

## Economic Research Unit



1 March 2024

## This week's highlights

**US PCE Inflation**

Falls to 2.4%

**EA CPI Inflation**

Down to 2.6%

**EUR/\$**

Flat on the week

**Irish GDP**

Lower again in Q4

**Euro Area**

- Annual headline and core CPI inflation nudged down in Feb to 2.6% and 3.1%, from 2.8% & 3.3% in Jan
- A couple of ECB members indicated June meeting as possible time to commence lowering interest rates
- Euro flat versus dollar at \$1.08, a touch firmer v £ at 85.7p; German 10-year yields up 10bps to 2.45%

**UK**

- Sterling slightly weaker against dollar at \$1.2620; government 10-year bond yields rose 10bps to 4.15%
- Mortgage approvals for house purchase increased for 4th month running in Jan, up around 7% from Dec
- Nationwide reported 0.7% rise in house prices in Feb, y-o-y change back into positive territory at 1.2%

**US**

- The annual rate of headline PCE inflation fell to c.3-year low of 2.4% in Jan; core rate dipped to 2.8%
- Fed's Daly says it will be "appropriate as inflation comes down to bring nominal rate of interest down" too
- 10-year bond yields unchanged on the week at 4.25%; while the S&P 500 advanced to a fresh high

**Ireland**

- GDP declined by 3.4% q-o-q (-8.7% y-o-y) in Q4 2023 amid a continued drag from the MNC sector
- For 2023 as a whole GDP fell by 3.2% from 2022, but modified domestic demand rose by 0.5% last year
- The annual rate of HICP inflation fell to 2.2% in Feb (from 2.7% in Jan), its lowest level since July 2021

Mon Mar 4

IRL Exchequer Returns

Tue Mar 5

IRL, EA, UK &amp; US Services PMIs; EA Producer Prices; UK BRC Retail Sales; US ISM Services Index, Factory Orders

Wed Mar 6

IRL Monthly Unemployment; EA Retail Sales; UK Construction PMI; US Fed Chair Testimony on Economy and Monetary Policy; Job Openings, ADP Employment, Fed Beige Book

Thu Mar 7

IRL Services Index; EA ECB Meeting and Press Conference; UK BoE CPI Inflation Expectations; US Jobless Claims, Unit Labour Costs, Trade Balance, Household Net Worth, Consumer Credit

Fri Mar 8

IRL Live Register; UK REC Report on Jobs; US Employment (Payrolls), Unemployment, Hourly Earnings

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