

Over and out for 2023

Investor sentiment remained somewhat mixed yesterday. The Euro Stoxx 50 fell by 0.2%, while on Wall Street, the S&P 500 rose by 1%. On bond markets, long-dated yields edged higher across the board in the US, UK and Eurozone. Elsewhere, Brent crude remained in and around the \$79 per barrel mark.

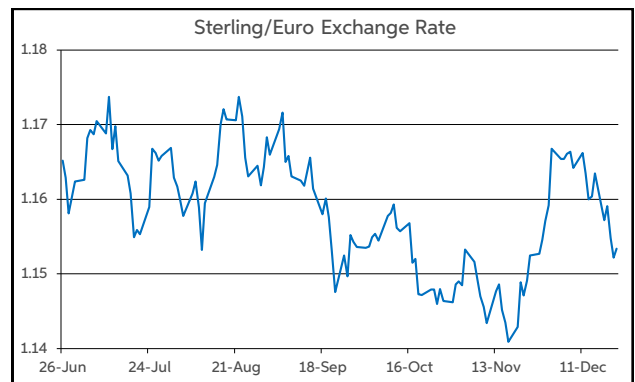
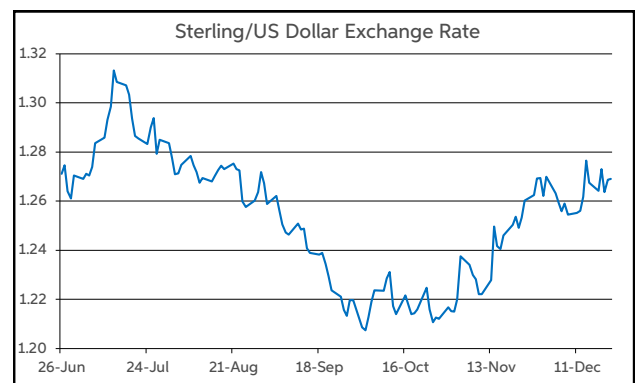
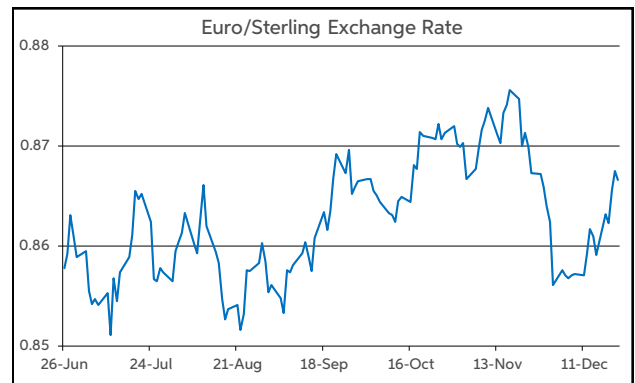
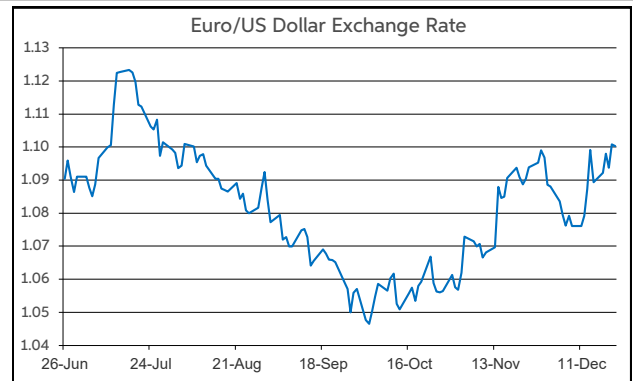
Data-wise, the final reading of US Q3 GDP was revised lower to 4.9% annualised, from 5.2%. Core-PCE inflation was also revised down to 2% annualised for the quarter, from 2.3% previously. Following the release, the dollar was under some modest downward pressure. Elsewhere on currency markets, the main pairs were confined to very narrow ranges.

In level terms, the softer tone to the dollar sees EUR/USD open this morning up at the \$1.10 threshold. At the same time, GBP/USD is operating up in the top half of the \$1.26-1.27 range. EUR/GBP remains just above the midpoint of 86-87p. USD/JPY is changing hands down in the bottom half of ¥142-143.

Already this morning, the second reading of UK Q3 GDP was revised down to -0.1% in the quarter (from 0% previously). Meanwhile, UK retail sales rose by 1.3% in November, well above expectations. However, the data have not impacted sterling so far in early trading. Later today, the focus will be on US core-PCE inflation, which is forecast to ease to 3.3% in November from 3.5%. US personal consumption and income are also due.

Finally, this is our last Morning Comment of 2023. Our next publication will be on Tuesday, 2nd January 2024. We would like to take this opportunity to wish all our readers a Merry Christmas, and a safe and prosperous 2024.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.1001	0.44	2.79
EUR/GBP	0.8666	0.09	-2.01
GBP/USD	1.2691	0.34	4.91
GBP/EUR	1.1534	-0.09	2.05
USD/JPY	142.19	-0.53	8.45
EUR/JPY	156.39	-0.12	11.47

* 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	5.38	5.47	5.63	5.06	4.41	3.86
EUR	4.50	3.86	3.92	3.49	2.87	2.45
GBP	5.25	5.18	5.22	4.77	4.31	3.70

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

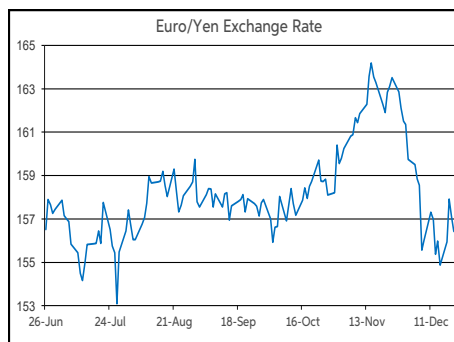
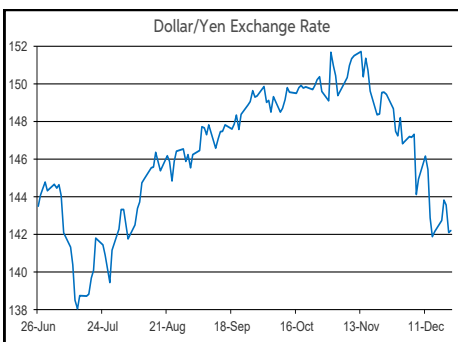
FX Spot	Karl Cooke Shane Gargan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

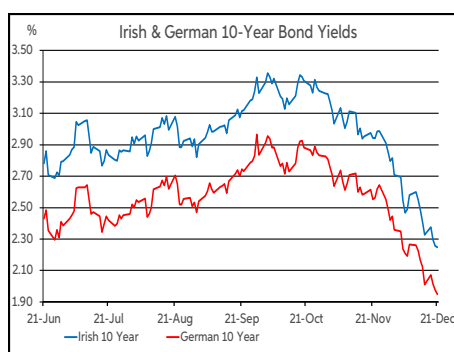
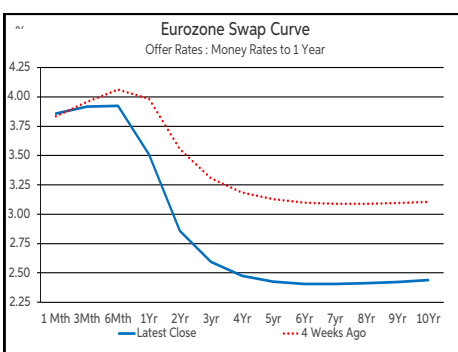
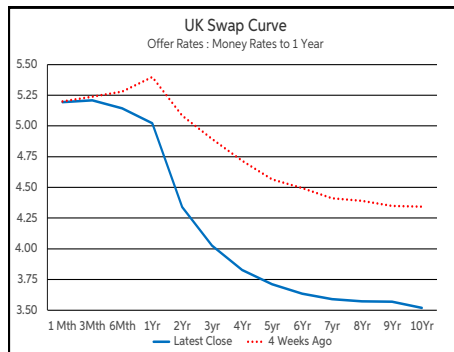
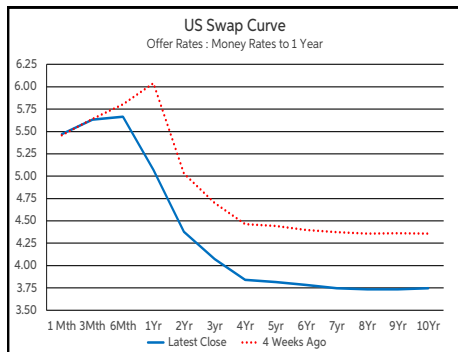
Friday 22 December 2023
07:40 am



Euro		Sterling		Dollar	
EUR/GBP	0.8666	GBP/EUR	1.1534	USD/JPY	142.19
EUR/USD	1.1001	GBP/USD	1.2691	USD/CAD	1.3282
EUR/JPY	156.39	GBP/CAD	1.6856	USD/CHF	0.8566
EUR/SEK	11.1136	GBP/NZD	2.0209	USD/CNY	7.1443
EUR/DKK	7.4555	GBP/JPY	180.45	USD/BRL	4.8844
EUR/NOK	11.3077	GBP/SEK	12.8205	USD/RUB	92.34
EUR/CHF	0.9423	GBP/DKK	8.5997	USD/INR	83.1775
EUR/AUD	1.6223	GBP/NOK	13.041	AUD/USD	0.678
EUR/HKD	8.5967	GBP/CHF	1.0873	NZD/USD	0.6279
EUR/CAD	1.461	GBP/AUD	1.8716		



Debt Markets				
	Close	Day	Change bps	
			4 Weeks	End 22
10 Year Yield %				
US	3.89	+4	-52	+1
Germany	1.95	-2	-67	-61
UK	3.53	+0	-72	-14
5 Year Swap %				
US	3.82	+0	-59	-18
Eurozone	2.42	-2	-69	-81
UK	3.71	-0	-80	-59
2 Year Swap %				
US	4.38	-2	-61	-30
Eurozone	2.86	-2	-68	-53
UK	4.34	+0	-74	-34
10 Year Government Bond Spreads to Benchmark bps				
Ireland	32	+2	-8	-27
Belgium	64	+1	+3	-0
France	51	+1	-5	-4
Italy	163	+1	-14	-51
Spain	94	+0	-6	-15
Portugal	71	+1	+5	-33
Greece	109	-2	-14	-94



Commodities				
	Close	Day	% Change	
			4 Weeks	End 22
Brent Oil	79.39	-0.39	-2.49	-7.59
West Texas Oil	69	+0.03	-9.61	-13.92
Gold \$	2045.5	+0.80	+2.70	+12.12

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