

Economic Research Unit



8 March 2024

This week's highlights

ECB

Rate cut soon

Bond Yields

Lower on the week

Stocks

Further gains

Dollar

Loses ground

Euro Area

- Lagarde says ECB "more confident" inflation heading sustainably to 2%, indicates rate cut likely in June
- ECB lowers forecasts for inflation to 2.3% this year (from 2.7% previously) and 2% in 2025 (from 2.1%).
- Bond yields fell and stocks rallied, while the euro gained ground against the dollar rising to \$1.0950

UK

- The pound rose by 2 cents to \$1.2875 against the dollar; also firmer vis-a vis the euro at around 85p
- Government 10-year bond yields fell broadly in line with declines elsewhere, down c.15bps to under 4%
- Spring Budget largely as leaked, centerpiece of which was a further cut in employee National Insurance

US

- Economy added 275k jobs in February after a gain of 229k in January, the latter revised down from 353k
- Unemployment rate rose to 3.9% (from 3.7% in Jan), while y-o-y growth in hourly earnings eased to 4.3%
- Powell says not far from having sufficient confidence inflation moving sustainably to 2% to begin rate cuts

Ireland

- Exchequer returns show tax receipts maintaining strong performance into '24, up 5.5% y-o-y in Jan-Feb
- Unemployment rate fell to 4.2% in February (4.5% in Jan), matching its lows over first half of last year.
- Government 10-year bond yields fell by the best part of 20bps on the week to a 1-month low of c.2.65%

Mon Mar 11

IRL Household Saving (Q4), New Vehicle Licenses, Output, Input and Income in Agriculture (2023); **US** New York Fed Consumer Inflation Expectations

Tue Mar 12

IRL Agricultural Prices; **UK** Labour Market Report; **US** CPI, Real Hourly Earnings, Small Business Optimism Index

Wed Mar 13

EA Industrial Production; **UK** GDP (Jan), Trade Balance; **US** MBA Mortgage Applications

Thu Mar 14

IRL CPI, Planning Permissions (Q4); **UK** RICS Housing Report; **US** Retail Sales, Producer Prices Jobless Claims

Fri Mar 15

IRL Productivity (Q4), Services Producer Prices (Q4); **UK** BOE/Ipsos Inflation Expectations; **US** Consumer Confidence, Industrial Production, Empire Manufacturing Index, Import Prices

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 8th March 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](#).