

## EUR/USD at parity

There remained a subdued mood on financial markets yesterday. The Euro Stoxx 50 and the S&P 500 gained 0.4% and 0.3%, respectively, erasing their losses from the day before. On bond markets, UK Gilt yields jumped by 5-18bps along the curve, rising the most at the front-end. The policy sensitive 2-year Gilt yield is now up over 100bps since the start of the month. Eurozone and US Treasury yields rose by a more modest 4-8bps yesterday.

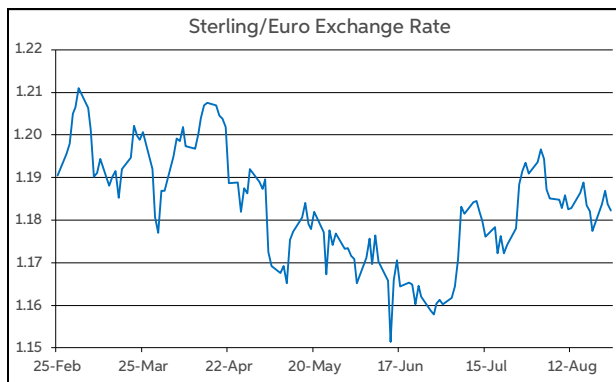
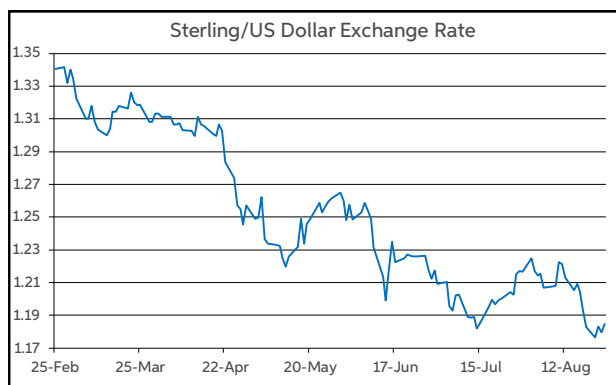
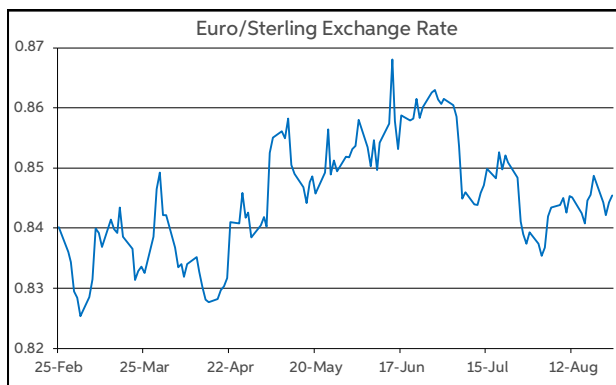
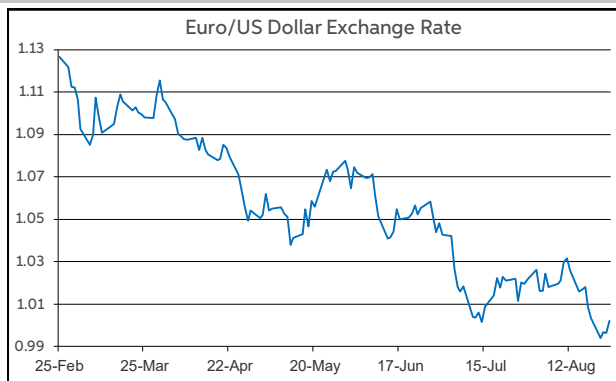
On the currency front, the main FX pairs operated in relatively tight ranges yesterday. A sparse data schedule on both sides of the Atlantic likely contributed to the lacklustre price action. Of the limited moves to register, the euro was holding a slightly firmer tone, registering gains of 0.4-0.7% against a number of its peers.

As trading gets underway this morning, the firmer tone to the euro sees EUR/USD open at parity. Meanwhile, EUR/GBP is changing hands near the halfway mark of 84-85p. GBP/USD is operating at the midpoint of the \$1.18-1.19 corridor.

Turning to the day ahead, the latest ECB monetary policy account will be under the microscope. The account is from the ECB meeting in July, when the central bank opted to end its negative interest rate strategy. Investors will be looking for any clues regarding the future pace of rate hikes from the minutes. For the same reason, in the US, the Jackson-Hole Economic Symposium, which gets underway this evening, will also garner attention. However, Chair Powell is not speaking until tomorrow.

Data-wise, the bellwether German Ifo (August), and the second reading of US GDP for Q2 will feature. Barring any major surprises though, the data are unlikely to impact on currency markets.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.0022	0.66	-11.84
EUR/GBP	0.8456	0.44	0.67
GBP/USD	1.185	0.22	-12.41
GBP/EUR	1.1822	-0.44	-0.66
USD/JPY	136.54	0.05	18.65
EUR/JPY	136.86	0.71	4.58

\* 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	2.45	3.01	3.75	3.70	3.24
EUR	0.50	0.06	0.47	1.47	1.87	2.05
GBP	1.75	1.92	2.40	3.75	4.02	3.61

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

Thursday 25 August 2022  
07:33 am



## Euro

EUR/GBP	0.8456
EUR/USD	1.0022
EUR/JPY	136.86
EUR/SEK	10.56
EUR/DKK	7.4374
EUR/NOK	9.64
EUR/CHF	0.9645
EUR/AUD	1.4369
EUR/HKD	7.8628
EUR/CAD	1.2943

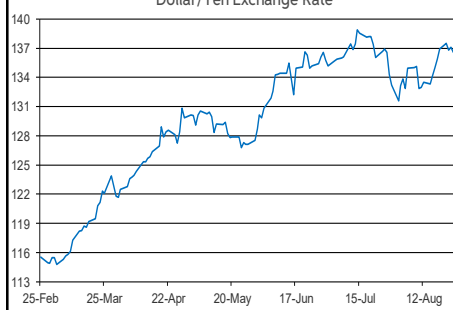
## Sterling

GBP/EUR	1.1822
GBP/USD	1.185
GBP/CAD	1.5303
GBP/NZD	1.9003
GBP/JPY	161.79
GBP/SEK	12.4836
GBP/DKK	8.791
GBP/NOK	11.3982
GBP/CHF	1.1403
GBP/AUD	1.6987

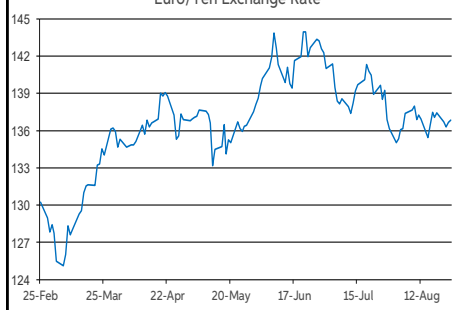
## Dollar

USD/JPY	136.54
USD/CAD	1.2912
USD/CHF	0.9622
USD/CNY	6.8463
USD/BRL	5.1101
USD/RUB	59.85
USD/INR	79.87
AUD/USD	0.6975
NZD/USD	0.6234

Dollar/Yen Exchange Rate

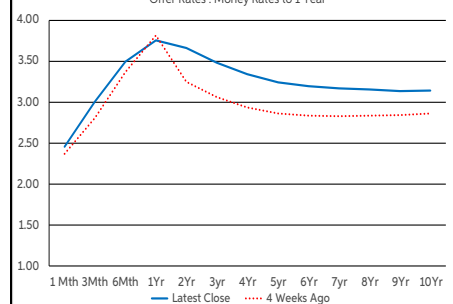


Euro/Yen Exchange Rate



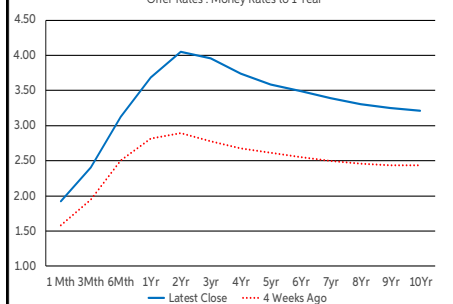
US Swap Curve

Offer Rates : Money Rates to 1 Year



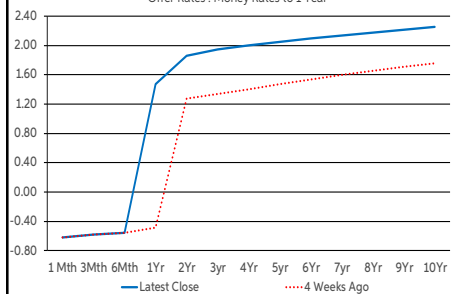
UK Swap Curve

Offer Rates : Money Rates to 1 Year

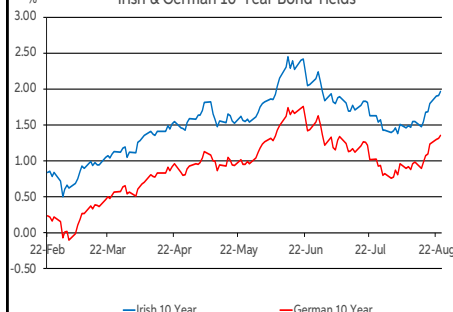


Eurozone Swap Curve

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	3.11	+5	+32	+160
Germany	1.36	+4	+43	+154
UK	2.70	+12	+74	+173
Ireland	2.00	+6	+38	+175
Belgium	2.01	+7	+44	+183
France	1.98	+7	+45	+179
Italy	3.67	+3	+25	+249
Spain	2.57	+6	+42	+198
Portugal	2.46	+4	+39	+198
Greece	3.99	+5	+96	+268
<b>5 Year Swap %</b>				
US	3.24	+7	+41	+191
Eurozone	2.05	+8	+58	+204
UK	3.59	+9	+98	+231
<b>2 Year Swap %</b>				
US	3.66	+2	+46	+272
Eurozone	1.86	+6	+60	+216
UK	4.05	+15	+117	+286
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	64	+2	-5	+21
Belgium	65	+3	+2	+29
France	62	+3	+2	+25
Italy	231	-1	-18	+95
Spain	121	+2	-1	+43
Portugal	110	-1	-4	+43
Greece	263	+1	+53	+114

## Commodities

	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	101.22	+1.00	-5.06	+30.14
West Texas Oil	95.52	-0.97	-4.51	+26.80
Gold \$	1750.9	+0.18	+0.98	-4.24

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