

Economic Research Unit



15 March 2024

This week's highlights

US CPI Inflation

Firmer than forecast

Bond Yields

Rise on the week

Dollar

Firmer

UK GDP

+0.2% in Jan

Euro Area

- ECB members pointed to a cut in interest rates soon, most likely at the next but one meeting in June.
- German bond yields followed US yields higher, with 2- & 10-year yields rising by 15-20bps on the week.
- The euro lost ground against a generally firmer dollar, shedding about half a cent to just under \$1.09

UK

- GDP rose by 0.2% in January, after falling 0.1% in December, but was still down 0.3% on a year earlier.
- Gilt yields rose by around 10bps on the week, while pound lower against dollar (\$1.2750) & euro (85.5p)
- BoE MPC expected to keep interest rates on hold next Thursday, market pricing in a 25bps cut in August

US

- Consumer and producer price inflation both surprised to the upside in Feb, at 3.2% & 1.6% respectively.
- Market pared back expected rate cuts this year to less than 75bps, first quarter point move seen in July.
- Benchmark 10-year bond yields headed north, increasing by the best part of 25bps to just over 4.30%.

Ireland

- Annual rate of CPI inflation fell to 3.4% in Feb from 4.1% in Jan, HICP inflation down to 2.3% from 2.7%.
- The household savings ratio fell to 10.2% in Q4 2023, close to 5-year low and down from 10.9% in Q3.
- Total number of dwelling units granted planning permission rose to 41.2k in 2023, up 21% on '22 (34.2k).

Mon Mar 18

EA CPI Inflation (Feb, final) Trade Balance; **UK** Rightmove House Prices; **US** NAHB Housing Market Survey

Tue Mar 19

IRL Payroll Employees; **EA** Labour Costs (Q4), Zew Index; **US** Housing Starts & Building Permits

Wed Mar 20

IRL Residential Property Prices; **EA** Consumer Confidence, Construction Output; **UK** CPI, PPI, ONS House Prices; **US** Fed Meeting

Thu Mar 21

IRL Building & Construction Output; **EA, UK, US** Flash PMIs (March); **UK** BOE Meeting, Public Sector Borrowing; **US** Current Account, Philadelphia Fed Manufacturing Index, Existing Home Sales, Leading Index, Jobless Claims

Fri Mar 22

IRL Wholesale Prices; **UK** Retail Sales, Consumer Confidence

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