Morning Comment

AIB Treasury Economic Research Unit

Friday 01 December 2023 07:30 am

Eurozone inflation sends EUR/USD back near \$1.09

113

1.12

Investor sentiment was holding a slightly positive tone yesterday. Encouraging inflation data, mixed labour market updates, and remarks from a number of central bankers impacted sentiment throughout the day. On equity markets, the Euro Stoxx 50 was a modest 0.3% higher, while the S&P 500 gained 0.4%.

Data-wise, the flash estimate of Eurozone HICP inflation eased to 2.4% in November (vs. 2.7% f'cast). The core rate declined to 3.6% (vs. 3.9% f'cast). Meantime, US core-PCE inflation fell to 3.5% in October, as expected. Elsewhere on the data front, the Eurozone unemployment rate remained at 6.5% in October, despite the Italian jobless rate rising to 7.8% from 7.6%. At the same time, US initial jobless claims printed broadly in-line with expectations, but continuous claims rose to their highest level since November 2021.

Amid the lower than anticipated Eurozone inflation data, the euro was under downward pressure. Meanwhile, the dollar was holding a firmer tone, as comments from a number of Fed officials left the door open to hiking rates further. Elsewhere, hawkish remarks from BoE MPC member Greene provided some support for sterling.

As trading gets underway this morning, EUR/USD opens down near \$1.09. EUR/GBP is operating back in the lower half of 86-87p. Elsewhere, GBP/USD is changing hands close to the midpoint of \$1.26-1.27, having traded down near the \$1.26 threshold yesterday.

Later today, the main release will be the US manufacturing ISM for November. The consensus is for a slight improvement, although, the index is set to remain in contraction mode. Remarks from a plethora of central bankers, including from ECB President Lagarde and Fed Chair Powell, will also garner attention. Daniel Noonan, Economist, AIB

Today's Opening FX Rates % Change End 2022 Day * EUR/USD 1 0906 -0.60 1.91 EUR/GBP 0.8626 -0.15 -2.46 GBP/USD 1.264 -0.46 4.49 GBP/EUR 1.1586 0.15 2.53 USD/JPY 0.77 13.00 148.16 EUR/JPY 161.63 0.19 15.20 v Previous Day's European Open See Next Page for More Rates

Opening Interest Rates					
Money Market Swap Rates					
Base Rate	1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
5.38	5.46	5.64	5.36	4.78	4.28
4.50	3.85	3.98	3.80	3.31	2.92
5.25	5.19	5.23	5.17	4.96	4.43
	5.38 4.50	Money Base Rate 1-Mth 5.38 5.46 4.50 3.85	Money Market Base Rate 1-Mth 3-Mth 5.38 5.46 5.64 4.50 3.85 3.98	Money Market Base Rate 1-Mth 3-Mth 1-Yr 5.38 5.46 5.64 5.36 4.50 3.85 3.98 3.80	Money Market Swap Rates Base Rate 1-Mth 3-Mth 1-Yr 2-Yr 5.38 5.46 5.64 5.36 4.78 4.50 3.85 3.98 3.80 3.31

All rates quoted are indicative market rates

FX Spot Karl Cooke Shane Gargan

FX Options

Mark Tuite

5-Yr			
4.28			
2.92	1.14	00.1.1	24 1 1
4.43	05-Jun	03-Jul	31-Jul

Reuters	AIBG.I
Phone	00353-1-7724018

Morning Comment John Fahey john.j.fahey@aib.ie

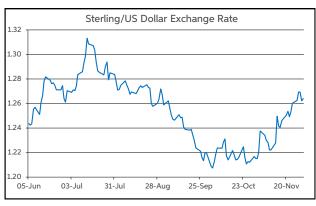
See Next Page For More Rates & Charts

23-Oct

25-Sep



Euro/US Dollar Exchange Rate





28-Aua

Opening Levels

Friday 01 December 2023 07:30 am

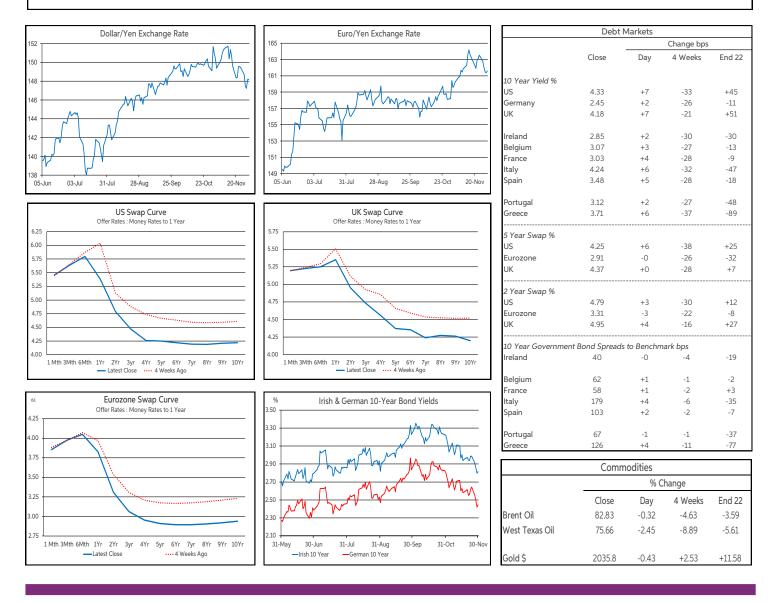


0.8626
1.0906
161.63
1.4026
7.4556
1.7538
0.9533
1.6525
8.5202
1.4777

Sterlin	g
GBP/EUR	1.1586
GBP/USD	1.264
GBP/CAD	1.7126
GBP/NZD	2.0542
GBP/JPY	187.27
GBP/SEK	13.2142
GBP/DKK	8.6393
GBP/NOK	13.6211
GBP/CHF	1.1049
GBP/AUD	1.9151

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Doll	ar
USD/JPY	148.16
USD/CAD	1.3548
USD/CHF	0.874
USD/CNY	7.1457
USD/BRL	4.9263
USD/RUB	89.25
USD/INR	83.3325
AUD/USD	0.66
NZD/USD	0.6149



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