

US CPI inflation data in focus today

There was a positive tone to investor sentiment to start the week on financial markets yesterday. The Euro Stoxx 50 jumped by 2.1%. On Wall Street, the S&P 500 gained a more modest 1.1%. Meanwhile, benchmark sovereign bond yields were little changed in the US, Eurozone and UK. Elsewhere oil prices rose by over 1%, climbing to \$94 per barrel.

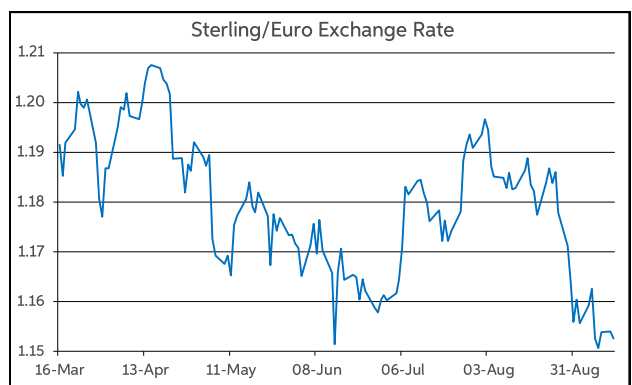
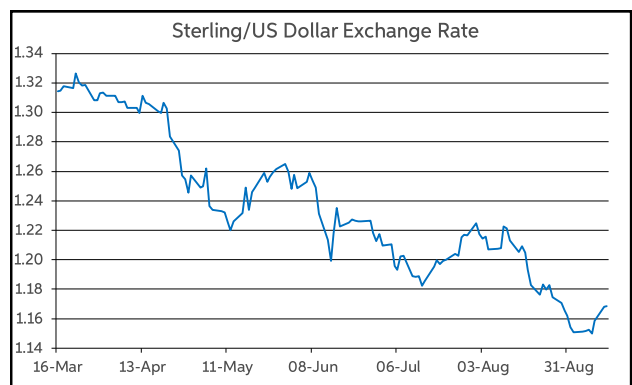
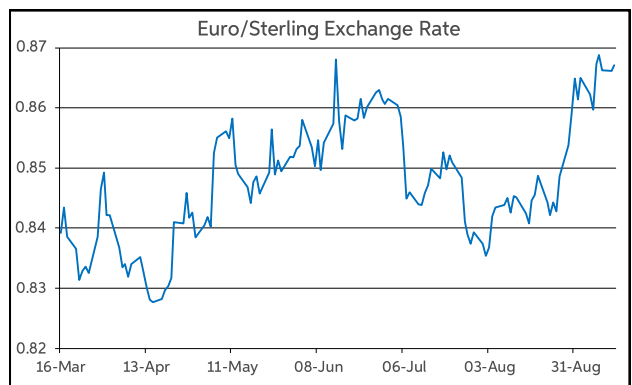
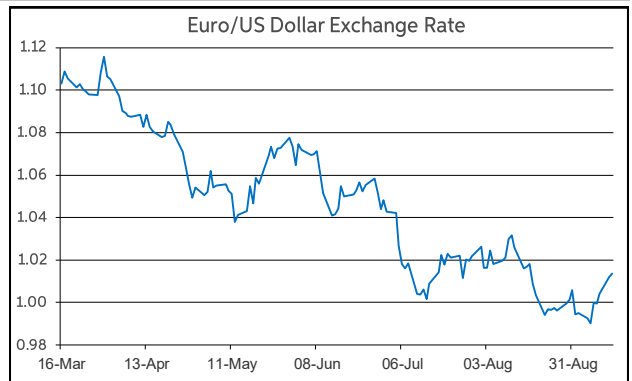
On currency markets, the dollar rally continued to go somewhat into reverse. Having reached a two decade high last Wednesday, the dollar index, which measures the value of the currency against a basket of peers, fell to its lowest level in a fortnight. Meantime, the yen edged higher, recouping some ground, having suffered heavy losses over the past few weeks.

In level terms, the softer tone to the dollar is evidenced by EUR/USD opening up above the \$1.01 threshold. GBP/USD is operating up near the \$1.17 handle. Elsewhere, EUR/GBP is changing hands in the upper half of the 86-87p trading range. USD/JPY is back in the lower half of ¥142-143.

Already this morning, UK labour market data suggest conditions have tightened further in the jobs market. The unemployment rate fell to 3.6% in July, while average earnings were up 5.5% y/y (vs. +5.4% f'cast). Sterling has been a touch firmer in early trading.

Later today, the focus will shift to the release of US CPI inflation for August. Headline CPI fell in July for only the second time in the last year, and it is expected to ease lower again to 8.1% in August. The release poses some event risk for the dollar, with an above consensus reading likely to rubber stamp market expectations for a 75bps increase from the Fed next week.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.0139	0.63	-10.81
EUR/GBP	0.8672	-0.12	3.24
GBP/USD	1.1691	0.75	-13.59
GBP/EUR	1.1527	0.12	-3.14
USD/JPY	142.39	-0.54	23.73
EUR/JPY	144.39	0.07	10.33

* 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	2.77	3.25	3.97	3.89	3.48
EUR	0.50	0.48	0.93	2.03	2.28	2.35
GBP	1.75	2.24	2.67	3.96	4.14	3.79

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

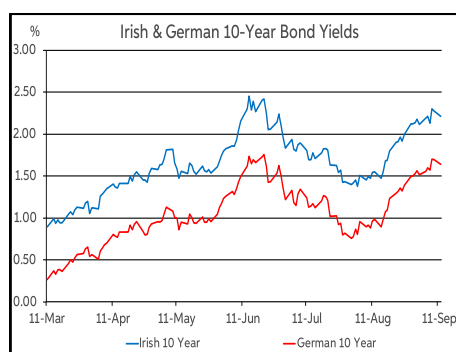
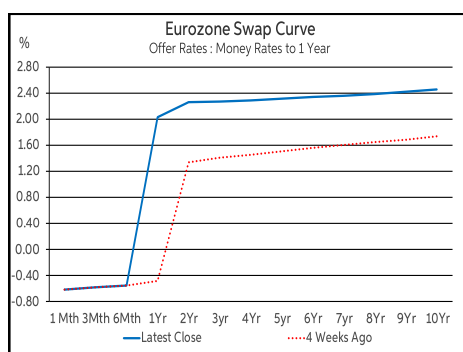
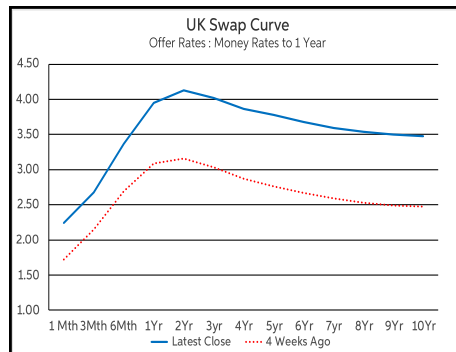
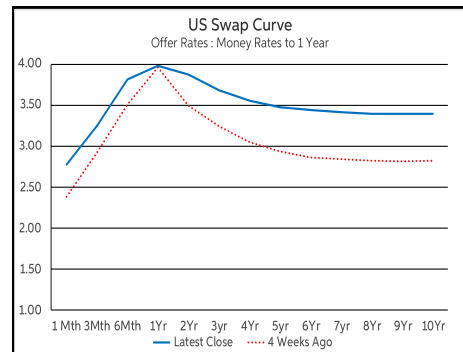
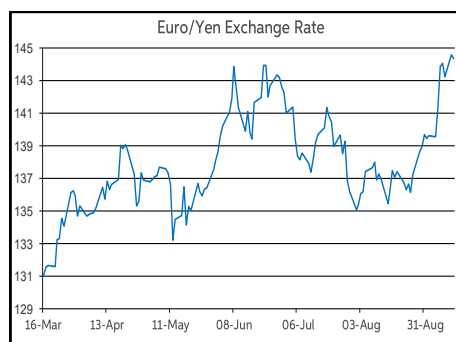
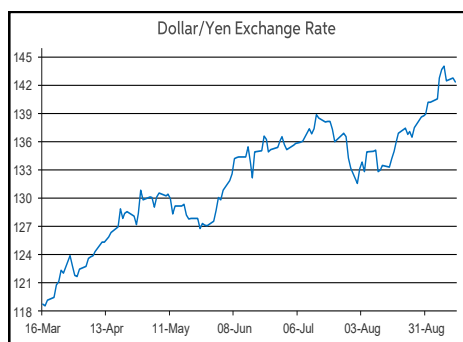
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Opening Levels

Tuesday 13 September 2022
07:00 am



Euro		Sterling		Dollar	
EUR/GBP	0.867	GBP/EUR	1.1523	USD/JPY	142.37
EUR/USD	1.0138	GBP/USD	1.1691	USD/CAD	1.2988
EUR/JPY	144.35	GBP/CAD	1.519	USD/CHF	0.9509
EUR/SEK	10.6201	GBP/NZD	1.9073	USD/CNY	6.9213
EUR/DKK	7.4365	GBP/JPY	166.44	USD/BRL	5.093
EUR/NOK	9.9675	GBP/SEK	12.249	USD/RUB	60.45
EUR/CHF	0.9642	GBP/DKK	8.5756	USD/INR	79.144
EUR/AUD	1.475	GBP/NOK	11.5	AUD/USD	0.6872
EUR/HKD	7.9579	GBP/CHF	1.1121	NZD/USD	0.6128
EUR/CAD	1.3171	GBP/AUD	1.7013		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	3.36	+4	+56	+185
Germany	1.65	-5	+74	+182
UK	3.08	-1	+106	+211
5 Year Swap %				
Ireland	2.25	-6	+73	+200
Belgium	2.30	-5	+80	+212
France	2.22	-4	+76	+203
Italy	3.96	-5	+98	+277
Spain	2.80	-6	+79	+221
Portugal	2.71	-6	+79	+223
Greece	4.22	-4	+105	+290
2 Year Swap %				
US	3.47	+1	+58	+214
Eurozone	2.32	-2	+82	+231
UK	3.78	-2	+102	+251
10 Year Government Bond Spreads to Benchmark bps				
Ireland	61	-1	-1	+18
Belgium	65	+1	+6	+29
France	58	+1	+1	+21
Italy	231	+1	+23	+95
Spain	116	-1	+5	+38
Portugal	107	-1	+5	+40
Greece	257	+1	+31	+108

Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	94	+1.25	-1.16	+20.85
West Texas Oil	88.18	+1.04	-4.40	+17.06
Gold \$	1724.1	+0.47	-3.08	-5.71

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