

Weekly Round Up

14th December 2018
This week's highlights

EA PMIs

Softer again

ECB

Risks to growth

EUR/\$

Lower

Theresa May

Lives to fight on

Euro Area

- ECB confirms QE will end this month and reiterates interest rates on hold at least through summer 2019
- But sees indications of slower growth momentum ahead and says downside risks to the outlook increasing
- Composite PMI falls for 3rd month in a row in December - sends euro to its lows of the week v dollar at \$1.1275

UK

- Theresa May wins confidence vote in her party leadership - but getting Brexit deal passed still her big hurdle
- Pound hits intra-week lows of almost 91p and under \$1.25 against euro and \$ before recovering a little ground
- Pace of job gains picks up in the three months to October and the annual growth in earnings rises to 3.3%

US

- Benchmark 10-year bond yields marginally higher on the week at just under 2.9% despite softer equity markets
- Annual CPI inflation rate falls to 2.2% in Nov from 2.5% in Oct reflecting the impact of lower oil prices recently
- Underlying retail sales (i.e. excluding autos) solid again in November increasing by 4.9% year-on-year

Ireland

- Latest CSO data show that GDP increased by 4.9% year-on-year in Q3 2018, with GNP up 3.1%
- Consumer spending rose by 2.9% y-o-y, with investment up 43.4% boosted by aircraft purchases
- Annual CPI inflation rate dips to 0.6% in Nov from 0.9% in Oct (but still off its 2018 to date low of 0.2% in Jan)

The week ahead

Monday	EA CPI, Trade Balance; US Housing Market Index, Empire Manufacturing Index
Tuesday	US Housing Starts and Building Permits
Wednesday	EA Construction Output; UK CPI, PPI, House Prices; US Existing Home Sales, Current Account, Fed Meeting
Thursday	IRL Producer Prices; EA Current Account; UK Retail Sales, BOE Meeting; US Jobless Claims, Philly Fed Index
Friday	EA Consumer Confidence; UK GDP (Q3, 2nd est); US PCE Inflation, GDP (Q3, 3rd est), Durable Goods Orders

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