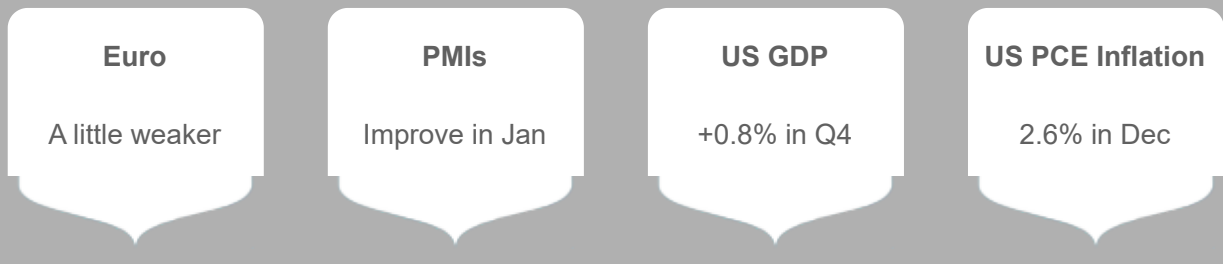




26 January 2024

This week's highlights



Euro Area

- Composite PMI ticked up in January (47.9) according to flash reading but still pointing to falling activity.
- Lagarde says "disinflation is continuing" and stands by her comments about a rate cut "in the summer".
- Market ramps up the chances of an April rate cut, while bond yields and the euro lower on the week.

UK

- The Composite PMI rose to 52.5 in January, suggesting economic activity picked up at the start of 2024.
- Consumer confidence improved again this month, rising to a 2-year high according to the GfK measure.
- Gilts underperformed with both 2- & 10-year yields rising on the week; pound gained ground vs euro & \$.

US

- Economy grew strongly again in final quarter of 2023, with GDP increasing by 0.8% q-o-q (3.1% y-o-y).
- The annual rate of headline PCE inflation remained at 2.6% in Dec, but the core rate fell further to 2.9%.
- 10-year bond yields were slightly higher on the week, while stocks rallied with S&P 500 at a record high.

Ireland

- GDP fell for 5th consecutive quarter in Q4 (-0.7% q-o-q), due to continuing decline in MNE sector output.
- Housing supply increased in 2023 with new dwelling completions increasing by 10% on 2022 (to 32,695).
- Residential property prices rose again in November taking y-o-y increase to 2.9% (up from 2.2% in Oct).

Mon Jan 29	IRL Retail Sales
Tue Jan 30	IRL Wholesale Prices; EA GDP (Q4); Economic Sentiment Indicator; UK Mortgage Approvals, Consumer Credit; US Consumer Confidence (Conference Board), House Prices, Job Openings
Wed Jan 31	IRL Unemployment; HICP Inflation; UK Nationwide House Prices, Lloyds Business Barometer; US Fed Meeting, Employment Cost Index (Q4), ADP Employment Report
Thu Feb 1	IRL, EA, UK & US Manufacturing PMIs; EA CPI (Jan, flash reading), Unemployment; UK Bank of England Meeting, Productivity (Q3); US ISM Manufacturing Index, Weekly Jobless Claims, Unit Labour Costs (Q4)
Fri Feb 2	IRL Live Register; US Employment (Payrolls) Report, Factory Orders

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