



2 February 2024  
This week's highlights

<p><b>Fed</b></p> <p>Oh hold for now</p>	<p><b>BoE Meeting</b></p> <p>6-2-1 split</p>	<p><b>EA CPI Inflation</b></p> <p>Dips to 2.8%</p>	<p><b>US Payrolls</b></p> <p>+353k in Jan</p>
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**Euro Area**

- Economy narrowly avoided recession in Q4, with GDP remaining flat after falling by 0.1% in third quarter
- Headline and core CPI inflation surprised to the upside in Jan, coming in at 2.8% and 3.3% respectively.
- Euro fell from an intra-week high of almost \$1.09 after Friday's US payrolls data, shedding a cent to \$1.08

**UK**

- The BoE MPC voted 6-2-1 to keep rates on hold (5.25%), with 2 preferring 25bps hike and 1 a 25bps cut.
- BoE Governor Bailey says "this year's questions for the MPC" are "for how long should we keep (rates) at current level" and "have inflationary pressures eased enough that we can begin to lower (rates) or not?"
- Pound fell by about 1 cent to \$1.265 against the dollar post payrolls; flat on week v € just north of £0.85

**US**

- Fed left rates on hold saying "it does not expect it will be appropriate to reduce (them) until it has gained greater confidence that inflation is moving sustainably toward 2%", with Powell ruling out a March cut
- Job gains much stronger than expected in Jan at +353k, y-o-y hourly earnings growth picked up to 4.5%
- Benchmark 10-year bond yields jumped after payrolls data, still down c.15bps on the week at about 4.0%

**Ireland**

- Retail sales volumes increased by 0.9% in December to leave them up almost 4% on December 2022.
- The annual rate of HICP inflation resumed its descent in January, falling to 2.7% from 3.2% in December.
- Unemployment rate stood at 4.5% last month, same as December (which was revised down from 4.9%).

<b>Mon Feb 5</b>	<b>EA, UK &amp; US</b> Services PMIs; <b>EA</b> Producer Prices; <b>UK</b> Labour Force Survey data (Sep-Nov 2023); <b>US</b> ISM Services Index, Fed Senior Loan Office Survey; <b>OECD</b> Interim Economic Outlook
<b>Tue Feb 6</b>	<b>IRL</b> Services PMI; <b>EA</b> ECB Consumer Inflation Expectations Survey, Retail Sales; <b>UK</b> Construction PMI, BRC Retail Sales
<b>Wed Feb 7</b>	<b>US</b> Trade Balance, Consumer Credit, Mortgage Applications
<b>Thu Feb 8</b>	<b>EA</b> ECB Monthly Bulletin; <b>UK</b> RICS Housing Survey, REC Report on Jobs; <b>US</b> Jobless Claims, Wholesale Inventories

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