Net Borrowing, CBI Retail Survey; US Jobless Claims, GDP (Q3, 3rd est.), Philadelphia Fed Manufacturing Index, Leading Index
Fri Dec 22	IRL Wholesale Prices, Inbound Tourism; UK Retail Sales, GDP (Q3, 2nd est.); US PCE Inflation, Consumer Spending, Durable Goods Orders, New Home Sales, U. of Michigan Consumer Confidence

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