

Economic Research Unit



23 February 2024

This week's highlights

EUR/\$

Slightly firmer

US Bond Yields

Tick higher

Equity markets

Advance

EA & UK PMIs

Improve in Feb

Euro Area

- Composite PMI rose for 2nd month in a row in Feb, but at 48.9 indicating economy is stagnating at best
- Minutes of ECB's January meeting say "continuity, caution and patience" in monetary policy still needed
- Euro slightly firmer against the dollar at around \$1.0825; German 10-year bond yields steady at 2.40%

UK

- The Composite PMI improved further this month and at 53.3 is pointing to a recovery in GDP in Q1 2024
- BoE Chief Economist says "getting to the point where we're able to (cut interest rates) still some way off"
- The pound strengthened to almost \$1.27 against the dollar, not much changed vis-a-vis the euro at 85.3p

US

- Fed's Waller says "there is no rush to begin cutting interest rates," given strong economic data recently.
- Government 2-year bond yields about 5bps higher at 4.70%, while 10-year yields up a little to 4.30%
- Equity markets advanced with the S&P 500 gaining 2%, which more than reversed last week's decline

Ireland

- Jobs growth was strong at end of 2023, with employment up 3.4% yoy in Q4 to record high of over 2.7m
- Unemployment rate remains low, coming in at 4.5% (seasonally adjusted) for 2nd quarter in a row in Q4.
- Residential property prices nationally rose 1.5% in December, pushing year-on-year increase up to 4.4%

Mon Feb 26

IRL Building & Construction Output, Industrial Disputes; **UK** CBI Retail Sales Survey; **US** New Home Sales

Tue Feb 27

IRL Earnings & Labour Costs (Q4); **EA** Money Supply & Credit Growth; **UK** Nationwide House Prices; **US** Conference Board Consumer Confidence, House Prices, Capital Goods Orders

Wed Feb 28

IRL Retail Sales, Inbound Tourism; **EA** Economic Sentiment Indicator; **US** GDP (Q4, 2nd estimate), Trade Balance

Thu Feb 29

IRL HICP Inflation (Feb, flash reading); **UK** Lloyds Business Barometer, Mortgage Approvals, Consumer Credit; **US** PCE Inflation, Consumer Spending, Jobless Claims

Fri Mar 1

IRL Quarterly National Accounts (Q4); International Accounts (Q4); **IRL, EA, UK & US** Manufacturing PMIs; **EA** Flash CPI (February), Unemployment; **US** ISM Manufacturing Index, Construction Spending, University of Michigan Consumer Confidence

Contact Us at economics@boi.com

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 23rd February 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 2 College Green, Dublin, D02 VR66. Registered Number C1.

[Update My Preferences](#)

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