



19 January 2024

This week's highlights

**Bond Yields**

Head north

**Dollar**

Firmer on the week

**UK CPI Inflation**

Ticks up to 4%

**Irish CPI Inflation**

Rises to 4.6%

**Euro Area**

- The market pushed out the timing of central bank rate cuts, sending bond yields and the dollar higher.
- There's little expectation now that ECB will lower rates in March, chances of April cut reduced to c.70%.
- The euro slipped by almost a cent to under \$1.09 against the dollar; German bond yields up 10-20bps.

**UK**

- Firmer than forecast inflation in December saw timing of a first full 25bps rate cut pushed out to June.
- Gilt yields rose by 15-20bps on the week; pound lower against dollar (\$1.267), flat vis-a-vis euro (£0.858).
- The annual rate of CPI inflation ticked up to 4.0% in December, while the core rate remained at 5.1%.

**US**

- Fed's Waller says rates likely to be cut this year but they should be lowered "methodically and carefully".
- Market pared back chances of March rate cut, now pricing a quarter-point reduction at Apr 30th meeting.
- Government bond yields jumped on the week, with 2- and 10-year yields increasing by around 25bps.

**Ireland**

- The annual rate of CPI inflation reaccelerated in December, increasing to 4.6% from 3.9% in November.
- New private cars licensed in 2023 rose 16% to 117,424 - of which 19% were electric, up from 15% in '22.
- Value of goods exports fell by 5% yoy over the first eleven months of 2023, while imports were down 2%.

Mon Jan 22	<b>US</b> Leading Index
Tue Jan 23	<b>EA</b> Consumer Confidence; <b>UK</b> Public Sector Net Borrowing
Wed Jan 24	<b>IRL</b> Residential Property Prices; <b>EA, UK &amp; US</b> PMIs (flash readings for Jan); <b>UK</b> CBI Industry Survey
Thu Jan 25	<b>IRL</b> New Dwelling Completions (Q4); <b>EA</b> ECB Meeting; <b>UK</b> CBI Retail Sales Survey; <b>US</b> GDP (Q4, first estimate), Durable Goods Orders, Trade Balance, New Home Sales, Weekly Jobless Claims
Fri Jan 26	<b>IRL</b> Preliminary GDP Estimate (Q4); <b>EA</b> Money Supply & Credit Growth, ECB Survey of Professional Forecasters; <b>UK</b> GfK Consumer Confidence; <b>US</b> PCE Inflation, Personal Incomes and Spending

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