

## Yen weaker following BoJ meeting

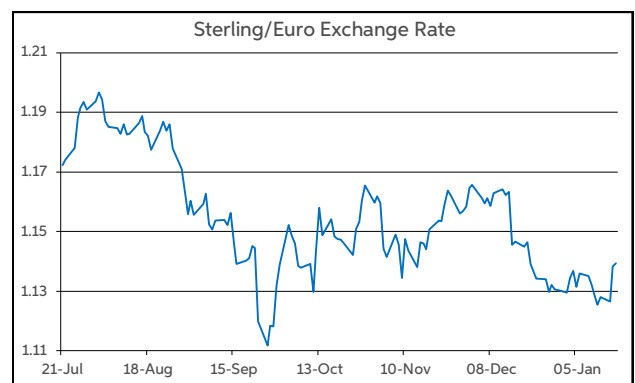
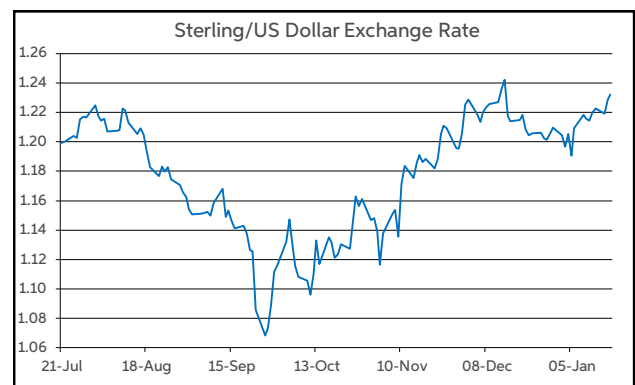
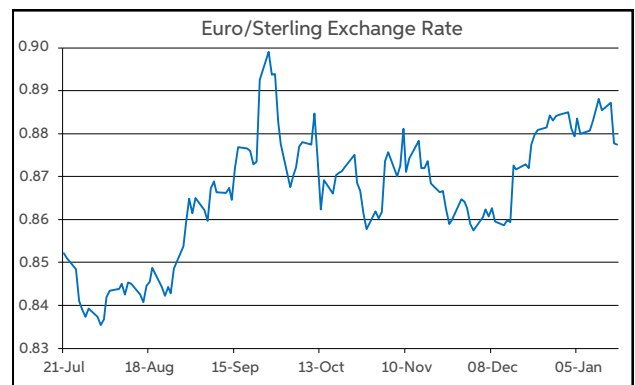
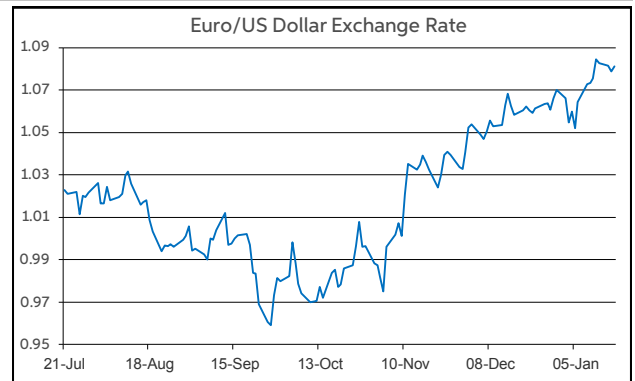
There was a mixed tone to investor sentiment yesterday. In Europe, the Euro Stoxx 50 gained 0.4% on the day. Meanwhile, Wall Street returned from its long weekend in a more subdued mood. At the closing bell last night, the S&P 500 was 0.2% lower from where it started the day. On bond markets, yields were generally lower, although the magnitude of falls differed across geographies. The 10-year German bund yield fell by 11bps to below the 2.1% mark.

Meantime, on the currency front, sterling managed to adopt a firmer tone, which was reflected in gains being registered against both the dollar and the euro. Relative moves in market swap rates were favourable to sterling yesterday. In level terms, the firmer tone to sterling saw the EUR/GBP pair trade down below the 88p mark. Meanwhile, GBP/USD moved up into \$1.23 territory. Elsewhere, EUR/USD spent much of yesterday in a fairly tight range in and around the \$1.08 handle.

In overnight news, the Bank of Japan's first policy meeting of the year saw the central bank leave its policy rate and 10-year Japanese Bond yield target rate unchanged. Unlike in December, there was no change to its yield curve band. The lack of action or signals that policy changes were on the cards disappointed market expectations. As a result, the yen came under downward pressure, with USD/JPY moving back up above the ¥130 level.

UK CPI data released just a short while ago saw inflation in December edge back to 10.5% (from 10.7%), which was in line with consensus forecasts. Later this afternoon, there is a busy US macro diary, which includes retail sales and industrial production updates for December.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.0817	-0.12	1.07
EUR/GBP	0.8771	-1.17	-0.83
GBP/USD	1.2329	1.07	1.92
GBP/EUR	1.1395	1.19	0.83
USD/JPY	130.36	1.34	-0.57
EUR/JPY	141	1.19	0.50

\* 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	4.47	4.80	5.03	4.43	3.60
EUR	2.50	1.97	2.33	3.15	3.06	2.66
GBP	3.50	3.68	4.02	4.55	4.34	3.89

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

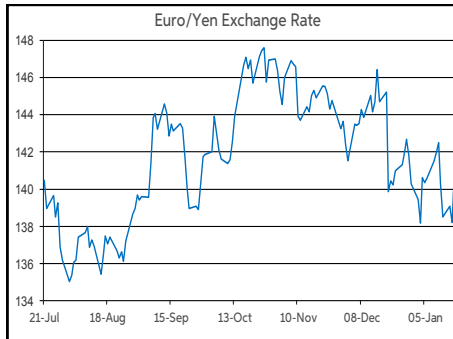
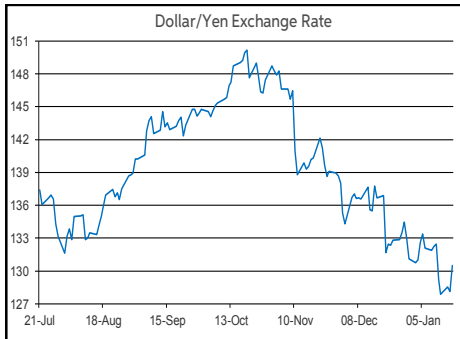
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# Opening Levels

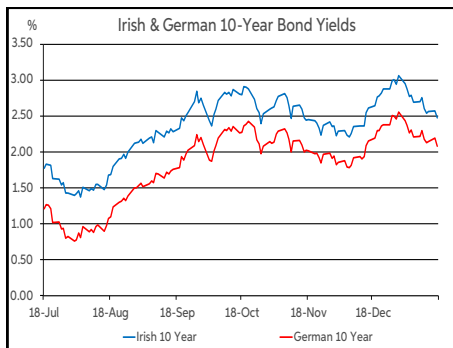
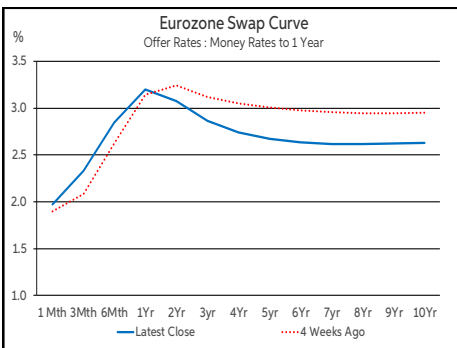
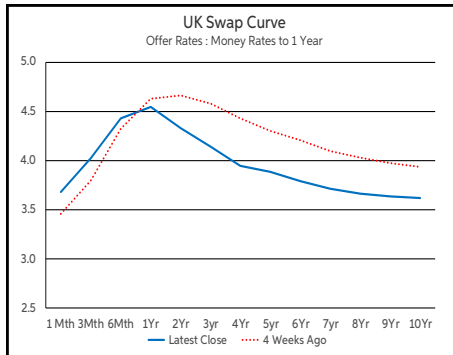
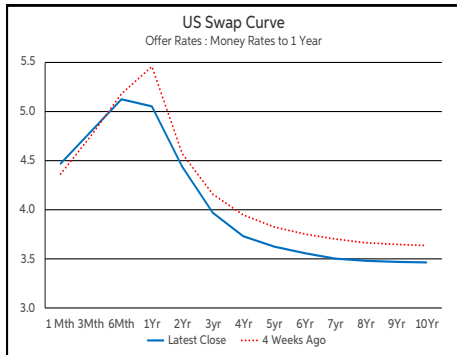
Wednesday 18 January 2023  
07:26 am



Euro		Sterling		Dollar	
EUR/GBP	0.8771	GBP/EUR	1.1395	USD/JPY	130.36
EUR/USD	1.0817	GBP/USD	1.2329	USD/CAD	1.3352
EUR/JPY	141	GBP/CAD	1.6465	USD/CHF	0.9201
EUR/SEK	11.2103	GBP/NZD	1.9031	USD/CNY	6.7719
EUR/DKK	7.4388	GBP/JPY	160.75	USD/BRL	5.1003
EUR/NOK	10.6549	GBP/SEK	12.7701	USD/RUB	69.15
EUR/CHF	0.9953	GBP/DKK	8.4771	USD/INR	81.46
EUR/AUD	1.5397	GBP/NOK	12.1382	AUD/USD	0.7025
EUR/HKD	8.4685	GBP/CHF	1.1346	NZD/USD	0.6477
EUR/CAD	1.4445	GBP/AUD	1.7549		



	Close	Change bps		
		Day	4 Weeks	End 22
<b>10 Year Yield %</b>				
US	3.55	+5	-14	-33
Germany	2.09	-11	-22	-48
UK	3.33	-6	-27	-34
<b>5 Year Swap %</b>				
US	3.63	+0	-16	-37
Eurozone	2.67	-10	-33	-56
UK	3.89	+3	-38	-42
<b>2 Year Swap %</b>				
US	4.44	-4	-9	-24
Eurozone	3.07	-10	-16	-32
UK	4.33	-1	-33	-35
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	42	+1	-10	-17
Belgium	54	+2	-8	-10
France	45	+0	-9	-10
Italy	180	-2	-38	-35
Spain	98	+1	-13	-12
Portugal	91	+1	-15	-13
Greece	211	+15	-4	+8



	% Change			
	Close	Day	4 Weeks	End 22
Brent Oil	85.92	+1.73	+7.41	+0.01
West Texas Oil	80.25	+0.44	+5.70	+0.11
Gold \$	1908.4	-0.50	+5.01	+4.60

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