22nd March 2019
This week’s highlights

**EUR/$**
- Slightly lower

**EA PMIs**
- Soft in March

**Brexit**
- Departure delay

**Fed**
- Done & dusted?

**Euro Area**
- Euro gives up all of its post-Fed meeting gains against the dollar to end slightly lower overall at just under $1.13
- Soft flash PMIs for March - particularly manufacturing - weigh on the single currency at the end of the week
- German 10-year bond yields fall by 10bps, dipping into negative territory (-0.03%) for first time since mid-2016

**UK**
- Sterling weakens as fears of ‘no deal’ Brexit resurface, recovers some ground when EU27 comes to rescue
- European leaders agree Art.50 extension: until May 22 if PM’s deal passes in parliament, until April 12 if not
- Employment rises strongly in 3 months to January (1.5% y-o-y) and jobless rate down to fresh low of 3.9%

**US**
- 10-year bond yields fall sharply - by 15bps to 2.45% - as Fed strikes dovish tone following its latest meeting
- Fed keeps rates unchanged (in range of 2.25%-2.50%) and signals it may be done hiking for this year at least
- Equities pretty subdued with the S&P 500 broadly flat, although it has gained circa 12% year to date

**Ireland**
- Bond yields fall in tandem with developments in other markets, with 10-year yields 10bps lower at 0.58%
- The ISEQ index is down more than 1% on the week, but it is still up about 10% so far this year
- The value of goods exports rose by 12% y-o-y in January, with goods imports up 1% on annual basis

The week ahead

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Contact Us at economics@boi.com

www.Corporate-Economy.BankofIreland.com

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