

US CPI inflation due later today

Investor sentiment was somewhat cautious across financial markets yesterday. On equity markets, the Euro Stoxx 50 shed 0.6%. Meanwhile, at the closing bell on Wall Street, the S&P 500 finished the day down 0.7%. On bond markets, benchmark sovereign yields edged 2-4bps lower, but remained well within their recent ranges.

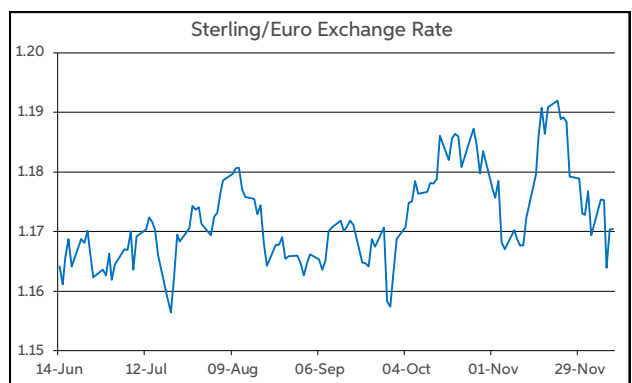
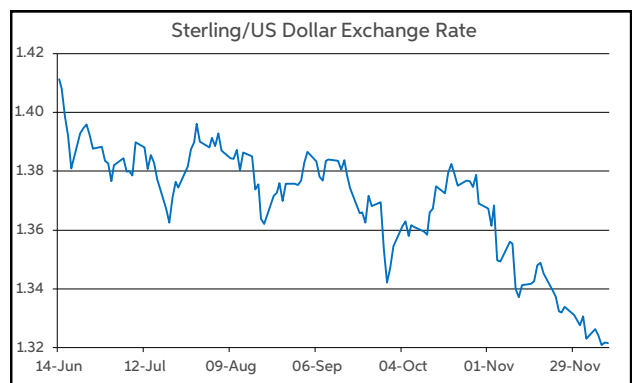
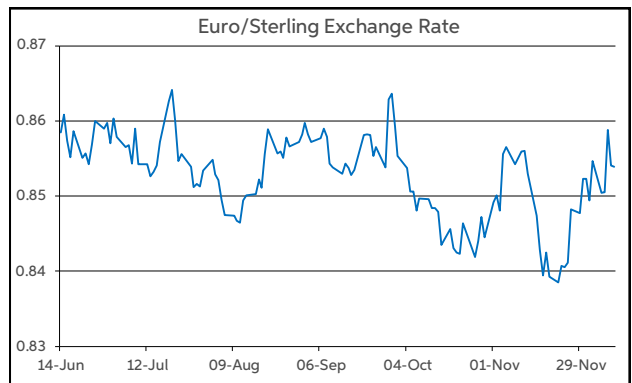
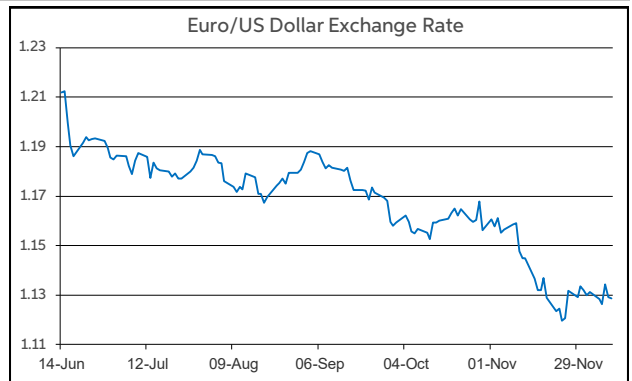
On the currency front, the main FX pairs were confined to narrow trading bands on the exchanges. A sparse data schedule on both sides of the Atlantic likely contributed to the muted action. Of the limited moves to register, the euro handed back some of its gains from earlier in the week amid the risk averse tone to investor sentiment yesterday.

Already this morning, data from the UK shows that GDP rose by just 0.1% in October, well below the consensus (+0.5% f'cast). Industrial production also printed below the forecast, falling by 0.6% (+0.1% f'cast). However, the release has not impacted sterling so far in early trading.

As the European session gets underway, the softer tone to the euro is evidenced by EUR/USD opening back below the \$1.13 threshold. Meantime, EUR/GBP is operating down below the midpoint of 85-86p. GBP/USD continues to change hands around the \$1.32 handle.

Later today, US CPI inflation data (November) are due. Both the headline and core rates are forecast to rise further from already elevated levels (both measures are at 30 year highs). Elsewhere in the US, consumer sentiment (December) is expected to remain subdued.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1287	-0.34	-7.58
EUR/GBP	0.8541	-0.38	-4.43
GBP/USD	1.3214	0.06	-3.36
GBP/EUR	1.1706	0.39	4.64
USD/JPY	113.58	-0.04	10.02
EUR/JPY	128.21	-0.37	1.62

* 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	0.125	0.10	0.20	0.45	0.94	1.41
EUR	0.00	-0.57	-0.57	-0.49	-0.35	-0.11
GBP	0.10	0.06	0.09	0.67	0.98	1.09

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

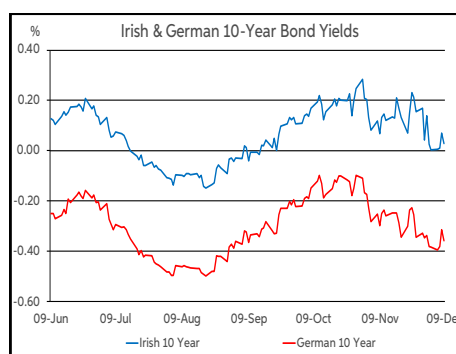
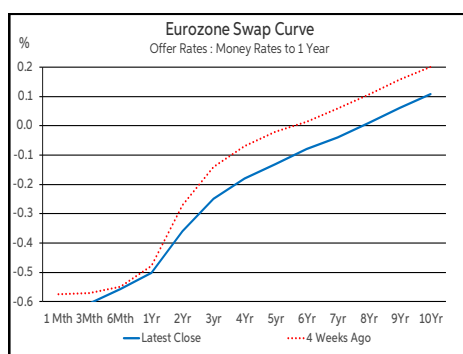
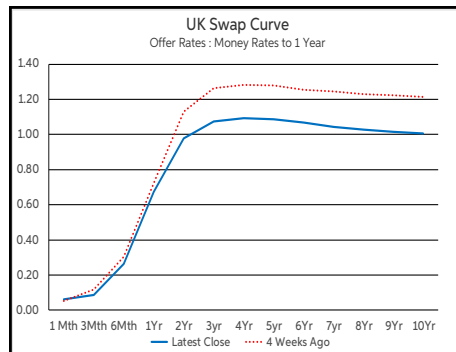
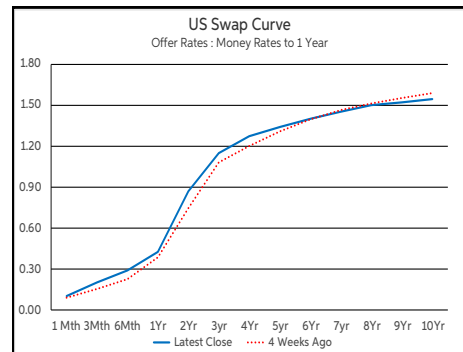
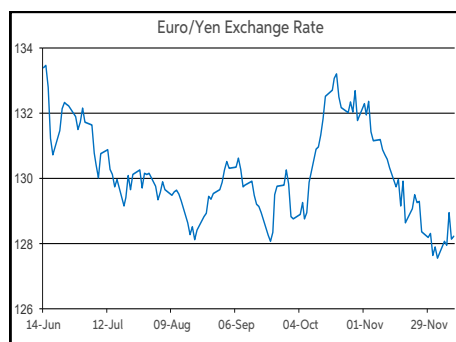
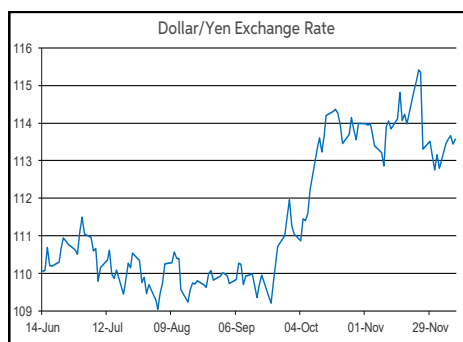
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

Friday 10 December 2021
07:45 am



Euro		Sterling		Dollar	
EUR/GBP	0.8541	GBP/EUR	1.1705	USD/JPY	113.58
EUR/USD	1.1287	GBP/USD	1.3214	USD/CAD	1.2718
EUR/JPY	128.21	GBP/CAD	1.6808	USD/CHF	0.9247
EUR/SEK	10.2423	GBP/NZD	1.9482	USD/CNY	6.3653
EUR/DKK	7.436	GBP/JPY	150.08	USD/BRL	5.5727
EUR/NOK	10.1615	GBP/SEK	11.9896	USD/RUB	73.6561
EUR/CHF	1.044	GBP/DKK	8.7039	USD/INR	75.785
EUR/AUD	1.5791	GBP/NOK	11.8986	AUD/USD	0.7147
EUR/HKD	8.8046	GBP/CHF	1.2222	NZD/USD	0.678
EUR/CAD	1.4356	GBP/AUD	1.8488		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.50	-3	-7	+58
Germany	-0.35	-4	-13	+22
UK	0.76	-2	-17	+56
5 Year Swap %				
US	1.34	-1	+6	+92
Eurozone	-0.13	-4	-10	+33
UK	1.09	-2	-18	+90
2 Year Swap %				
US	0.87	-0	+15	+68
Eurozone	-0.36	-2	-8	+17
UK	0.98	-1	-14	+95
10 Year Government Bond Spreads to Benchmark bps				
Ireland	45	-0	+1	+18
Belgium	34	+0	+1	+14
France	35	+0	-0	+12
Italy	135	+1	+16	+26
Spain	73	+1	+3	+10
Portugal	67	+1	+5	+4
Greece	173	+5	+31	+53

Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	74.42	-1.85	-10.20	+43.67
West Texas Oil	70.87	-2.15	-13.01	+46.58
Gold \$	1774.5	-0.43	-4.68	-6.43

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