

## US inflation in focus today

There was a cautious tone to investor sentiment yesterday. This was reflected in the main equity indices registering falls. In Europe, the Euro Stoxx 50 was down 1.1%. Meantime, on Wall Street, the S&P 500 was 0.4% lower at the closing bell last night. Bond yields move higher amid investor caution ahead of today's US inflation report. The main sovereign yields were between 2-4bps higher in terms of 10-year duration.

Data-wise, for a second consecutive day, the macro data schedule was quiet on both sides of the Atlantic. The only release of note was the NFIB measure of US small business sentiment for July. The headline index was only marginally changed. As expected, the release did not garner any market reaction.

From a currency viewpoint, the lack of any top tier macro data or central bank newsflow, meant there was little to provide any directional impact. Instead, similar to Monday, the majors remained confined to tight ranges. As a result, the main pairs open this morning showing very little movement over the past 24 hours. EUR/USD continues to operate just above the \$1.02 threshold. EUR/GBP remains in and around the midpoint of 84-85p. GBP/USD is trading below, but near to \$1.21.

Looking ahead to today, we get the important US CPI inflation data for July. This will receive plenty of attention as it could have a key bearing on whether the Fed hikes by 50bps or 75bps at its next meeting in September. Therefore, depending on how the data prints versus expectations it could be a source of volatility for the dollar. The headline rate is forecast to fall from 9.1% to 8.7%, but the core rate is expected to edge up from 5.9% to 6.1%.

**John Fahey, Senior Economist, AIB**

### Today's Opening FX Rates

		% Change	
		Day *	End 2021
EUR/USD	1.0207	0.15	-10.21
EUR/GBP	0.8453	0.24	0.63
GBP/USD	1.207	-0.12	-10.78
GBP/EUR	1.1821	-0.24	-0.63
USD/JPY	135.05	0.11	17.35
EUR/JPY	137.91	0.28	5.38

\* v Previous Day's European Open

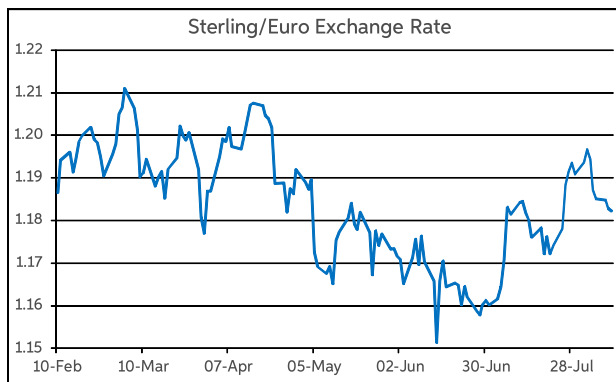
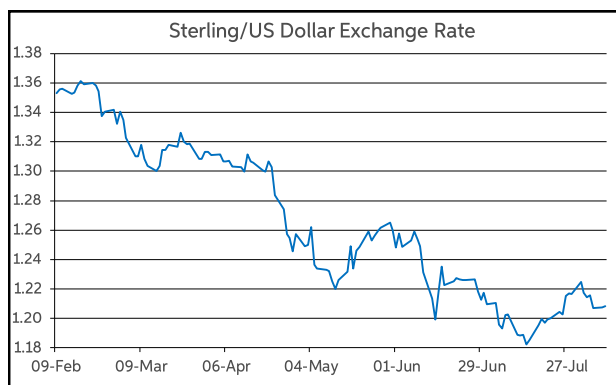
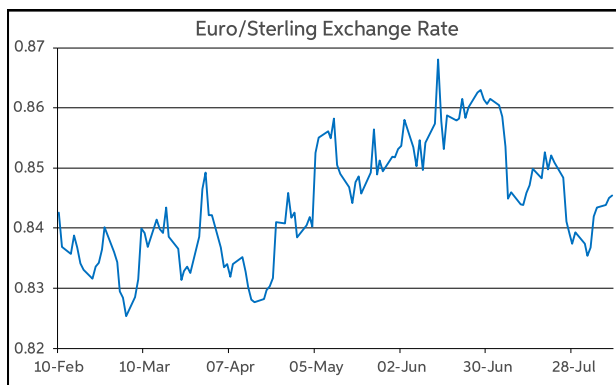
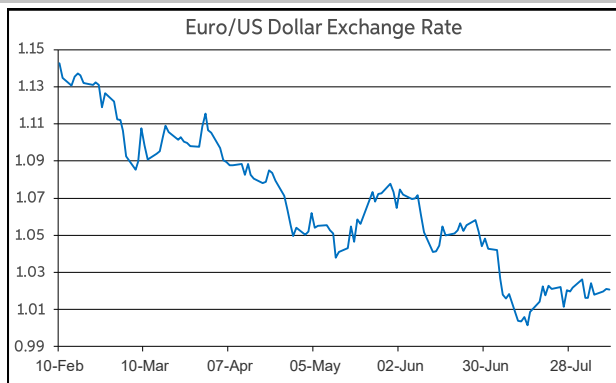
See Next Page for More Rates

### Opening Interest Rates

	Base Rate	Money Market		Swap Rates		
		1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	2.375	2.38	2.92	3.66	3.54	3.01
EUR	0.50	-0.03	0.30	1.11	1.37	1.57
GBP	1.75	1.72	2.10	3.03	3.07	2.72

All rates quoted are indicative market rates

See Next Page For More Rates & Charts



### CONTACTS

**AIB Customer Treasury Services**  
business.treasury@aib.ie  
aib.corporate.treasury@aib.ie  
aib.ie/fxcentre

**Customer Treasury Services GB**  
treasury.gb@aib.ie  
aibgb.co.uk/fxcentre

**Customer Treasury Services NI**  
TreasuryNI@aib.ie  
aibni.co.uk/fxcentre

# Opening Levels

Wednesday 10 August 2022  
07:23 am



## Euro

EUR/GBP	0.8453
EUR/USD	1.0207
EUR/JPY	137.91
EUR/SEK	10.3929
EUR/DKK	7.4405
EUR/NOK	9.9316
EUR/CHF	0.9731
EUR/AUD	1.4682
EUR/HKD	8.0095
EUR/CAD	1.3161

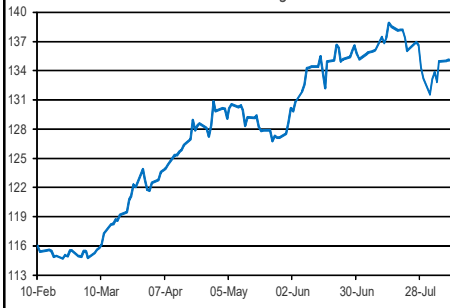
## Sterling

GBP/EUR	1.1821
GBP/USD	1.207
GBP/CAD	1.5564
GBP/NZD	1.9214
GBP/JPY	163.03
GBP/SEK	12.2888
GBP/DKK	8.797
GBP/NOK	11.7456
GBP/CHF	1.1508
GBP/AUD	1.7367

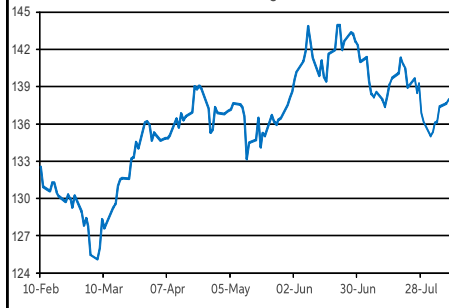
## Dollar

USD/JPY	135.05
USD/CAD	1.2892
USD/CHF	0.9533
USD/CNY	6.7574
USD/BRL	5.1237
USD/RUB	60.25
USD/INR	79.5
AUD/USD	0.6948
NZD/USD	0.6281

Dollar/Yen Exchange Rate

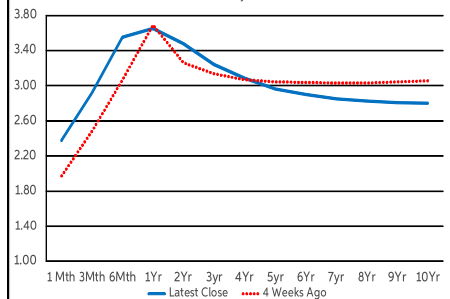


Euro/Yen Exchange Rate



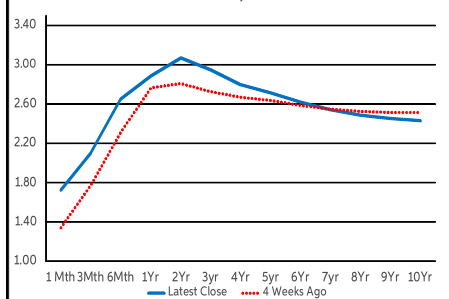
US Swap Curve

Offer Rates : Money Rates to 1 Year



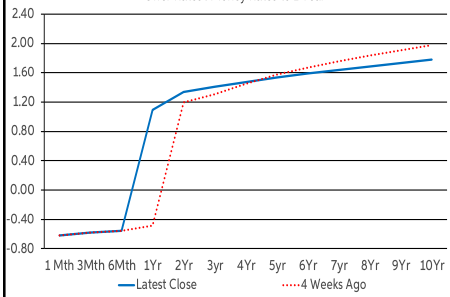
UK Swap Curve

Offer Rates : Money Rates to 1 Year

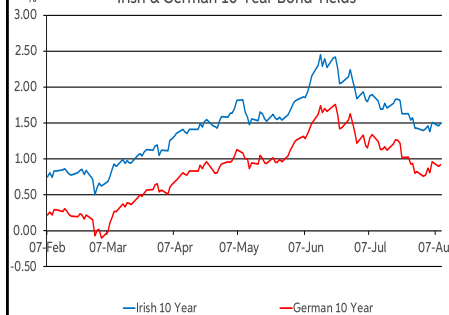


Eurozone Swap Curve

Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



## Debt Markets

	Close	Change bps		
		Day	4 Weeks	End 21
<b>10 Year Yield %</b>				
US	2.78	+3	-19	+127
Germany	0.92	+3	-21	+110
UK	1.97	+2	-9	+100
<b>5 Year Swap %</b>				
US	2.96	+6	-4	+163
Eurozone	1.54	+3	-3	+152
UK	2.71	+7	+8	+144
<b>2 Year Swap %</b>				
US	3.48	+5	+26	+254
Eurozone	1.34	+4	+15	+164
UK	3.07	+7	+27	+188
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	61	+1	+2	+18
Belgium	59	+1	-3	+23
France	56	+1	+4	+18
Italy	213	-1	+7	+77
Spain	111	+1	+1	+33
Portugal	103	-0	-8	+37
Greece	230	+11	-7	+80

## Commodities

	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	96.31	-0.35	-3.20	+23.82
West Texas Oil	93.18	-0.36	-4.62	+23.70
Gold \$	1794.1	+0.31	+3.96	-1.88

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