

## Positive tone to investor sentiment

There was a positive tone to investor sentiment to start the week on financial markets. The Euro Stoxx 50 rose by 0.8%. On Wall Street, the S&P 500 gained 1.2%. Meanwhile, benchmark Eurozone and US bond yields climbed 3-4bps higher. In contrast, UK Gilt yields edged slightly lower. Elsewhere, Brent crude prices continued to trend upwards, rising above \$88 per barrel.

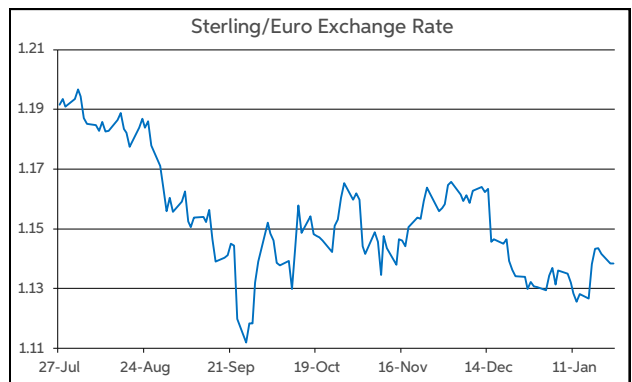
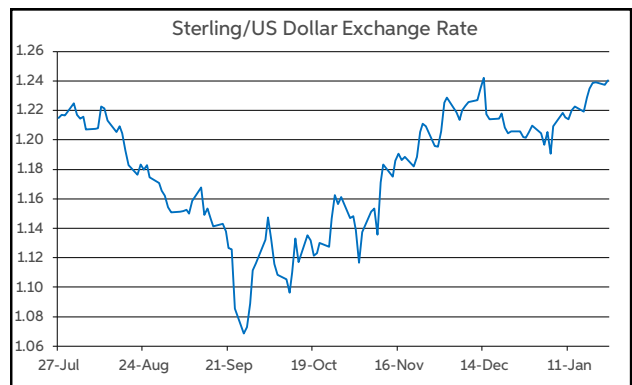
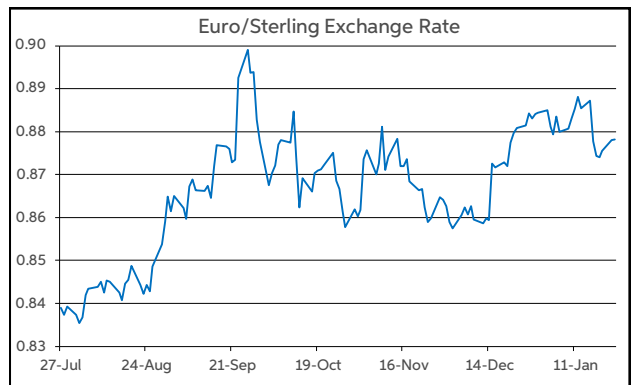
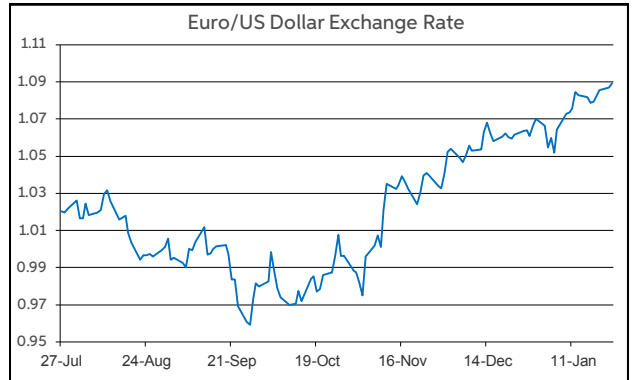
Data-wise, Eurozone consumer confidence improved, but printed below the consensus in January (-20.9 vs. -20.0 f'cast). Meantime, ECB President Lagarde reiterated that rates will have to be hiked "significantly at a steady pace", suggesting another 50bps increase can be expected at the ECB's next policy meeting. However, the euro was little impacted by either event yesterday.

On the currency front, the dollar was on the defensive in the early part of the European session. This saw EUR/USD rise to its highest level in nine months, above \$1.092, while GBP/USD rose to a high of \$1.245. However, the greenback recouped most of its losses before the close.

As trading gets underway this morning, EUR/USD opens just below the \$1.09 level. GBP/USD is changing hands at the \$1.24 threshold. Meanwhile, EUR/GBP is operating in the top half of 87-88p. USD/JPY remains under the ¥130 handle.

Today, the main release of note will be the flash PMIs in the US, Eurozone and UK for January. Despite, modest improvements forecast across the board, all the indices are expected to remain at weak levels. Elsewhere, ECB President Lagarde is speaking again today, and her comments will continue to be closely monitored ahead of the ECB policy meeting next week.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.0895	0.04	1.80
EUR/GBP	0.8781	0.09	-0.71
GBP/USD	1.2405	-0.06	2.55
GBP/EUR	1.1385	-0.09	0.72
USD/JPY	129.79	-0.06	-1.01
EUR/JPY	141.41	-0.01	0.79

\* 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	4.51	4.82	5.03	4.46	3.66
EUR	2.50	2.00	2.42	3.31	3.25	2.88
GBP	3.50	3.73	4.06	4.59	4.33	3.91

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

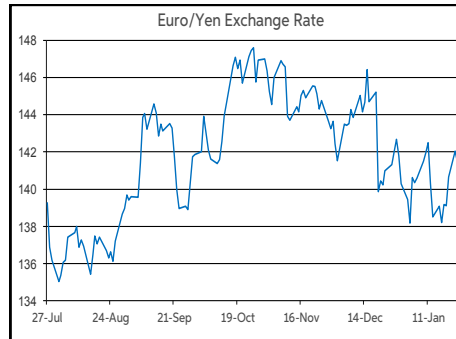
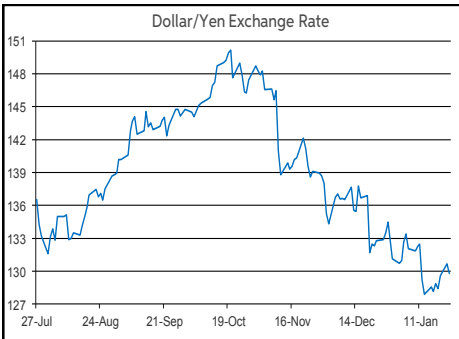
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# Opening Levels

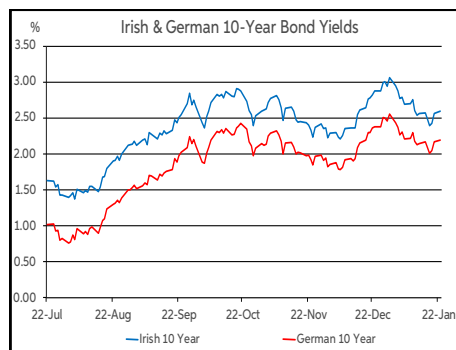
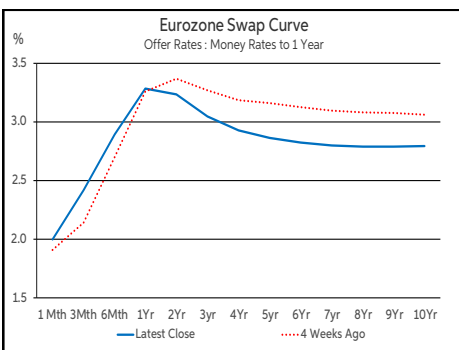
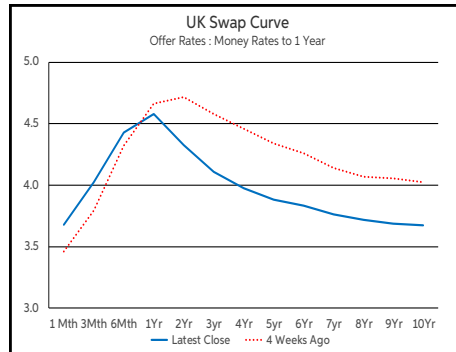
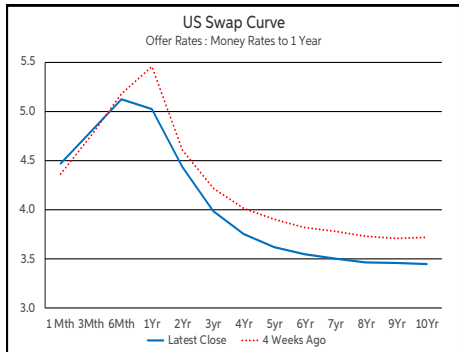
Tuesday 24 January 2023  
07:45 am



Euro		Sterling		Dollar	
EUR/GBP	0.878	GBP/EUR	1.1382	USD/JPY	129.79
EUR/USD	1.0893	GBP/USD	1.2403	USD/CAD	1.3345
EUR/JPY	141.4	GBP/CAD	1.6559	USD/CHF	0.9198
EUR/SEK	11.1138	GBP/NZD	1.9046	USD/CNY	6.7825
EUR/DKK	7.439	GBP/JPY	160.98	USD/BRL	5.2076
EUR/NOK	10.6625	GBP/SEK	12.6522	USD/RUB	68.65
EUR/CHF	1.0022	GBP/DKK	8.4683	USD/INR	81.427
EUR/AUD	1.5463	GBP/NOK	12.137		
EUR/HKD	8.5307	GBP/CHF	1.141	AUD/USD	0.7044
EUR/CAD	1.4541	GBP/AUD	1.7612	NZD/USD	0.6511



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 22
<b>10 Year Yield %</b>				
US	3.52	+4	-23	-36
Germany	2.20	+3	-19	-36
UK	3.36	-2	-28	-31
<b>5 Year Swap %</b>				
US	3.62	+5	-24	-38
Eurozone	2.86	+5	-28	-37
UK	3.88	-1	-41	-42
<b>2 Year Swap %</b>				
US	4.43	+5	-13	-24
Eurozone	3.23	+4	-12	-16
UK	4.33	-1	-35	-35
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	41	-0	-13	-17
Belgium	64	+11	+3	+0
France	46	+1	-8	-9
Italy	183	+2	-28	-31
Spain	100	+1	-8	-9
Portugal	90	+1	-13	-14
Greece	200	+4	-15	-3



Commodities				
	% Change			
	Close	Day	4 Weeks	End 22
Brent Oil	88.19	+0.64	+5.09	+2.65
West Texas Oil	81.62	+0.43	+2.58	+1.82
Gold \$	1931.3	+0.25	+7.44	+5.86

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