

## EUR/USD opens above \$1.07

The mixed mood on markets from last week carried through to yesterday. The Euro Stoxx 50 gained 1.3% on the day. Across the Atlantic though, having initially moved higher (+1.4% in early trading), the S&P 500 finished flat for the day. The sharp fall in the index coincided with hawkish comments from some Fed officials.

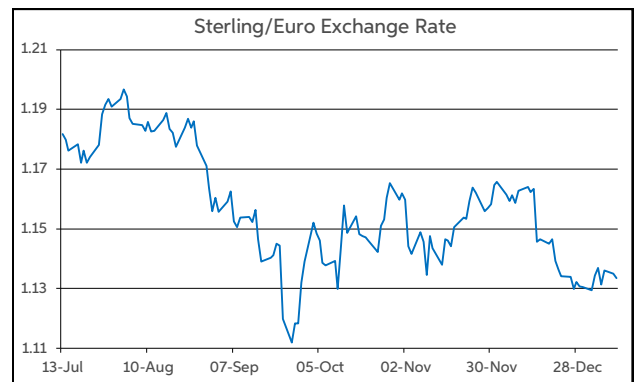
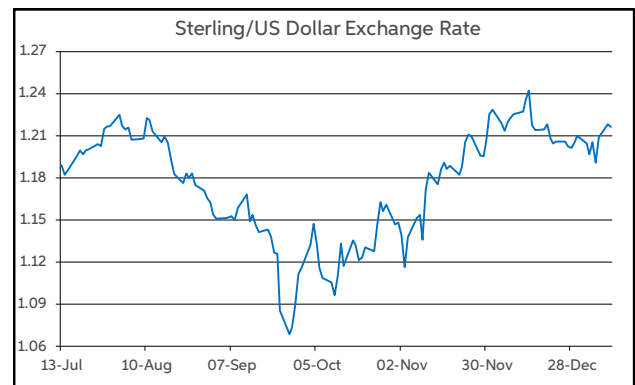
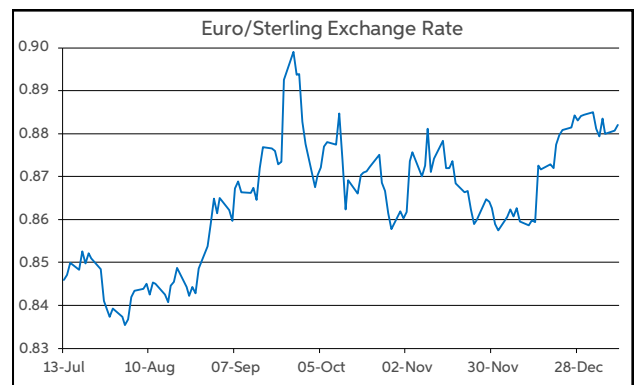
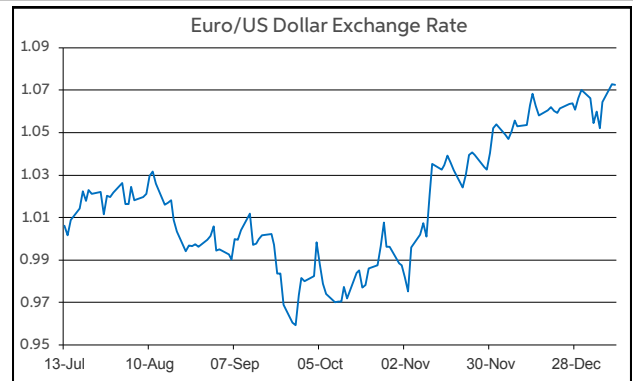
Meanwhile on bond markets, US Treasury yields fell by 2-6bps along the curve, as US rate hike expectations continued to soften, despite the hawkish rhetoric. In contrast, UK Gilt and German Bund yields edged higher, amid choppy trading conditions.

Currency-wise, the dollar was on the defensive throughout the European session. At the same time, the euro was holding a somewhat firmer tone. This saw EUR/USD rise to \$1.076, its highest level since June of last year. However, the dollar recovered some ground in overnight action.

As trading gets underway this morning, the softer dollar, and firmer euro, is evidenced by EUR/USD opening up above the \$1.07 threshold. EUR/GBP is changing hands up above the 88p level. Meanwhile, GBP/USD is operating in the top half of the \$1.21-1.22 corridor.

Turning to the day ahead, there is a relatively sparse data schedule. The only release of note, US NFIB Small Business Optimism (Dec) is unlikely to impact on currency markets. Meanwhile, there are some notable speakers on the central bank front. Comments from Fed Chair Powell, BoE Governor Bailey and influential ECB Governing Council Board member Schnabel may garner some attention.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.0728	0.48	0.24
EUR/GBP	0.8818	0.33	-0.29
GBP/USD	1.2163	0.16	0.55
GBP/EUR	1.1332	-0.33	0.29
USD/JPY	132.09	0.19	0.75
EUR/JPY	141.7	0.67	1.00

\* 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	4.40	4.81	5.06	4.52	3.68
EUR	2.50	1.90	2.25	3.25	3.26	2.94
GBP	3.50	3.52	3.93	4.57	4.46	4.09

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

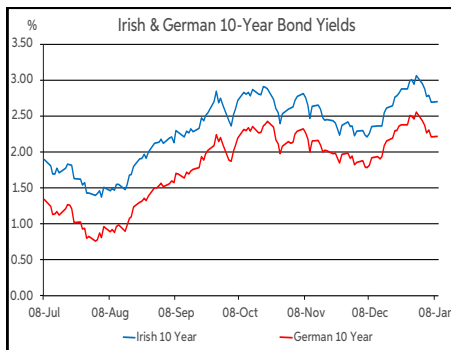
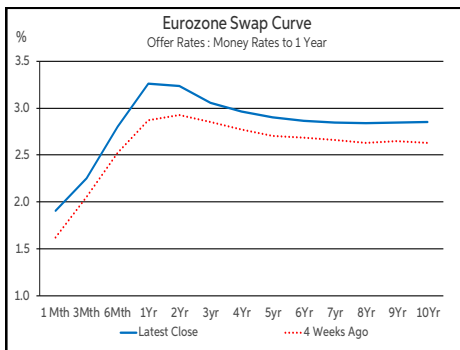
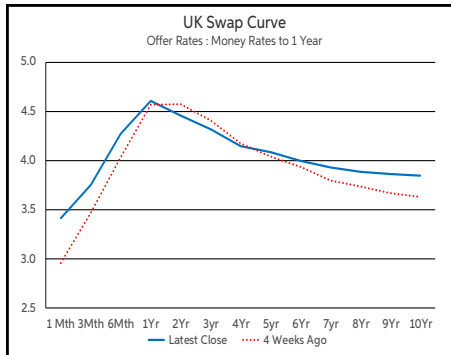
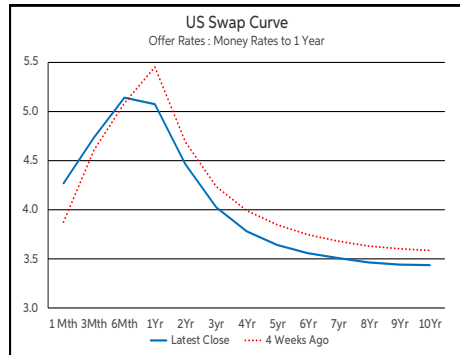
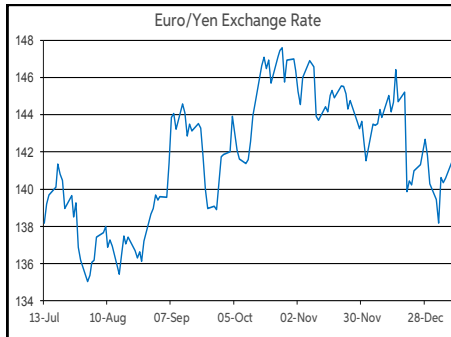
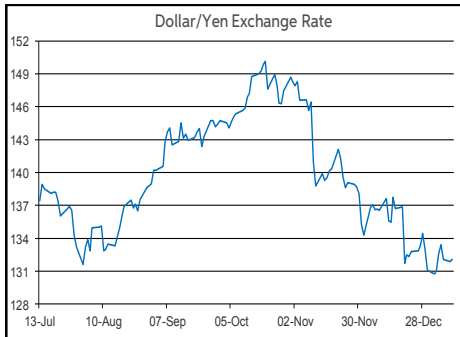
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# Opening Levels

Tuesday 10 January 2023  
07:07 am



Euro		Sterling		Dollar	
EUR/GBP	0.8818	GBP/EUR	1.1334	USD/JPY	132.08
EUR/USD	1.0727	GBP/USD	1.2163	USD/CAD	1.3388
EUR/JPY	141.72	GBP/CAD	1.6285	USD/CHF	0.9216
EUR/SEK	11.1559	GBP/NZD	1.9101	USD/CNY	6.7777
EUR/DKK	7.4368	GBP/JPY	160.65	USD/BRL	5.2546
EUR/NOK	10.6338	GBP/SEK	12.647	USD/RUB	69.3
EUR/CHF	0.9888	GBP/DKK	8.4303	USD/INR	82.172
EUR/AUD	1.5545	GBP/NOK	12.0566		
EUR/HKD	8.3745	GBP/CHF	1.1211	AUD/USD	0.69
EUR/CAD	1.4363	GBP/AUD	1.7623	NZD/USD	0.6365



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 22
<b>10 Year Yield %</b>				
US	3.53	-3	-9	-35
Germany	2.22	+1	+28	-35
UK	3.53	+6	+34	-14
<b>5 Year Swap %</b>				
US	3.64	-4	-16	-35
Eurozone	2.90	+1	+21	-33
UK	4.09	-6	+9	-22
<b>2 Year Swap %</b>				
US	4.46	-7	-19	-21
Eurozone	3.24	+0	+32	-15
UK	4.46	-8	-11	-23
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	51	+0	+4	-7
Belgium	62	+2	+3	-2
France	51	-0	+3	-4
Italy	196	-6	+6	-18
Spain	105	-2	+1	-5
Portugal	98	-4	+4	-6
Greece	223	-1	+21	+20

Commodities				
	% Change			
	Close	Day	4 Weeks	End 22
Brent Oil	79.65	+1.37	+2.13	-7.29
West Texas Oil	74.69	+1.25	+2.37	-6.82
Gold \$	1871.6	+0.32	+5.08	+2.59

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