

## US payrolls to round out a busy week

Yesterday, as expected, both the ECB and the BoE raised interest rates by 50bps, respectively. The ECB also highlighted its intention to hike rates by 50bps again, at its next meeting in March. Meantime, the BoE also maintains a hawkish bias, although, changes to the language in its post-meeting statement suggest it may move to smaller rate increases going forward.

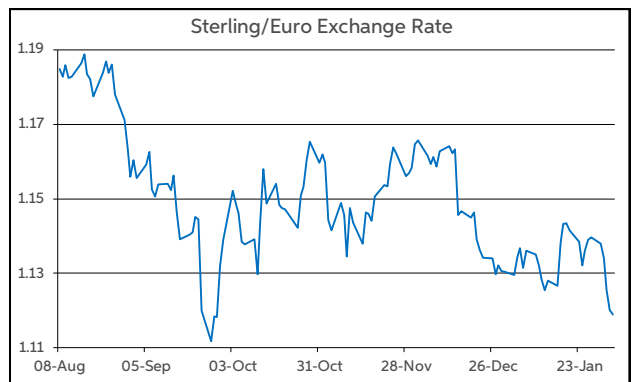
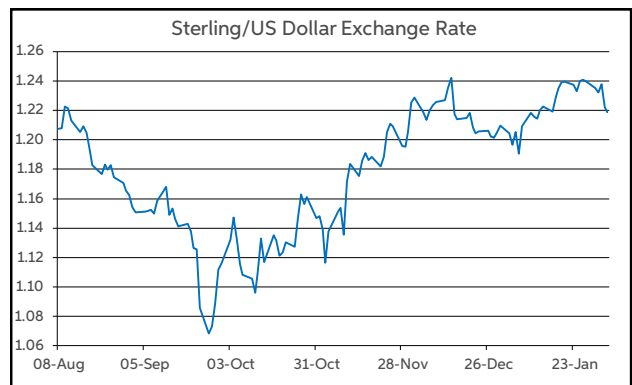
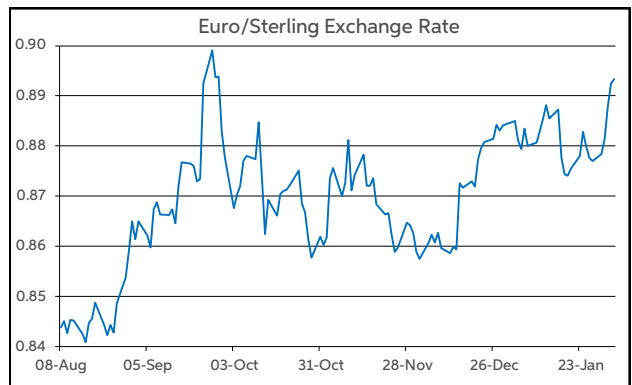
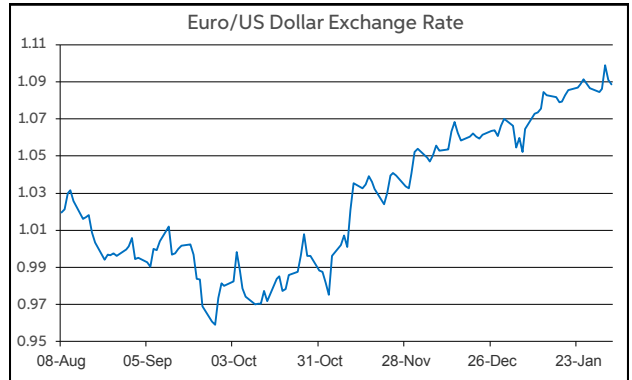
Markets interpreted yesterday's central bank meetings as signalling they are near the end of their current tightening cycles. Futures contracts softened by circa 10bps, with rate cuts now seen as being firmly on the agenda for the end of this year. Meanwhile, 10-year UK and Eurozone sovereign bond yields fell by 20-40bps.

On the currency front, amid the softening in market rate expectations, the euro and sterling were on the defensive. Both currencies fell by over 1% against the dollar and the yen. Elsewhere, equity markets were buoyed by the view that official rates may be nearing their peak. The S&P 500 gained 1.5%.

As trading gets underway this morning, the softer tone to the euro sees EUR/USD open back below the \$1.09 handle. GBP/USD is operating down in the \$1.21-1.22 range, having started yesterday in the top half of \$1.23-1.24. Meantime, EUR/GBP is up above the 89p threshold.

Ahead today, the US labour market report for January will be the highlight. The consensus is for payrolls to rise by 185k in the month, while the unemployment rate is projected to edge higher to 3.6% from 3.5%. Meanwhile, the pace of average earnings growth is forecast to moderate to +4.3% y/y from +4.6% y/y. The data have the potential to impact the dollar.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.0888	-1.18	1.74
EUR/GBP	0.8933	0.46	1.01
GBP/USD	1.2186	-1.64	0.74
GBP/EUR	1.119	-0.46	-1.00
USD/JPY	128.64	0.04	-1.88
EUR/JPY	140.09	-1.14	-0.15

\* v Previous Day's European Open  
See Next Page for More Rates

Opening Interest Rates						
	Base Rate	Money Market		Swap Rates		
		1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	4.375	4.58	4.81	4.99	4.38	3.56
EUR	2.50	2.19	2.48	3.27	3.15	2.75
GBP	3.50	3.90	4.13	4.42	4.04	3.56

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

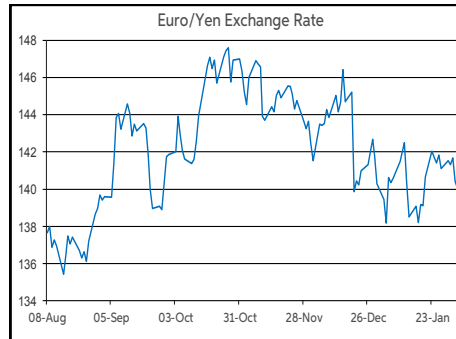
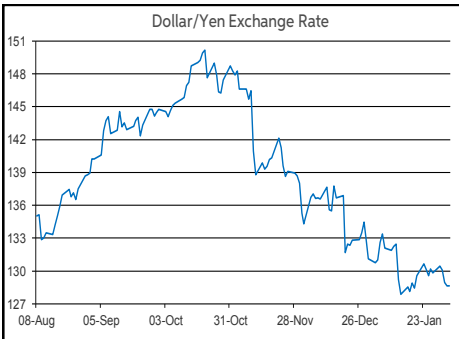
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# Opening Levels

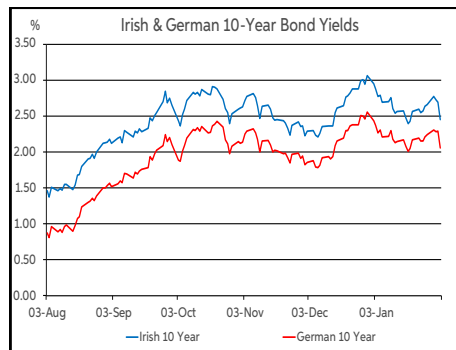
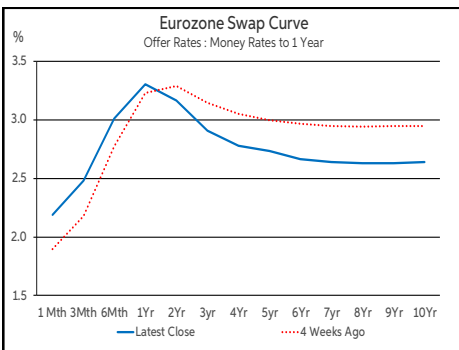
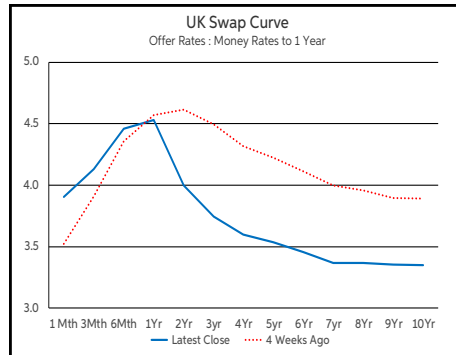
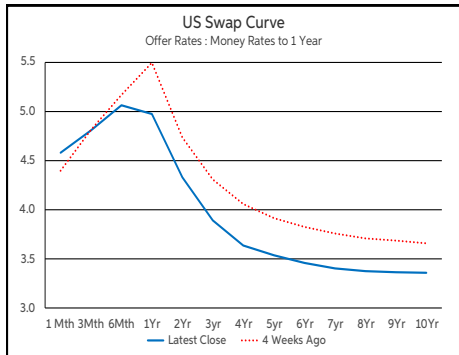
Friday 03 February 2023  
07:38 am



Euro		Sterling		Dollar	
EUR/GBP	0.8933	GBP/EUR	1.119	USD/JPY	128.64
EUR/USD	1.0888	GBP/USD	1.2186	USD/CAD	1.3341
EUR/JPY	140.09	GBP/CAD	1.6255	USD/CHF	0.9153
EUR/SEK	11.3112	GBP/NZD	1.885	USD/CNY	6.7467
EUR/DKK	7.4415	GBP/JPY	156.77	USD/BRL	5.0504
EUR/NOK	10.9614	GBP/SEK	12.6582	USD/RUB	70.35
EUR/CHF	0.9966	GBP/DKK	8.3272	USD/INR	82.239
EUR/AUD	1.5428	GBP/NOK	12.2688		
EUR/HKD	8.5435	GBP/CHF	1.1152	AUD/USD	0.7057
EUR/CAD	1.4526	GBP/AUD	1.7266	NZD/USD	0.6462



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 22
<b>10 Year Yield %</b>				
US	3.40	-1	-32	-48
Germany	2.06	-24	-25	-50
UK	3.00	-31	-55	-67
<b>5 Year Swap %</b>				
US	3.54	-0	-34	-46
Eurozone	2.74	-16	-25	-50
UK	3.54	-31	-68	-77
<b>2 Year Swap %</b>				
US	4.33	+1	-36	-35
Eurozone	3.16	-13	-11	-22
UK	4.00	-23	-61	-68
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	41	-2	-10	-17
Belgium	64	-1	+3	+0
France	45	-1	-7	-10
Italy	183	-17	-21	-31
Spain	98	-6	-9	-11
Portugal	85	-8	-17	-19
Greece	204	+3	-10	+1



Commodities				
	% Change			
	Close	Day	4 Weeks	End 22
Brent Oil	82.17	-0.81	+4.42	-4.35
West Texas Oil	75.87	-0.62	+3.07	-5.35
Gold \$	1912.4	-1.95	+4.32	+4.82

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