

## Big week ahead for central banks and data

Investor sentiment was generally holding a positive tone over the course of last week. This was reflected in the main equity indices making gains of between 1.5-2.5%. Risk appetite was supported by positive macro data headlines. This included better than expected flash January PMI data in the Eurozone and US. Q4 GDP in the US also surprised to the upside of expectations, although the underlying details were not as strong as the headline rate implied.

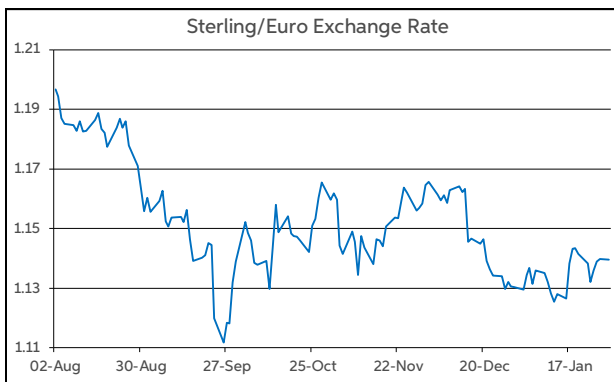
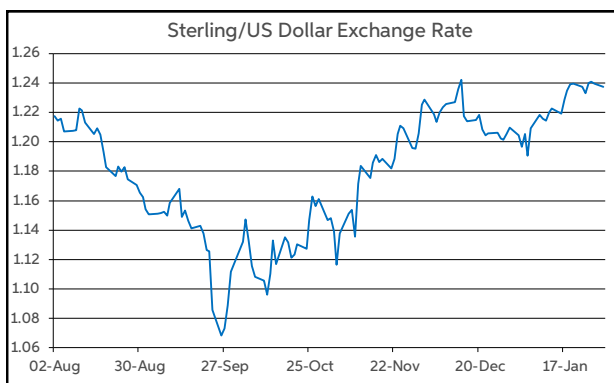
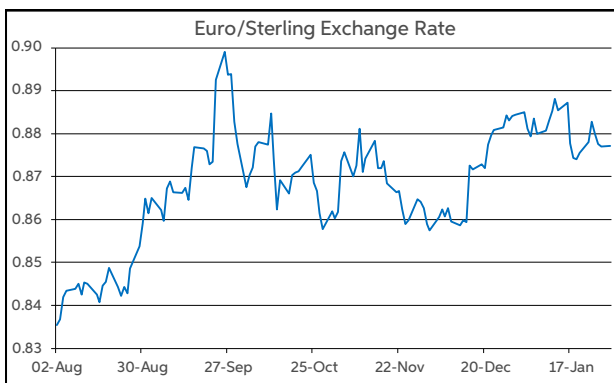
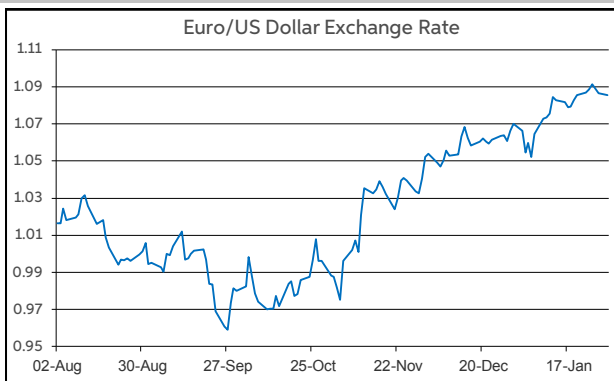
From a currency viewpoint, the main pairs were confined to narrow ranges for much of the week. EUR/USD traded in a \$1.083-1.093 band. Meanwhile, EUR/GBP operated within a 87.5-88.5p trading corridor. Elsewhere, GBP/USD moved back below the \$1.24 threshold, to nearer to the midpoint of 1.23-1.24.

The focus for markets this week will be very much on central banks, with the Fed, ECB and BoE all due to meet and hike rates. Against the backdrop of slower growth and an easing in inflation, markets have been pondering whether we may be near the peak in interest rates and possible rate cuts before year end.

Interestingly, in its policy setting meeting last week, the Bank of Canada hiked by 25bps to 4.5% but signalled a pause in its rate tightening. However, key members from the Fed and ECB have been trying to dampen speculation recently, that rates are close to their peak. Thus, there is the potential for some volatility on markets to this week's central bank events.

There are also some key data releases. In the Eurozone we get Q4 GDP and inflation (Jan). Meanwhile, the US diary features payrolls data (Jan) as well as the Q4 Employment Cost Index. The data could also impact markets over the coming days.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.0856	-0.15	1.44
EUR/GBP	0.8771	-0.10	-0.83
GBP/USD	1.2372	-0.07	2.27
GBP/EUR	1.1394	0.10	0.83
USD/JPY	129.47	-0.39	-1.25
EUR/JPY	140.55	-0.55	0.18

\* v Previous Day's European Open

See Next Page for More Rates

Opening Interest Rates						
	Money Market			Swap Rates		
	Base Rate	1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	4.375	4.57	4.83	5.01	4.47	3.67
EUR	2.50	2.13	2.49	3.30	3.23	2.87
GBP	3.50	3.83	4.10	4.52	4.30	3.87

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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# Opening Levels

Monday 30 January 2023  
07:25 am



## Euro

EUR/GBP	0.8771
EUR/USD	1.0856
EUR/JPY	140.55
EUR/SEK	11.2341
EUR/DKK	7.4383
EUR/NOK	10.7667
EUR/CHF	1.0016
EUR/AUD	1.5342
EUR/HKD	8.5023
EUR/CAD	1.4481

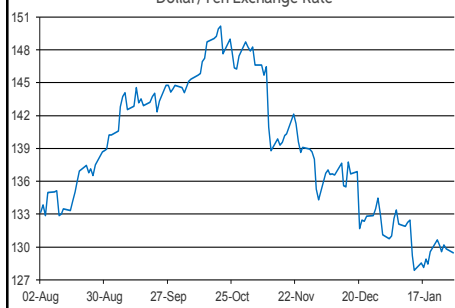
## Sterling

GBP/EUR	1.1394
GBP/USD	1.2372
GBP/CAD	1.6508
GBP/NZD	1.9092
GBP/JPY	160.18
GBP/SEK	12.8061
GBP/DKK	8.4772
GBP/NOK	12.2726
GBP/CHF	1.1416
GBP/AUD	1.7487

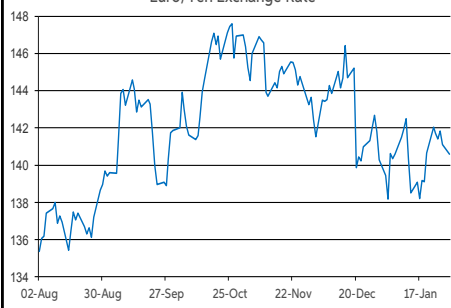
## Dollar

USD/JPY	129.47
USD/CAD	1.3341
USD/CHF	0.9226
USD/CNY	6.7533
USD/BRL	5.1089
USD/RUB	69.6455
USD/INR	81.665
AUD/USD	0.7074
NZD/USD	0.6478

Dollar/Yen Exchange Rate

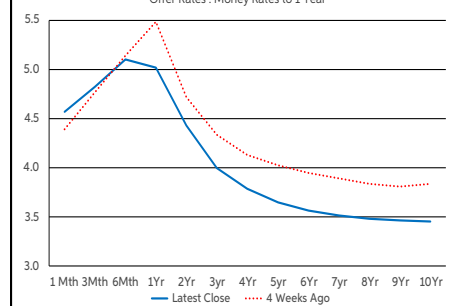


Euro/Yen Exchange Rate



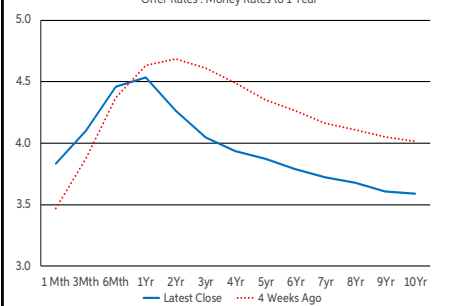
US Swap Curve

Offer Rates : Money Rates to 1 Year



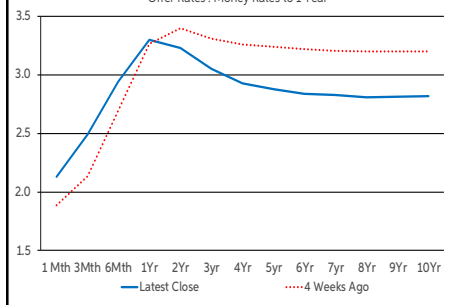
UK Swap Curve

Offer Rates : Money Rates to 1 Year

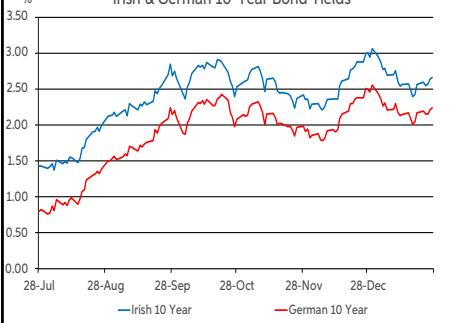


Eurozone Swap Curve

Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



## Debt Markets

	Close	Change bps		
		Day	4 Weeks	End 22
10 Year Yield %				
US	3.51	+0	-37	-37
Germany	2.24	+3	-32	-32
UK	3.33	+1	-34	-34
Ireland	2.69	+3	-46	-46
Belgium	2.90	+3	-31	-31
France	2.70	+3	-41	-41
Italy	4.23	+6	-48	-48
Spain	3.28	+6	-38	-38
Portugal	3.16	+5	-44	-44
Greece	4.26	+5	-33	-33
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5 Year Swap %				
US	3.65	+3	-35	-35
Eurozone	2.88	+2	-36	-36
UK	3.87	+2	-43	-43
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2 Year Swap %				
US	4.43	+1	-25	-25
Eurozone	3.23	+1	-16	-16
UK	4.26	+2	-42	-42
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10 Year Government Bond Spreads to Benchmark bps				
Ireland	45	+0	-14	-14
Belgium	66	+1	+2	+2
France	46	+0	-9	-9
Italy	199	+3	-16	-16
Spain	104	+3	-5	-5
Portugal	92	+2	-12	-12
Greece	202	+2	-0	-0

## Commodities

	% Change			
	Close	Day	4 Weeks	End 22
Brent Oil	86.66	-0.93	+0.87	+0.87
West Texas Oil	79.73	-1.13	-0.54	-0.54
Gold \$	1927.3	-0.09	+5.64	+5.64

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