

Dollar retains its softer tone

It was another relatively muted day of action across most asset markets yesterday. This was evident on equity markets. In Europe, the Euro Stoxx 50 registered a flat performance. However, risk appetite firmed a little as the day progressed. At the close last night on Wall Street, the S&P 500 was 0.8% higher. Meanwhile, on bond markets, yields were generally higher across the board. Ten-year sovereign benchmark yields were up by between 2-10bps.

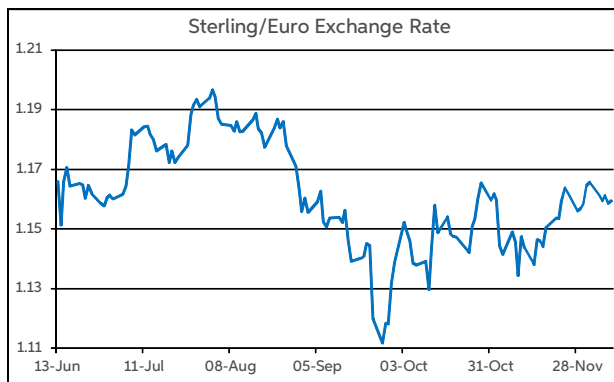
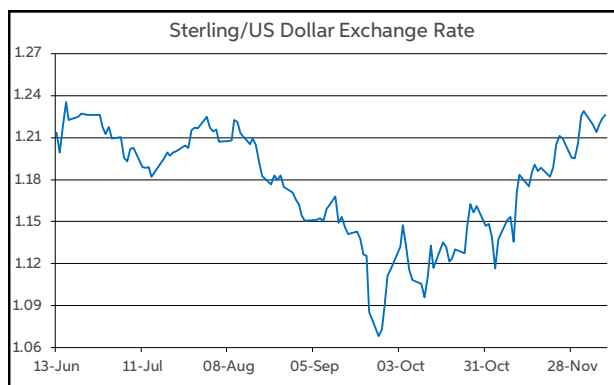
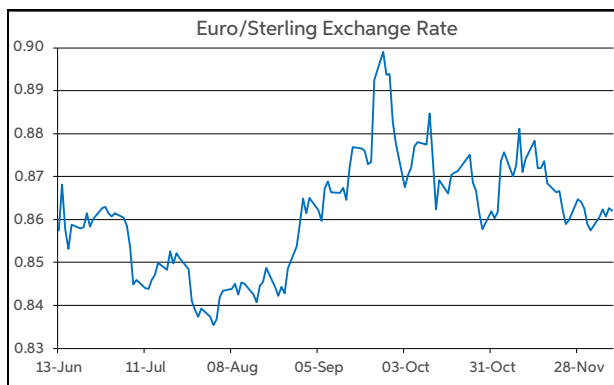
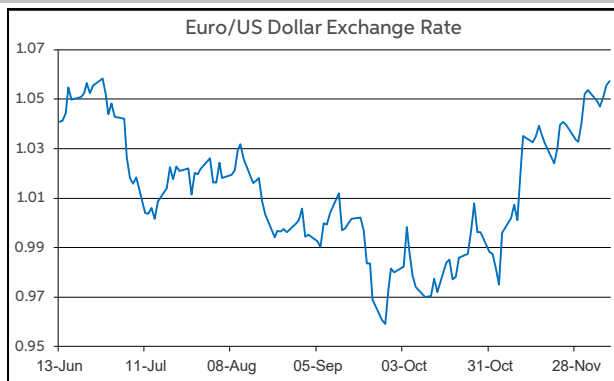
Once again, the data calendar was quiet on both sides of the Atlantic. The only release of note was from the US schedule where the weekly jobless claims data were released. Overall, claims are trending upwards and suggests some tentative signs of a softening in the labour market.

From a currency viewpoint, the dollar remained on the defensive yesterday. The greenback continued to give up some ground on the exchanges, including against the euro and sterling.

In level terms, the softer tone to the dollar is reflected in EUR/USD opening this morning in the upper half of the \$1.05-1.06 band. Meanwhile GBP/USD has moved up to the midpoint of \$1.22-1.23. Elsewhere on the currency front, the EUR/GBP pair continues to change hands in and around the 86p handle.

Looking ahead to today, the macro agenda remains fairly light. The main data highlight is US consumer sentiment for December. As a result, the main pairs may trade within relatively narrow ranges heading into the weekend, as markets eye up next week's busy schedule of key central bank meetings.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.0571	0.66	-7.01
EUR/GBP	0.8621	0.05	2.63
GBP/USD	1.2258	0.58	-9.39
GBP/EUR	1.1591	-0.05	-2.56
USD/JPY	136.28	-0.58	18.42
EUR/JPY	144.09	0.07	10.10

* 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	3.875	4.27	4.74	5.06	4.60	3.71
EUR	2.00	1.55	1.98	2.81	2.84	2.61
GBP	3.00	3.39	3.73	4.55	4.52	4.03

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 09 December 2022
07:32 am



Euro

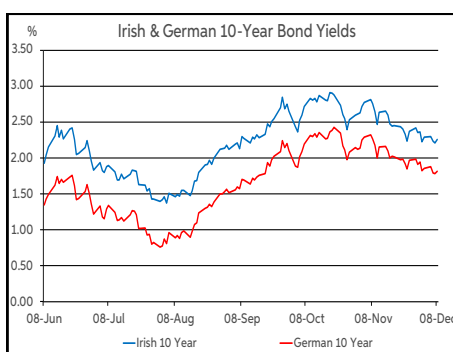
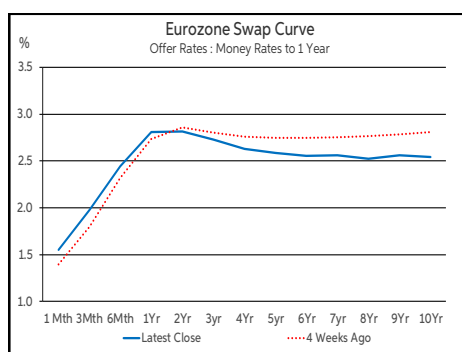
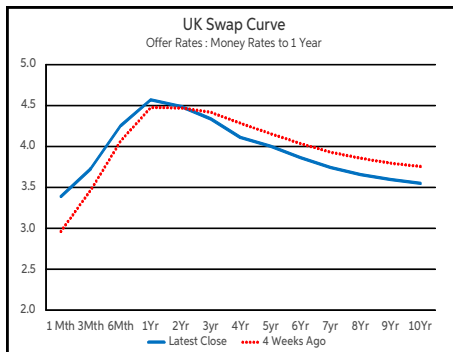
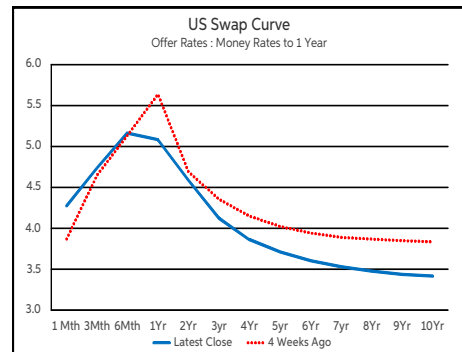
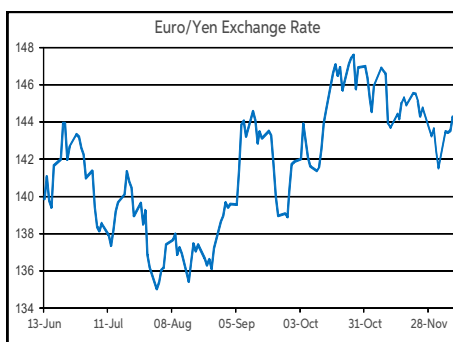
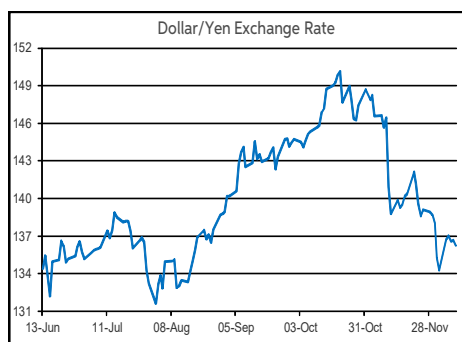
EUR/GBP	0.8621
EUR/USD	1.0571
EUR/JPY	144.09
EUR/SEK	10.8805
EUR/DKK	7.4371
EUR/NOK	10.5208
EUR/CHF	0.9866
EUR/AUD	1.5608
EUR/HKD	8.2317
EUR/CAD	1.437

Sterling

GBP/EUR	1.1591
GBP/USD	1.2258
GBP/CAD	1.6665
GBP/NZD	1.9177
GBP/JPY	167.05
GBP/SEK	12.6189
GBP/DKK	8.6238
GBP/NOK	12.199
GBP/CHF	1.1443
GBP/AUD	1.81

Dollar

USD/JPY	136.28
USD/CAD	1.3592
USD/CHF	0.9332
USD/CNY	6.9451
USD/BRL	5.2253
USD/RUB	62.25
USD/INR	82.09
AUD/USD	0.6771
NZD/USD	0.6391



Debt Markets

	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	3.49	+7	-32	+198
Germany	1.82	+4	-18	+200
UK	3.10	+5	-19	+212
Ireland	2.29	+5	-21	+204
Belgium	2.36	+2	-22	+218
France	2.28	+4	-22	+209
Italy	3.69	+9	-31	+251
Spain	2.83	+6	-21	+223
Portugal	2.76	+7	-20	+228
Greece	3.80	+9	-71	+249
5 Year Swap %				
US	3.71	+8	-28	+238
Eurozone	2.58	+3	-15	+257
UK	4.00	+1	-15	+273
2 Year Swap %				
US	4.59	+4	-6	+365
Eurozone	2.82	+2	-3	+312
UK	4.49	-3	+3	+330
10 Year Government Bond Spreads to Benchmark bps				
Ireland	47	+1	-3	+4
Belgium	54	-2	-4	+18
France	46	+0	-4	+9
Italy	187	+5	-13	+51
Spain	101	+2	-2	+23
Portugal	94	+3	-2	+28
Greece	198	+6	-53	+49

Commodities

	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	76.15	-1.32	-18.70	-2.10
West Texas Oil	71.3	-0.88	-17.59	-5.35
Gold \$	1789.2	+0.17	+1.96	-2.14

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