

## Some dollar volatility

Investor sentiment was holding a subdued tone yesterday. Both the Euro Stoxx 50 and the S&P 500 finished slightly lower for the day. Meanwhile, on bond markets, benchmark sovereign yields moved higher, but remained within their recent ranges. Elsewhere, oil rose back up to \$100 per barrel.

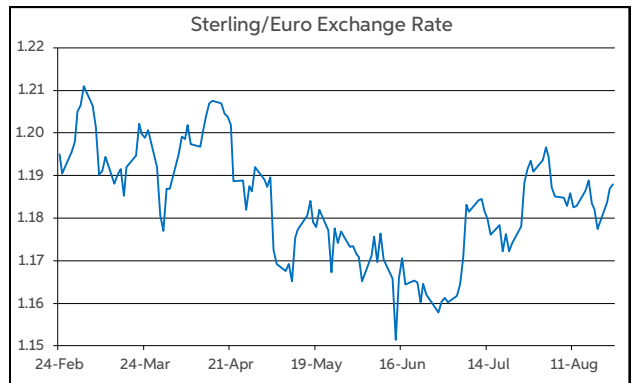
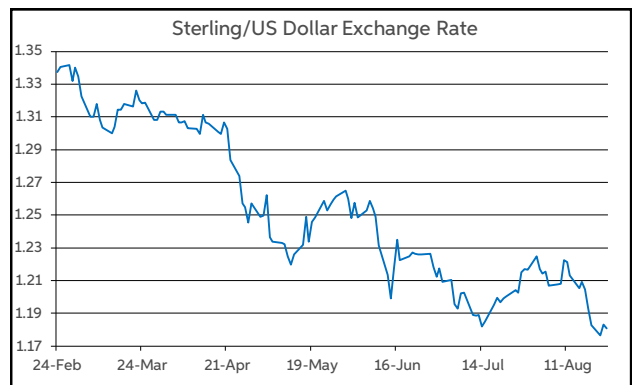
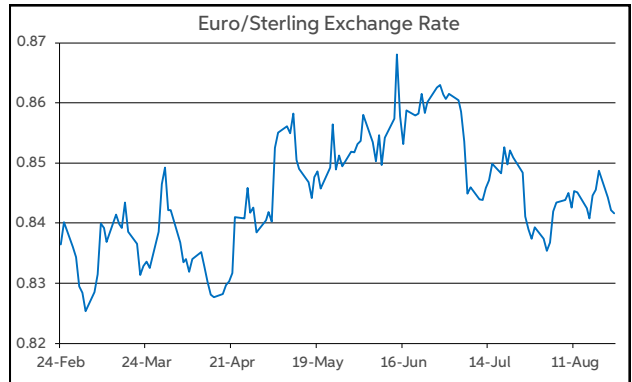
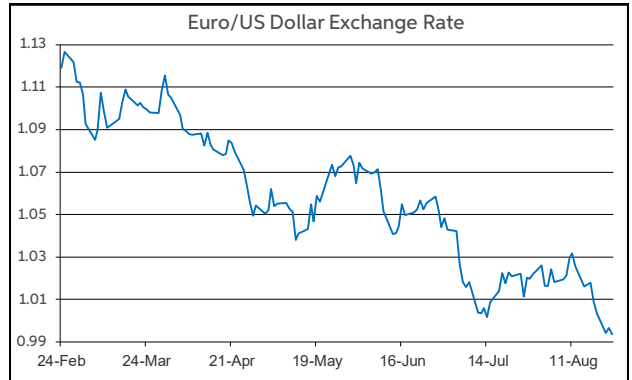
Data-wise, the flash PMIs for August were in focus yesterday. The US services PMI fell sharply to 44.1 in August, from 47.3 (vs. 49.2 f'cast). The US manufacturing PMI also printed below the consensus, falling to 51.3 from 52.2 (vs. 52.0 f'cast). The dollar, having initially strengthened yesterday during the early part of European trading, found itself on the back-foot following the PMI data. EUR/USD briefly moving above parity. However, the dollar regained momentum as the US session progressed.

Elsewhere, the PMI data were mixed in the UK and the Eurozone. The manufacturing PMI moved sharply into contraction territory in the UK, although, the services reading remained in expansion mode. Meantime, the Eurozone surveys were broadly in-line with the consensus, with the manufacturing and services sectors straddling the key 50 threshold (the former below and the later above). Eurozone flash consumer confidence improved slightly in August also, albeit from historically low levels.

In level terms, EUR/USD opens this morning just below the midpoint of \$0.99-1.00. GBP/USD is operating at the \$1.18 handle. EUR/GBP continues to change hands in the 84-85p range.

Today, there is a relatively quiet data schedule on both sides of the Atlantic. US durable goods orders (July) are the only release of note, but the data are unlikely to greatly impact currency markets.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	0.9941	0.08	-12.55
EUR/GBP	0.8417	-0.31	0.20
GBP/USD	1.1809	0.40	-12.71
GBP/EUR	1.1876	0.31	-0.20
USD/JPY	136.72	-0.40	18.80
EUR/JPY	135.92	-0.33	3.86

\* 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	2.43	2.98	3.72	3.67	3.21
EUR	0.50	0.05	0.45	1.44	1.84	2.03
GBP	1.75	1.85	2.35	3.71	3.92	3.51

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

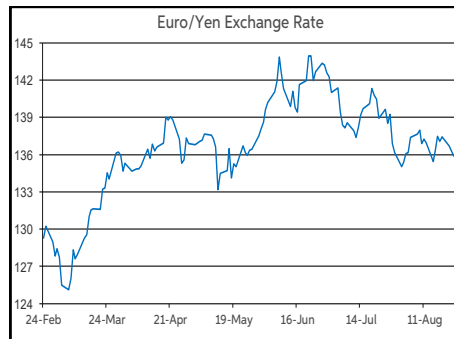
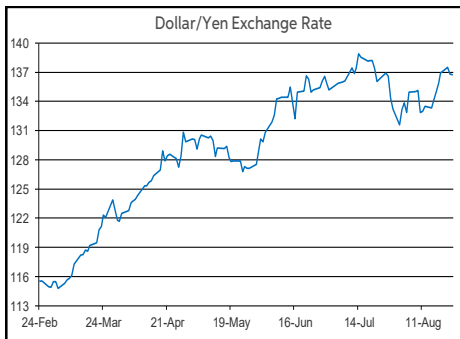
FX Spot	Karl Cooke Shane Gargan Ian Burke	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
---------	---	------------	------------	------------------	---------------------------	-----------------	-----------------------------------

# Opening Levels

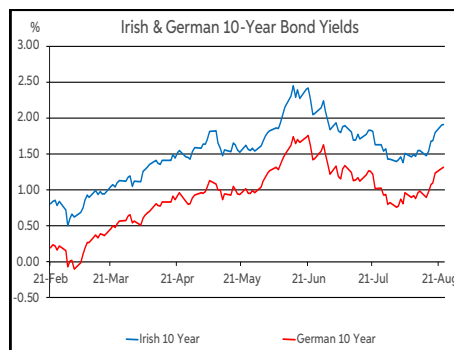
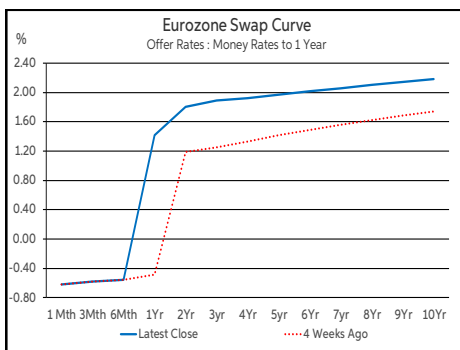
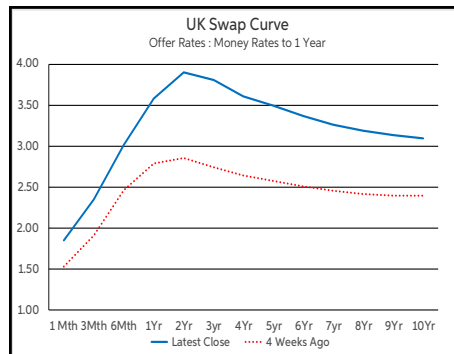
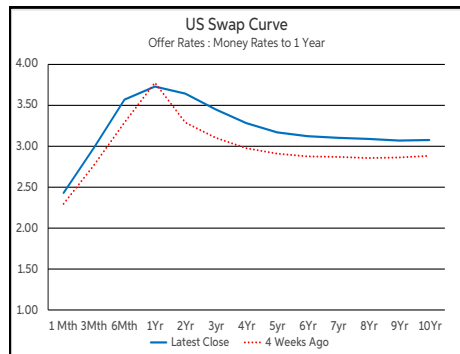
Wednesday 24 August 2022  
07:39 am



Euro		Sterling		Dollar	
EUR/GBP	0.8417	GBP/EUR	1.1876	USD/JPY	136.72
EUR/USD	0.9941	GBP/USD	1.1809	USD/CAD	1.2977
EUR/JPY	135.92	GBP/CAD	1.5325	USD/CHF	0.9656
EUR/SEK	10.6011	GBP/NZD	1.909	USD/CNY	6.8599
EUR/DKK	7.4376	GBP/JPY	161.48	USD/BRL	5.1037
EUR/NOK	9.6752	GBP/SEK	12.5908	USD/RUB	59.9
EUR/CHF	0.9602	GBP/DKK	8.833	USD/INR	79.759
EUR/AUD	1.4402	GBP/NOK	11.4915		
EUR/HKD	7.7967	GBP/CHF	1.1404	AUD/USD	0.6901
EUR/CAD	1.2901	GBP/AUD	1.7108	NZD/USD	0.6184



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
<b>10 Year Yield %</b>				
US	3.06	+3	+25	+155
Germany	1.32	+10	+39	+150
UK	2.58	+7	+66	+161
<b>5 Year Swap %</b>				
US	3.17	+1	+29	+183
Eurozone	1.97	-1	+57	+196
UK	3.49	+13	+92	+222
<b>2 Year Swap %</b>				
US	3.64	+0	+39	+270
Eurozone	1.80	-0	+63	+210
UK	3.90	+12	+105	+271
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	62	-9	-2	+19
Belgium	62	-8	-1	+26
France	59	-9	-0	+22
Italy	232	-8	-9	+96
Spain	119	-9	-0	+41
Portugal	110	-5	-2	+44
Greece	262	+6	+57	+113



Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	100.22	+3.88	-4.00	+28.85
West Texas Oil	96.46	+3.25	-1.31	+28.05
Gold \$	1747.7	+0.69	+1.79	-4.41

This publication is for information purposes and is not an invitation to deal. The information is believed to be reliable but is not guaranteed. Any expressions of opinions are subject to change without notice. This publication is not to be reproduced in whole or in part without prior permission. In the Republic of Ireland it is distributed by Allied Irish Banks, p.l.c. In the UK it is distributed by Allied Irish Banks, p.l.c. and Allied Irish Bank (GB). In Northern Ireland it is distributed by Allied Irish Bank (NI). In the United States of America it is distributed by Allied Irish Banks, p.l.c. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland. Allied Irish Bank (GB) and AIB (NI) are trade marks used under licence by AIB Group (UK) p.l.c. (a wholly owned subsidiary of Allied Irish Banks, p.l.c.), incorporated in Northern Ireland. Registered Office 92 Ann Street, Belfast BT1 3HH. Registered Number NI018800. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In the United States of America, Allied Irish Banks, p.l.c., New York Branch, is a branch licensed by the New York State Department of Financial Services. Deposits and other investment products are not FDIC insured, they are not guaranteed by any bank and they may lose value. Please note that telephone calls may be recorded in line with market practice.