

## Rate expectations harden further

Investor sentiment continued to hold a generally cautious tone yesterday. The Euro Stoxx 50 fell by 0.4%. Across the Atlantic though, the S&P 500 registered a modest 0.3% gain. On bond market, benchmark sovereign bond yields were little changed.

Data-wise, Eurozone industrial production fell sharply by 2.3% in July (vs. -1.1% f'cast). In the US, PPI inflation, printed broadly in-line with the consensus. The headline rate fell to 8.7% (vs. 8.8% f'cast), and the core rate declined to 7.3% (vs. 7.1% f'cast). However neither release greatly impacted the euro or the dollar.

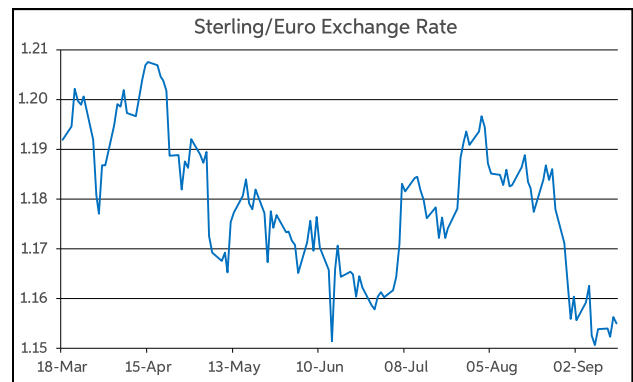
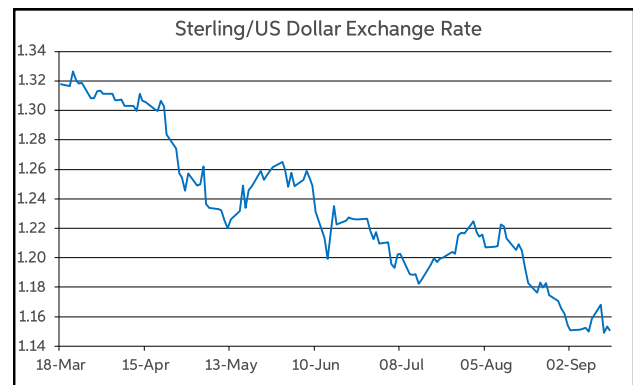
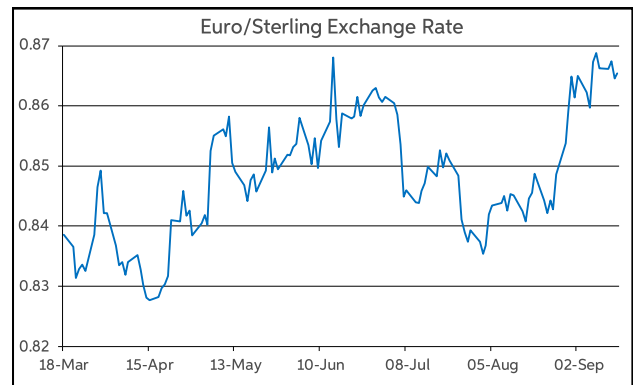
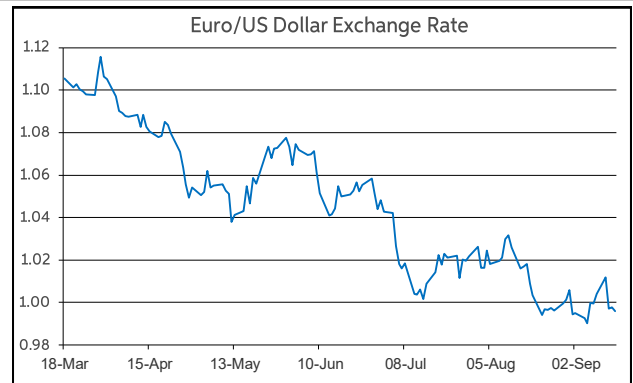
Currency-wise, there was a slightly firmer tone to sterling throughout the European session yesterday. Elsewhere, the Japanese yen moved higher across the board, as senior government officials noted that an intervention in the FX market to support the currency cannot be ruled out. However, overnight the dollar regained some momentum.

A further hardening of rate expectations this week has led to some volatility on forex markets, although, it has been confined to relatively narrow ranges. Rates are now seen as rising to 2.5% in the Eurozone, 4.25% in the US and 4.5% in the UK by mid-2023.

In level terms, EUR/USD is operating back nearer the midpoint of the \$0.99-1.00 range. Elsewhere, EUR/GBP opens back at the halfway mark of 86-87p. GBP/USD is changing hands just above the \$1.15 handle. USD/JPY is down at ¥143.

Turning to the day ahead, a busy data schedule in the US contains retail sales and industrial production for August, as well as the latest weekly initial jobless claims release.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	0.9962	-0.32	-12.37
EUR/GBP	0.8654	-0.24	3.02
GBP/USD	1.1512	-0.07	-14.91
GBP/EUR	1.1551	0.24	-2.94
USD/JPY	143.56	-0.19	24.75
EUR/JPY	143.06	-0.50	9.31

\* 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	2.375	2.82	3.29	4.35	4.25	3.72
EUR	0.50	0.62	1.00	2.15	2.48	2.49
GBP	1.75	2.20	2.72	4.09	4.26	3.90

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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# Opening Levels

Thursday 15 September 2022  
07:15 am



## Euro

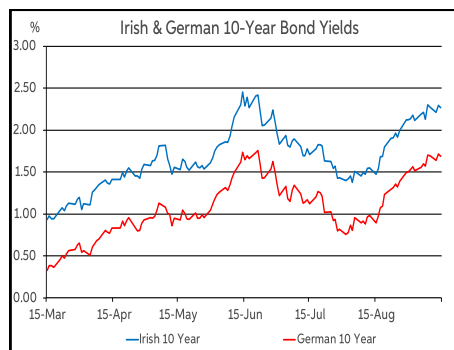
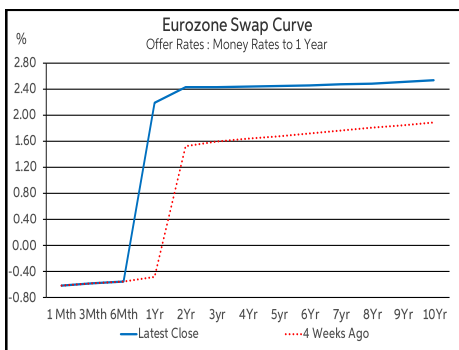
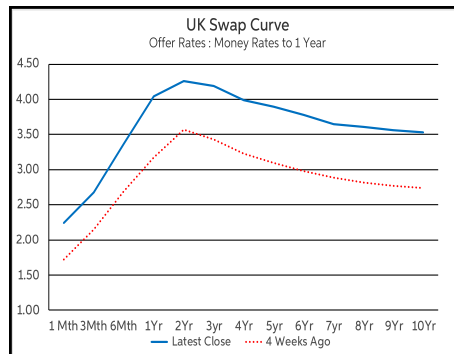
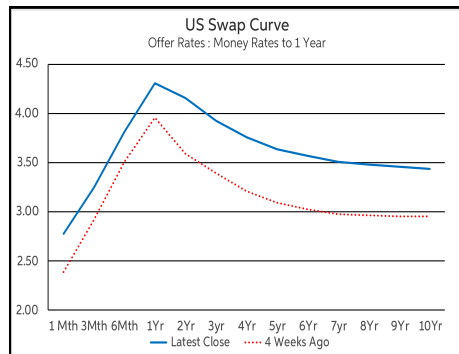
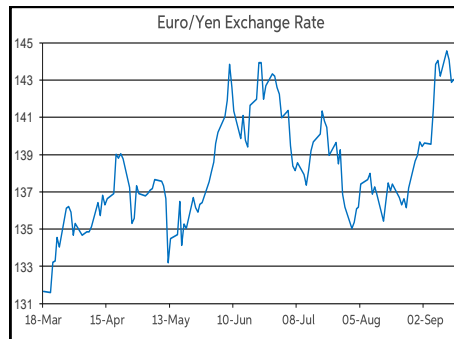
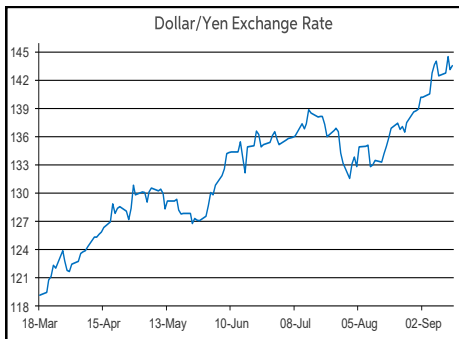
EUR/GBP	0.8654
EUR/USD	0.9962
EUR/JPY	143.06
EUR/SEK	10.6844
EUR/DKK	7.4365
EUR/NOK	10.0769
EUR/CHF	0.96
EUR/AUD	1.4758
EUR/HKD	7.819
EUR/CAD	1.3129

## Sterling

GBP/EUR	1.1551
GBP/USD	1.1512
GBP/CAD	1.5169
GBP/NZD	1.9173
GBP/JPY	165.27
GBP/SEK	12.3435
GBP/DKK	8.591
GBP/NOK	11.641
GBP/CHF	1.109
GBP/AUD	1.7053

## Dollar

USD/JPY	143.56
USD/CAD	1.3174
USD/CHF	0.9633
USD/CNY	6.9679
USD/BRL	5.1641
USD/RUB	59.9
USD/INR	79.551
AUD/USD	0.675
NZD/USD	0.6002



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
<b>10 Year Yield %</b>				
US	3.40	-1	+50	+189
Germany	1.70	-3	+62	+188
UK	3.14	-4	+85	+217
<b>5 Year Swap %</b>				
US	3.63	+3	+58	+230
Eurozone	2.45	+2	+78	+244
UK	3.90	+5	+80	+262
<b>2 Year Swap %</b>				
US	4.16	+11	+59	+322
Eurozone	2.43	+5	+91	+273
UK	4.26	-1	+69	+307
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	61	+0	-1	+18
Belgium	61	-1	-2	+25
France	57	+0	-1	+19
Italy	228	+2	+5	+92
Spain	115	+1	+1	+38
Portugal	106	+1	+1	+40
Greece	258	+8	+15	+109

Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	94.1	+1.00	+0.48	+20.98
West Texas Oil	88.88	+1.18	-2.17	+17.99
Gold \$	1695.8	-0.34	-3.71	-7.25

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