

aggressive Fed at least lessens the probability of the European Central Bank reacting to FX effects. While it fits our structurally still bearish view, domestically the survey data over the past week pointed in the other direction, if anything. What EUR rates will be looking for in next week's data is whether the flash CPI leaves the ECB with room to act.

Friday's events and market views

From the eurozone, we will see CPI expectations from the ECB survey, but given the stable inflation dynamics of late, we don't foresee any surprises. More interesting will be US data, whereby the core PCE deflator for August is expected to come in at 0.2% month-on-month, a notch lower than July's 0.3%. Other US releases include personal income and spending data and the final University of Michigan sentiment indices.

Italy has 5Y and 10Y BTPs scheduled for auctioning, together with a 10Y green BTP and 9Y CCTeu. The total amount is €8.75bn.

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