

EUR/USD edges above \$1.03

The market action yesterday was less eventful compared to Wednesday's US CPI inflation inspired moves. However, there were further updates yesterday on US inflation, in the form of producer prices for July.

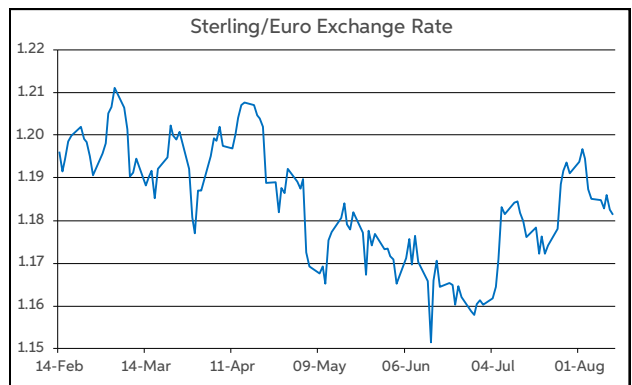
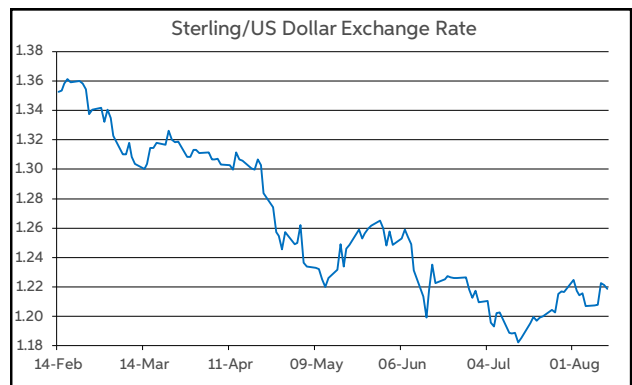
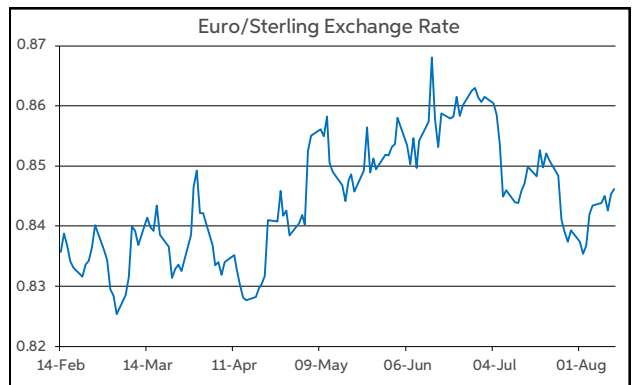
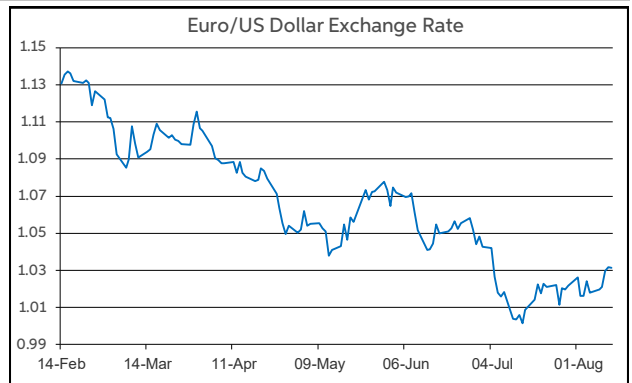
Similar to the consumer price index, the PPI data showed signs of an easing in inflation. The headline rate fell last month by more than expected to 9.8% from 11.3% in June and versus a 10.4% consensus forecast. Wall Street reacted positively to the release and was trading higher for much of the day. However, risk appetite waned coming into the close last night and the S&P 500 finished marginally lower on the day.

Meanwhile, the dollar remained under some mild downward pressure as market participants digested a second day of encouraging signs regarding the trajectory of US inflation. Elsewhere on the currency front, the euro was holding a slightly firmer tone throughout yesterday.

As a result, as trading gets underway this morning, the EUR/USD pair opens just above the \$1.03 threshold. EUR/GBP has edged up into the top half of the 84-85p trading band. Meantime, GBP/USD has continued to trade over the past 24 hours in a tight range in and around the \$1.22 level.

Already this morning we have got the first reading of UK Q2 GDP. It printed slightly above expectations, registering a 0.1% contraction in the quarter (f'cast for -0.2%). There has been no notable reaction so far from sterling to the data. The remaining data highlights today are Eurozone industrial production (June) and US consumer sentiment (Aug).

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.0312	0.30	-9.29
EUR/GBP	0.846	0.32	0.71
GBP/USD	1.2185	-0.05	-9.93
GBP/EUR	1.1816	-0.32	-0.71
USD/JPY	133.34	0.17	15.87
EUR/JPY	137.52	0.47	5.08

* 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	2.39	2.91	3.60	3.50	3.01
EUR	0.50	-0.03	0.33	1.12	1.39	1.56
GBP	1.75	1.72	2.12	3.03	3.08	2.76

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

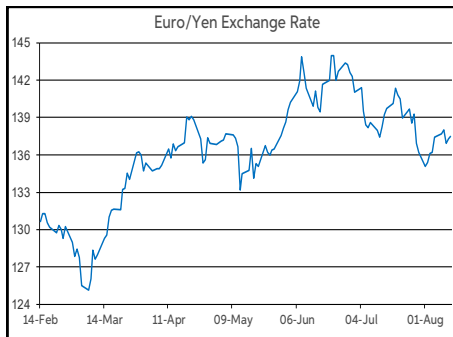
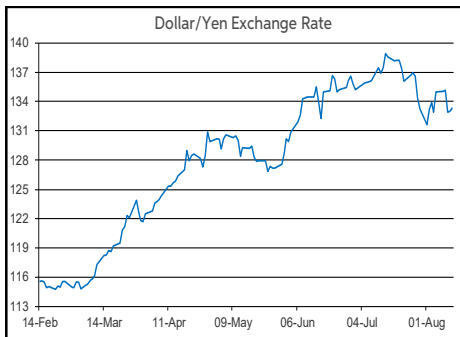
FX Spot	Karl Cooke Shane Gargan Ian Burke	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

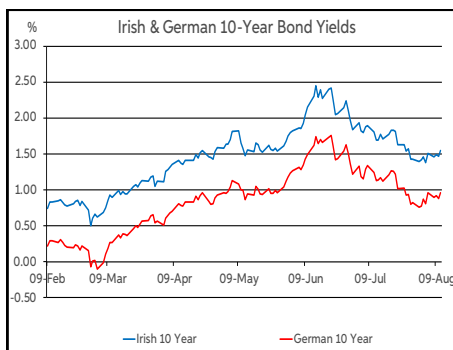
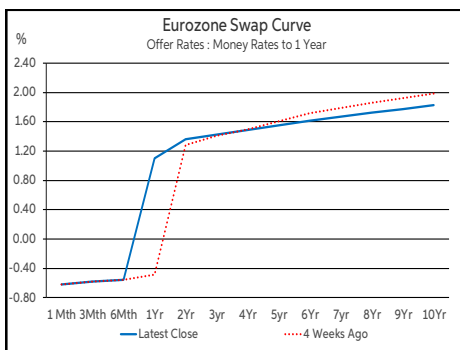
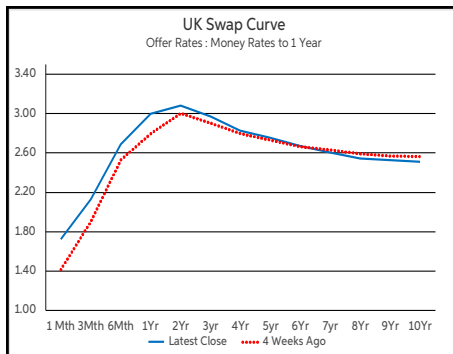
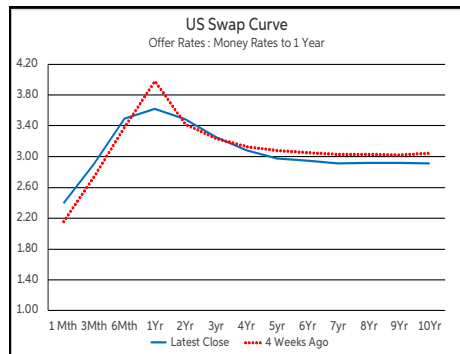
Friday 12 August 2022
07:28 am



Euro		Sterling		Dollar	
EUR/GBP	0.8459	GBP/EUR	1.1812	USD/JPY	133.35
EUR/USD	1.0312	GBP/USD	1.2188	USD/CAD	1.2748
EUR/JPY	137.54	GBP/CAD	1.554	USD/CHF	0.9419
EUR/SEK	10.3898	GBP/NZD	1.8891	USD/CNY	6.738
EUR/DKK	7.438	GBP/JPY	162.49	USD/BRL	5.1587
EUR/NOK	9.8127	GBP/SEK	12.275	USD/RUB	60.55
EUR/CHF	0.9714	GBP/DKK	8.788	USD/INR	79.698
EUR/AUD	1.4494	GBP/NOK	11.5965	AUD/USD	0.7112
EUR/HKD	8.0771	GBP/CHF	1.1479	NZD/USD	0.6449
EUR/CAD	1.315	GBP/AUD	1.7132		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	2.89	+10	-7	+138
Germany	0.97	+8	-21	+115
UK	2.06	+10	-4	+109
Ireland				
Ireland	1.59	+8	-22	+134
Belgium	1.56	+8	-23	+139
France	1.53	+8	-15	+134
Italy	3.02	+3	-35	+184
Spain	2.07	+7	-26	+148
Portugal	1.97	+5	-39	+148
Greece	3.17	-3	-37	+186
5 Year Swap %				
US	2.98	+6	-6	+164
Eurozone	1.55	+4	-5	+154
UK	2.75	+8	+4	+148
2 Year Swap %				
US	3.48	+5	+10	+254
Eurozone	1.36	+4	+8	+166
UK	3.08	+6	+8	+188
10 Year Government Bond Spreads to Benchmark bps				
Ireland	62	-0	-1	+19
Belgium	60	-0	-2	+24
France	56	-1	+6	+19
Italy	206	-5	-13	+69
Spain	111	-1	-4	+33
Portugal	100	-3	-18	+33
Greece	220	-11	-15	+71



Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	99.6	+2.26	+0.50	+28.05
West Texas Oil	97.02	+2.47	-0.79	+28.79
Gold \$	1789.5	-0.15	+4.68	-2.13

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