

## Eurozone flash HICP due today

Risk appetite remained weak yesterday as concerns regarding the economic outlook continued to weigh heavily on sentiment. The Euro Stoxx 50 fell by 1.7%. Across the Atlantic, the S&P 500 shed 2.1%. Meanwhile on bond markets, German Bund yields bear steepened by 5-14bps. In the UK, Gilts rose by 2-13bps, rising the most at the front-end, likely reflecting BoE purchases at the back-end of the curve. US Treasury yields declined by 5-8bps.

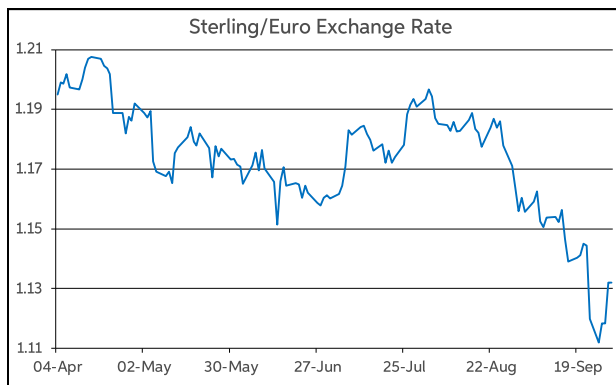
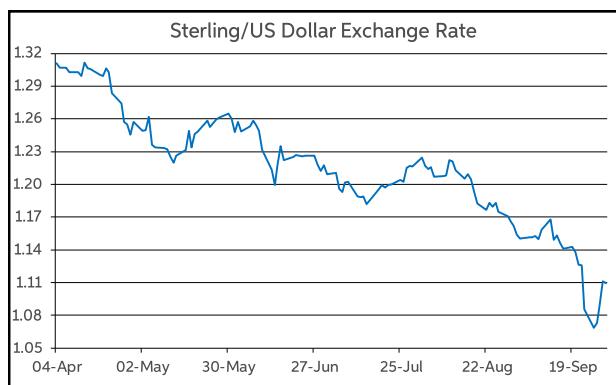
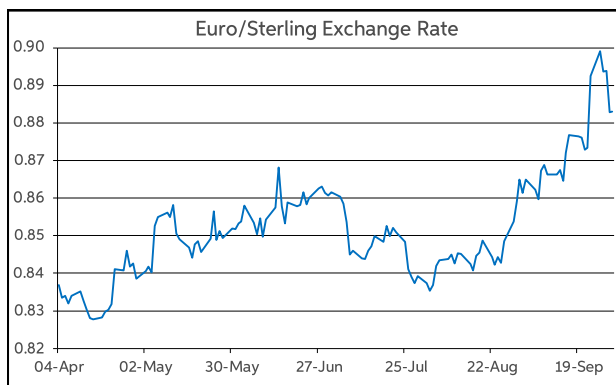
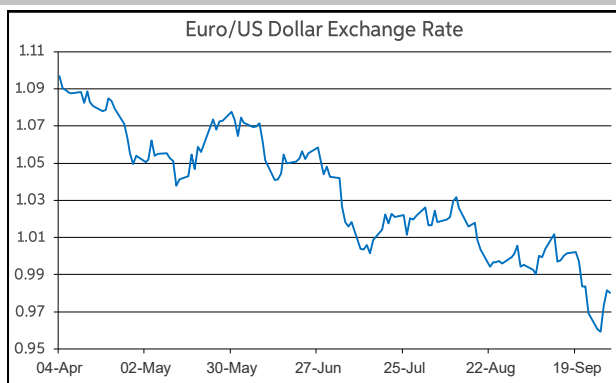
On the currency front, the pause in the dollar rally gathered fresh momentum yesterday. Reports suggest that the Chinese central bank (PBOC) intervened to defend the yuan by selling dollars on the market. The greenback shed over 1% versus the euro and around 2.5% against sterling yesterday.

The strong rebound in sterling, which saw it gain over 1% versus the euro also, is a further sign that the recent intervention from the BoE is soothing some of the markets concerns - for now at least. However, the market still expects the BoE to follow a very aggressive rate hiking path between now and the middle of next year, with a jumbo 125bps hike priced-in for November.

In level terms, EUR/USD opens up near the \$0.98 handle. Meantime, EUR/GBP is changing hands down in the lower half of the 88-89p range. GBP/USD is just below the \$1.11 mark, having opened yesterday below \$1.08.

Today, Eurozone flash HICP inflation is projected to rise to 9.7% in September from 9.1%. Poor German inflation data yesterday that saw the HICP rate rise to 10.9%, point to clear upside risks to this forecast. In the US, inflation data in the form of core-PCE for August is forecast to edge higher to 4.7% from 4.6%.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	0.9795	1.15	-13.84
EUR/GBP	0.8828	-1.47	5.10
GBP/USD	1.1094	2.67	-18.00
GBP/EUR	1.1324	1.50	-4.85
USD/JPY	144.57	0.06	25.63
EUR/JPY	141.61	1.18	8.21

\* 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	3.125	3.12	3.67	4.51	4.48	4.03
EUR	1.25	0.69	1.19	2.45	2.85	2.99
GBP	2.25	2.38	3.50	5.45	5.52	5.15

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

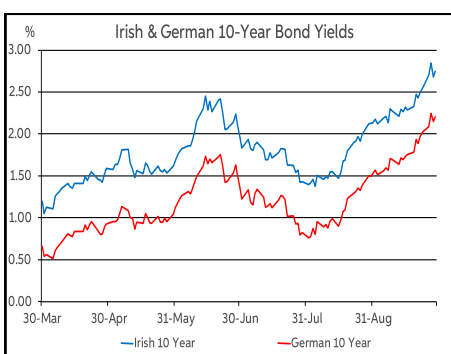
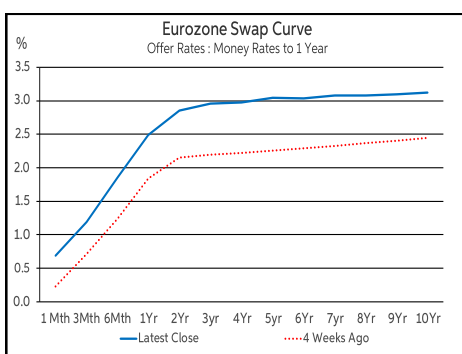
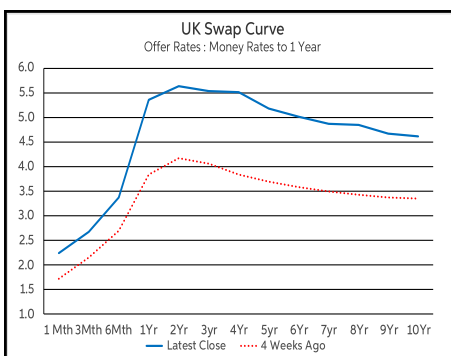
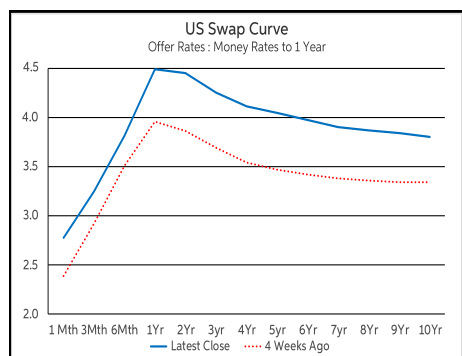
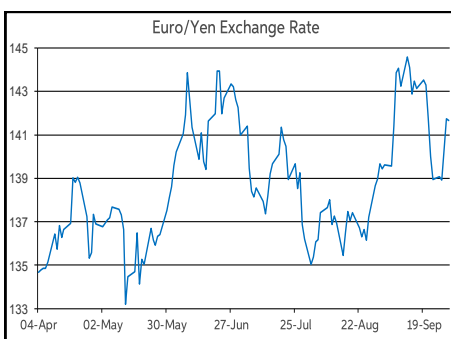
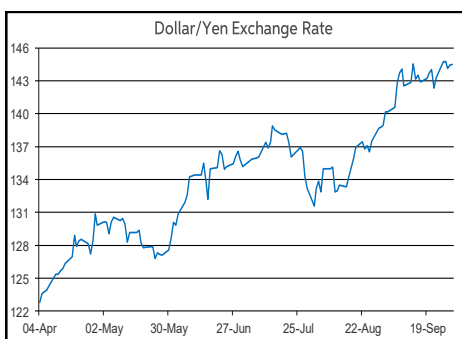
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# Opening Levels

Friday 30 September 2022  
07:39 am



Euro		Sterling		Dollar	
EUR/GBP	0.8828	GBP/EUR	1.1324	USD/JPY	144.57
EUR/USD	0.9795	GBP/USD	1.1094	USD/CAD	1.3712
EUR/JPY	141.61	GBP/CAD	1.5215	USD/CHF	0.9776
EUR/SEK	10.9646	GBP/NZD	1.9436	USD/CNY	7.0945
EUR/DKK	7.4364	GBP/JPY	160.39	USD/BRL	5.3973
EUR/NOK	10.5012	GBP/SEK	12.4178	USD/RUB	57.1
EUR/CHF	0.9577	GBP/DKK	8.4207	USD/INR	81.586
EUR/AUD	1.5117	GBP/NOK	11.8927	AUD/USD	0.648
EUR/HKD	7.6902	GBP/CHF	1.0848	NZD/USD	0.5706
EUR/CAD	1.3432	GBP/AUD	1.7121		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
<b>10 Year Yield %</b>				
US	3.78	+4	+52	+227
Germany	2.21	+5	+64	+239
UK	4.14	+13	+126	+317
<b>5 Year Swap %</b>				
Ireland	2.80	+7	+59	+255
Belgium	2.87	+7	+65	+269
France	2.81	+5	+63	+262
Italy	4.66	+8	+72	+348
Spain	3.39	+5	+61	+279
Portugal	3.29	+4	+61	+281
Greece	4.92	-1	+70	+361
<b>2 Year Swap %</b>				
US	4.05	+8	+61	+271
Eurozone	3.05	+1	+80	+304
UK	5.18	+10	+154	+391
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	60	+1	-5	+17
Belgium	66	+1	+2	+30
France	60	+0	-1	+23
Italy	245	+2	+8	+109
Spain	118	+0	-3	+40
Portugal	108	-1	-3	+42
Greece	272	-7	+6	+122

Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	88.49	-0.93	-4.19	+13.77
West Texas Oil	81.78	-1.00	-6.10	+8.56
Gold \$	1660.3	+0.05	-2.11	-9.19

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