

Over and out for 2022

There was a positive tone to investor sentiment yesterday, boosted by some strong corporate earnings data. A marked rise in US consumer confidence in December also supported risk appetite. The Euro Stoxx 50 rose by 1.8%, while the S&P 500 gained 1.5%. Elsewhere, oil prices rebounded by circa 2.5%.

On bond markets, US Treasuries and UK Gilt yields fell by 3-5bps, having suffered some heavy losses over the past week. German Bund yields were little changed yesterday, although, 10-year core-periphery Eurozone yield spreads tightened by 3-6bps.

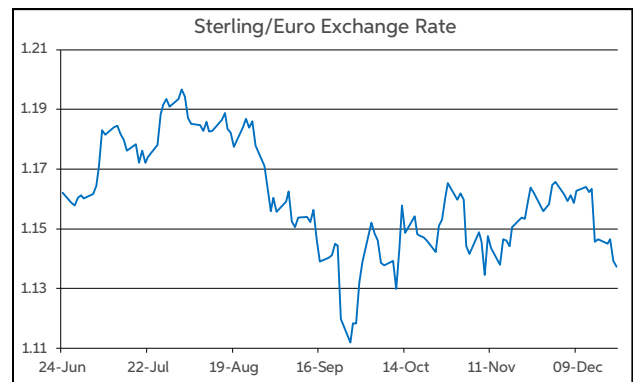
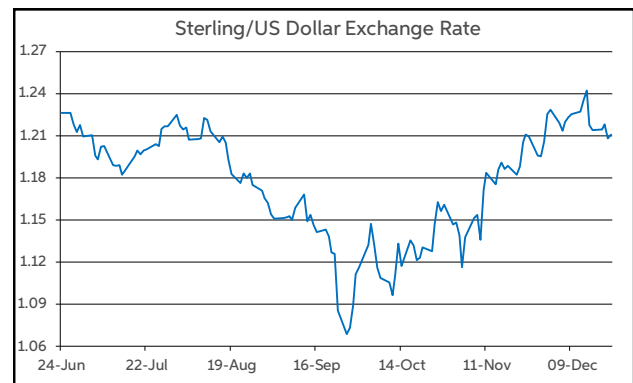
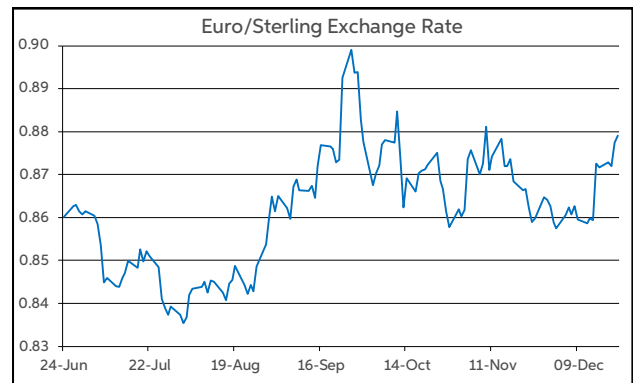
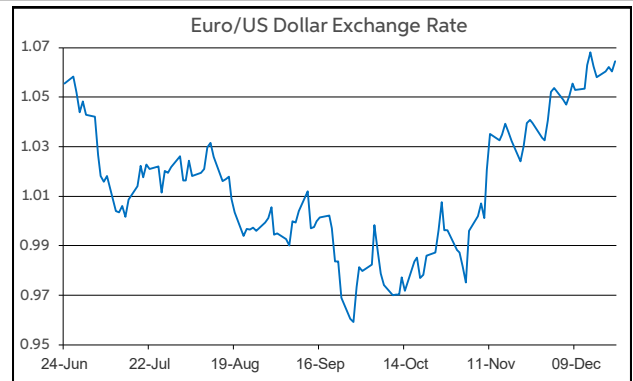
Currency-wise, the main pairs continued to operate in relatively tight trading ranges. Of the limited moves to register, sterling was holding a slightly softer tone. The currency fell by circa 0.7% against the euro and by 0.4% versus the dollar.

In level terms, the softer tone to sterling is reflected by EUR/GBP opening this morning up in the top half of 87-88p. GBP/USD is changing hands back at the \$1.21 threshold also. Meanwhile, EUR/USD remains in the lower half of the \$1.06-1.07 corridor.

Already this morning, the second reading of UK GDP for Q3 has shown the economy contracted by a revised 0.3% in the quarter. Later today, the only other release of note is expected to confirm the US economy grew by 2.9% in annualised terms in Q3. However, the data are unlikely to impact on currency markets.

Finally, this is our last Morning Comment of 2022. Our next publication will be on Tuesday, 3rd January 2023. We would like to take this opportunity to wish all our readers a Merry Christmas, and a safe and prosperous 2023.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.0644	0.26	-6.37
EUR/GBP	0.879	0.76	4.64
GBP/USD	1.211	-0.45	-10.49
GBP/EUR	1.1372	-0.75	-4.44
USD/JPY	131.84	-0.26	14.56
EUR/JPY	140.36	0.01	7.25

* 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	4.375	4.36	4.75	4.97	4.50	3.79
EUR	2.50	1.90	2.08	3.19	3.28	3.05
GBP	3.50	3.46	3.79	4.61	4.62	4.28

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

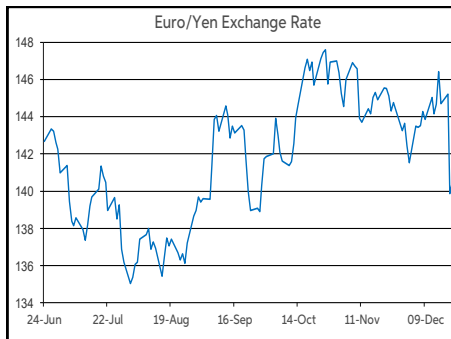
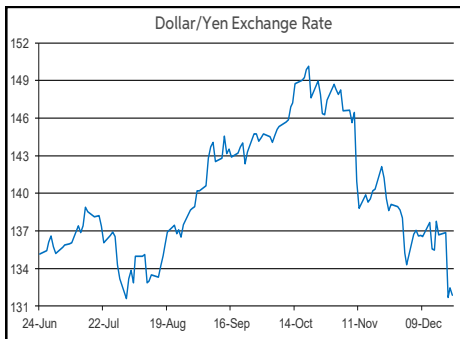
FX Spot	Karl Cooke Shane Gargan Ian Burke	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

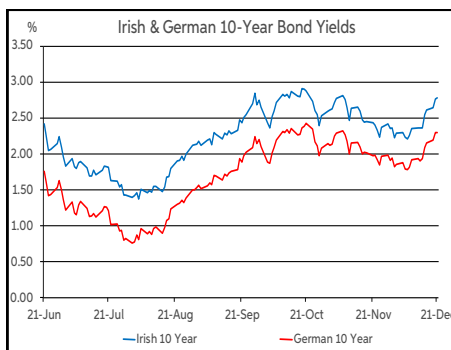
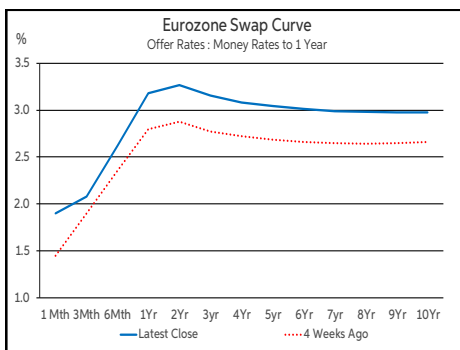
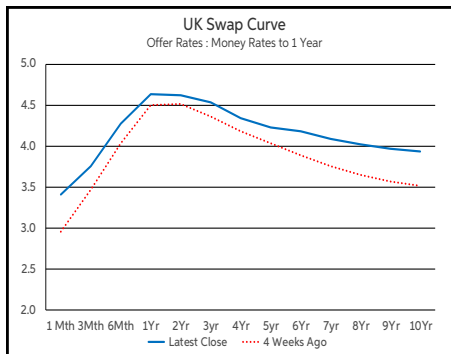
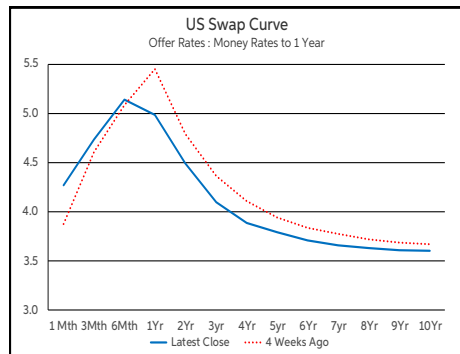
Thursday 22 December 2022
07:10 am



Euro		Sterling		Dollar	
EUR/GBP	0.879	GBP/EUR	1.1372	USD/JPY	131.84
EUR/USD	1.0644	GBP/USD	1.211	USD/CAD	1.3583
EUR/JPY	140.36	GBP/CAD	1.6448	USD/CHF	0.9236
EUR/SEK	11.0408	GBP/NZD	1.9157	USD/CNY	6.9785
EUR/DKK	7.4369	GBP/JPY	159.66	USD/BRL	5.2009
EUR/NOK	10.4271	GBP/SEK	12.5553	USD/RUB	72
EUR/CHF	0.9831	GBP/DKK	8.4575	USD/INR	82.703
EUR/AUD	1.5747	GBP/NOK	11.8602		
EUR/HKD	8.296	GBP/CHF	1.1181	AUD/USD	0.6758
EUR/CAD	1.446	GBP/AUD	1.7911	NZD/USD	0.6318



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	3.67	-2	-2	+216
Germany	2.30	+0	+38	+248
UK	3.57	-2	+56	+260
5 Year Swap %				
US	3.80	+1	-13	+246
Eurozone	3.04	+5	+37	+303
UK	4.23	-4	+19	+295
2 Year Swap %				
US	4.49	-4	-28	+355
Eurozone	3.27	+4	+40	+357
UK	4.62	-4	+11	+343
10 Year Government Bond Spreads to Benchmark bps				
Ireland	53	+1	+9	+11
Belgium	61	-1	+11	+26
France	54	-0	+8	+16
Italy	213	-5	+25	+76
Spain	109	-2	+11	+31
Portugal	103	-2	+12	+37
Greece	216	+1	-11	+67



Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	82.2	+2.76	-3.76	+5.68
West Texas Oil	78.17	+2.96	+0.31	+3.77
Gold \$	1814.1	-0.18	+3.71	-0.78

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