



12 January 2024

This week's highlights

**EUR/USD**

Range-bound

**US Bond Yields**

Fall on the week

**US CPI Inflation**

Up to 3.4% in Dec

**UK GDP**

Recovers in Nov

**Euro Area**

- The euro continued to trade in a narrow range against the dollar, up marginally on the week at \$1.0980.
- German 10-year bond yields little changed overall at 2.17%, albeit down from intra-week high of 2.25%.
- Lagarde says interest rate cuts will come when ECB "confident" inflation is returning sustainably to 2%.

**UK**

- GDP rose by 0.3% month-on-month in November, reversing the 0.3% decline that occurred in October.
- Economy contracted by 0.2% in Sep-Nov though, so risk of a 2nd consecutive q-o-q fall in GDP in Q4.
- Pound gained about half a cent to \$1.2770 against the dollar; essentially flat vis-a-vis euro at about 86p.

**US**

- Annual rate of CPI inflation rose to 3.4% in Dec from 3.1% in Nov, ahead of consensus forecast of 3.2%.
- Fed's Mester says "work to be done" to get inflation down to 2%, March "probably too early" for rate cut.
- Benchmark 10-year yields still ended good bit lower on the week though, down almost 15bps to 3.93%.

**Ireland**

- Retail sales volume rose in Nov, albeit marginally so (+0.2%), after falling in each of previous 6 months.
- Unemployment rate nudged higher in December to end 2023 at 4.9%, up from 4.3% at the end of 2022.
- NTMA raised €3 billion from sale of new 10-year benchmark bond - funds were raised at yield of 2.651%.

Mon Jan 15

IRL Goods Exports & Imports, Agricultural Prices; EA Industrial Production, Trade Balance; UK Rightmove House Prices

Tue Jan 16

IRL CPI; EA Zew Index, ECB Inflation Expectations Survey; UK Payroll Employees, Weekly Earnings; US Empire Manufacturing

Wed Jan 17

IRL Vehicle Licenses, FDI (2022); EA CPI (Dec, final est.); UK CPI, Producer Prices, ONS House Prices; US Retail Sales, Industrial Production, Import Prices, NAHB Housing Market Index

Thu Jan 18

IRL Payroll Employees; EA Construction Output, Current Account; UK RICS Housing Survey; US Housing Starts & Building Permits, Philadelphia Fed Manufacturing Index, Jobless Claims

---

Contact Us at [economics@boi.com](mailto:economics@boi.com)

[www.Corporate-Economy.BankofIreland.com](http://www.Corporate-Economy.BankofIreland.com)

#### Disclaimer

This document has been prepared by the Economic Research Unit at The Governor and Company of the Bank of Ireland ("BOI") for information purposes only and BOI is not soliciting any action based upon it. BOI believes the information contained herein to be accurate but does not warrant its accuracy nor accepts or assumes any responsibility or liability for such information other than any responsibility it may owe to any party under the European Union (Markets in Financial Instruments) Regulations 2017 as may be amended from time to time, and under the Financial Conduct Authority rules (where the client is resident in the UK), for any loss or damage caused by any act or omission taken as a result of the information contained in this document. Any decision made by a party after reading this document shall be on the basis of its own research and not be influenced or based on any view or opinion expressed by BOI either in this document or otherwise. This document does not address all risks and cannot be relied on for any investment contract or decision. A party should obtain independent professional advice before making any investment decision. Expressions of opinion contained in this document reflect current opinion as at 12th January 2024 and is based on information available to BOI before that date. This document is the property of BOI and its contents may not be reproduced, either in whole or in part, without the express written consent of a suitably authorised member of BOI. Bank of Ireland is regulated by the Central Bank of Ireland. In the UK, Bank of Ireland is regulated by the Central Bank of Ireland and authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request. The Governor and Company of the Bank of Ireland is incorporated in Ireland with limited liability. Registered Office 40 Mespil Road, Dublin 4, Ireland. Registered Number C1.

Registered Number C1.

[Update My Preferences](#)

If you'd rather not receive future e-mails from us, please [opt-out here](#).