

US CPI inflation data in focus today

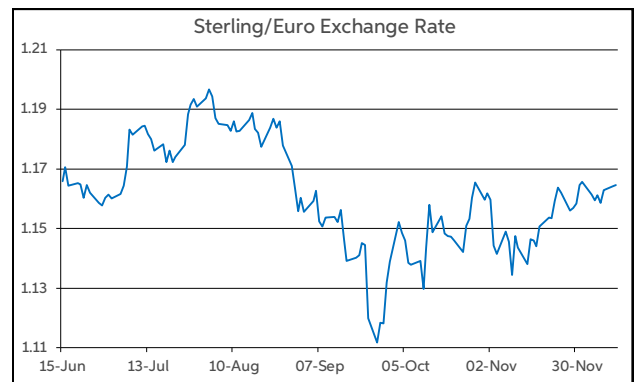
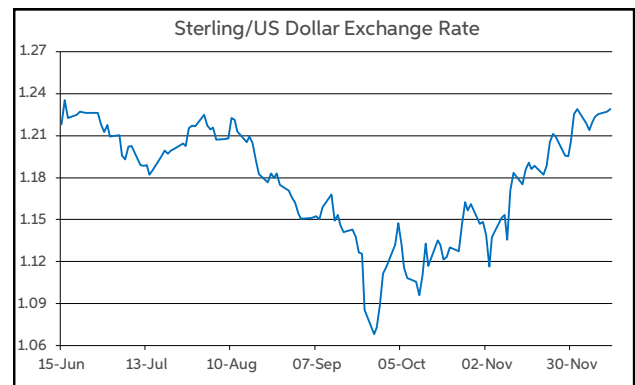
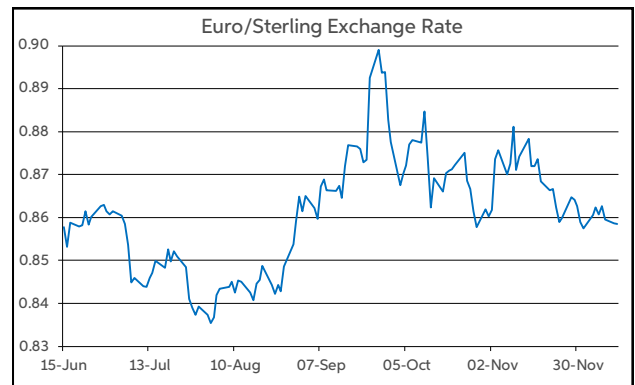
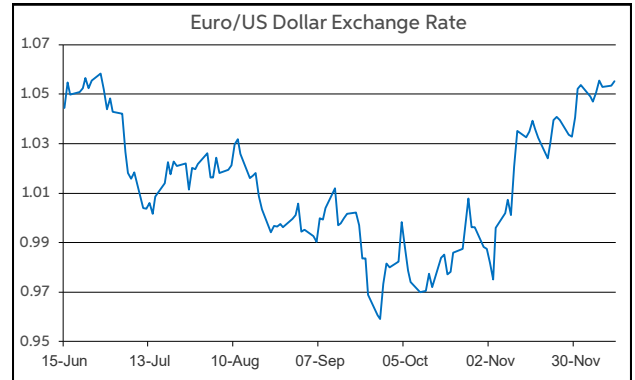
There was a mixed tone to investor sentiment yesterday. This was reflected in the performance of some of the main equity indices. There was a cautious mood on European markets. The Euro Stoxx 50 fell by 0.5%. Meanwhile, on Wall Street, the tone was more upbeat during the US trading session. At the closing bell last night, the S&P 500 was up by 1.4% on the day.

Data-wise, the Eurozone and US calendars were very quiet yesterday. Indeed, the only data print of note was the early morning release of UK GDP for October. It printed slightly ahead of expectations, but did not generate any noticeable market reaction.

From a currency viewpoint, the action over the past 24 hours has been confined to relatively tight ranges. Of the limited moves to register, the dollar has been slightly softer versus sterling and the euro. In level terms, EUR/USD opens this morning up at the midpoint of \$1.05-1.06. Meantime, GBP/USD has moved higher, into the upper half of \$1.22-1.23. Elsewhere, on the currency front, EUR/GBP remains near to, but below, the 86p threshold.

Already this morning we have got a batch of UK labour market data. This included the unemployment rate for the three months to October. It edged slightly higher to 3.7%, which was in line with expectations. Later today, we get the main data highlight with US CPI inflation for November. This is the last key US data release before the Fed concludes its policy deliberations tomorrow evening. The lower than forecast October reading of 7.7% prompted strong gains on equity markets and a notable weakening of the dollar. The market consensus is for inflation to ease again, to 7.3%.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.0553	0.37	-7.17
EUR/GBP	0.8583	-0.19	2.18
GBP/USD	1.2291	0.54	-9.15
GBP/EUR	1.1644	0.19	-2.13
USD/JPY	137.46	0.34	19.45
EUR/JPY	145.07	0.70	10.85

* 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	4.29	4.75	5.12	4.67	3.82
EUR	2.00	1.61	2.01	2.87	2.95	2.73
GBP	3.00	3.47	3.80	4.64	4.57	4.04

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

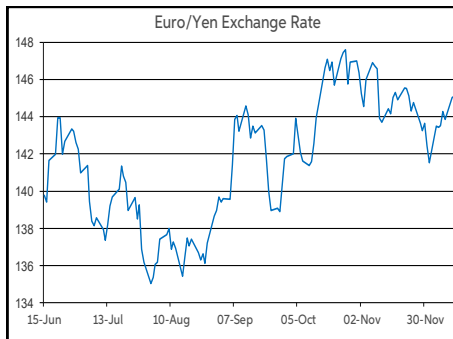
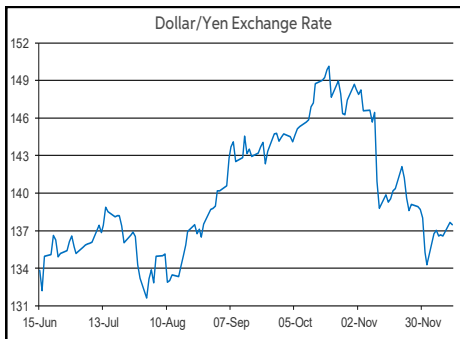
FX Spot	Karl Cooke Shane Gargan Ian Burke	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

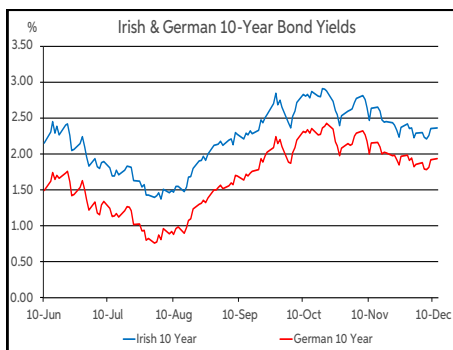
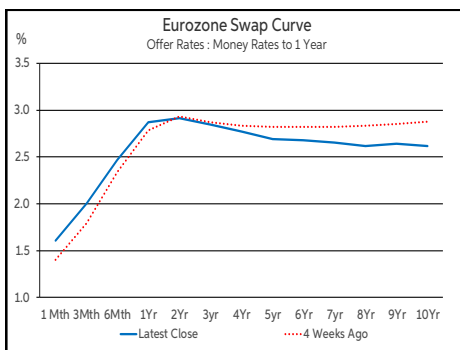
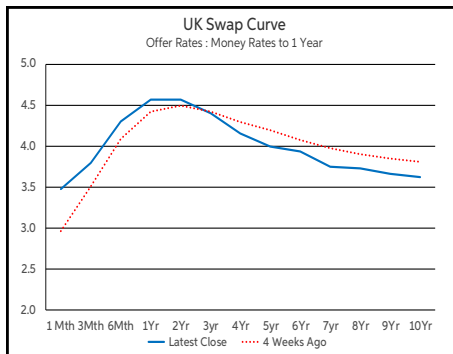
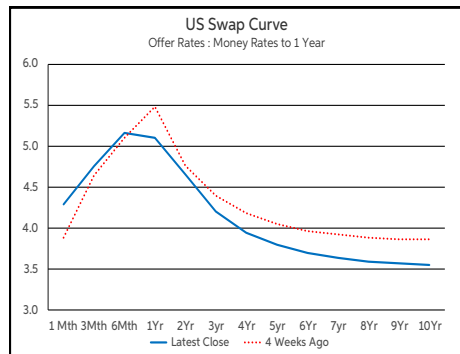
Tuesday 13 December 2022
07:29 am



Euro		Sterling		Dollar	
EUR/GBP	0.8583	GBP/EUR	1.1644	USD/JPY	137.45
EUR/USD	1.0553	GBP/USD	1.229	USD/CAD	1.3614
EUR/JPY	145.07	GBP/CAD	1.6736	USD/CHF	0.9346
EUR/SEK	10.8794	GBP/NZD	1.92	USD/CNY	6.9777
EUR/DKK	7.4369	GBP/JPY	168.93	USD/BRL	5.3226
EUR/NOK	10.5077	GBP/SEK	12.673	USD/RUB	63.15
EUR/CHF	0.9863	GBP/DKK	8.6611	USD/INR	82.697
EUR/AUD	1.558	GBP/NOK	12.2467	AUD/USD	0.6773
EUR/HKD	8.2035	GBP/CHF	1.1488	NZD/USD	0.6399
EUR/CAD	1.4368	GBP/AUD	1.8146		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	3.62	+3	-25	+211
Germany	1.94	+1	-22	+211
UK	3.20	+2	-15	+223
Ireland				
Ireland	2.41	+2	-28	+216
Belgium	2.52	+3	-22	+234
France	2.41	+2	-24	+222
Italy	3.84	+2	-33	+265
Spain	2.98	+3	-23	+238
Portugal	2.88	+2	-29	+239
Greece	3.96	-3	-37	+264
5 Year Swap %				
US	3.80	+2	-21	+247
Eurozone	2.69	+4	-12	+268
UK	3.99	-1	-20	+272
2 Year Swap %				
US	4.66	+3	-6	+371
Eurozone	2.92	+5	-1	+322
UK	4.57	+7	+8	+338
10 Year Government Bond Spreads to Benchmark bps				
Ireland	47	+1	-6	+4
Belgium	58	+1	+1	+23
France	48	+1	-2	+11
Italy	190	+1	-11	+54
Spain	104	+1	-1	+27
Portugal	94	+1	-6	+28
Greece	202	-4	-15	+53



Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	77.99	+2.48	-16.27	+0.27
West Texas Oil	72.96	+2.69	-15.01	-3.15
Gold \$	1781.2	-0.86	+0.53	-2.58

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