Morning Comment

AIB Treasury Economic Research Unit

Tuesday 21 February 2023
07:19 am

Narrow ranges on the FX front

It was a quiet start to the week on financial markets yesterday. This was not overly surprising, given that US markets were closed for the President's Day holiday. As a result, there were also no US data releases for investors to digest.

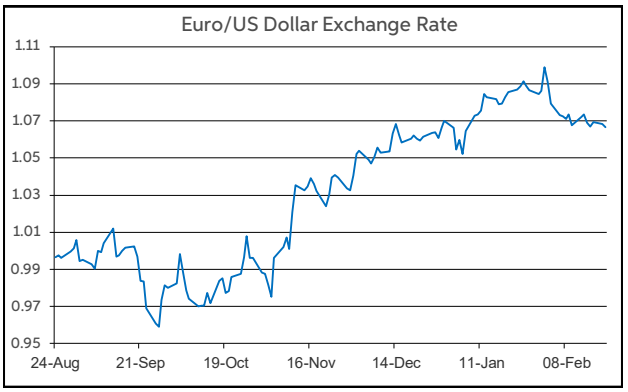
Indeed, the only release of note yesterday was the flash reading of the European Commission measure of Eurozone consumer confidence for February. It printed in line with expectations, with a reading of of –19.0, which represented an improvement from the –20.7 recorded in January, but is still consistent with falling consumer spending on a quarterly basis. From a currency perspective, the release had no impact on the euro.

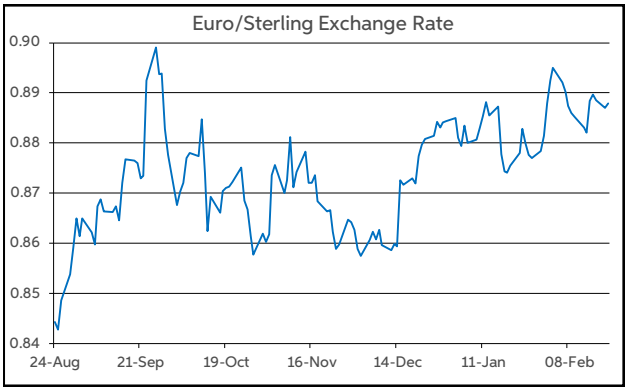
Overall, the action on currency markets was fairly lacklustre yesterday, against the backdrop of the aforementioned quiet macro and events calendar. The main FX pairs were confined to tight ranges, and this has continued in overnight trading.

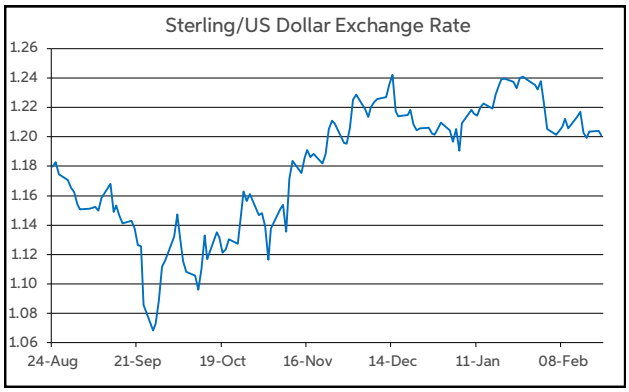
As a result, most of the majors open this morning showing minimal changes compared to 24 hours earlier. Of the limited moves to register, the dollar has edged slightly higher on the exchanges. In level terms, EUR/USD starts today nearer to the midpoint of $1.06-1.07. Meanwhile, GBP/USD has edged back down to the $1.20 threshold. Elsewhere, the EUR/GBP pair continues to operate in a very narrow 88.6-88.9p range

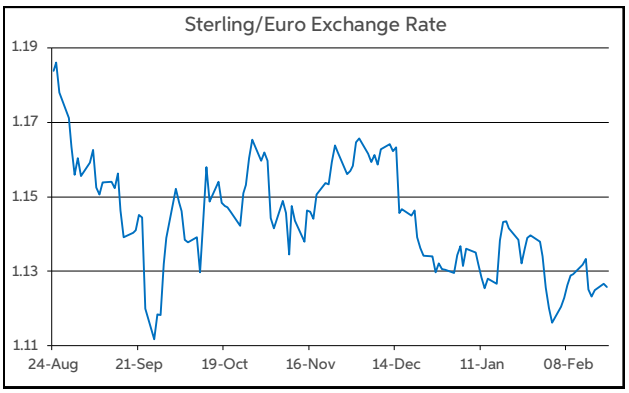
Looking ahead to today, we get some of the main data highlights of the week, with the flash print of the PMIs for February, from the US, Eurozone and UK. A relatively busy macro diary also features US existing home sales figures for January.

John Fahey, Senior Economist, AIB









Today's Opening FX Rates

		% Change	
		Day *	End 2022
EUR/USD	1.0663	-0.24	-0.36
EUR/GBP	0.888	0.06	0.41
GBP/USD	1.2006	-0.28	-0.75
GBP/EUR	1.1259	-0.06	-0.41
USD/JPY	134.6	0.38	2.66
EUR/JPY	143.57	0.15	2.33

* v Previous Day's European Open

See Next Page for More Rates

Opening Interest Rates

		Money Market		Swap Rates		
	Base Rate	1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	4.625	4.59	4.91	5.40	4.96	4.14
EUR	3.00	2.37	2.67	3.55	3.53	3.17
GBP	4.00	3.97	4.22	4.59	4.38	4.00

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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All Data Sourced from Refinitiv

Opening Levels

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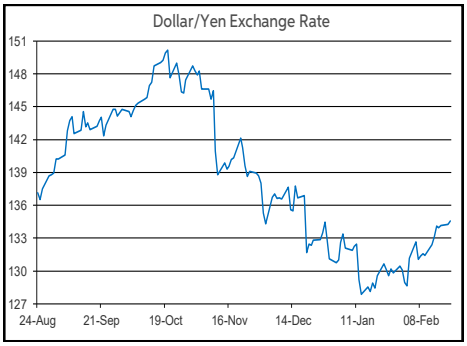
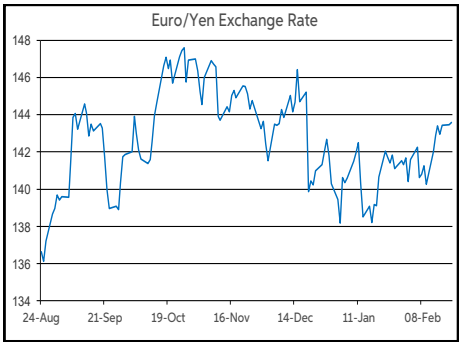
AIB

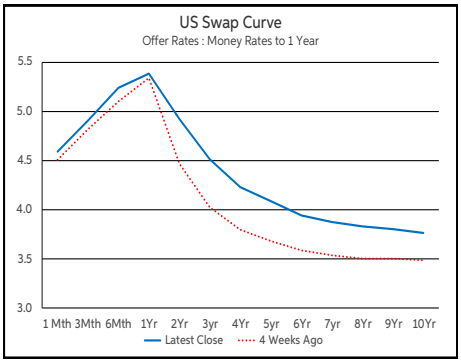
Euro	
EUR/GBP	0.888
EUR/USD	1.0663
EUR/JPY	143.57
EUR/SEK	11.0848
EUR/DKK	7.4448
EUR/NOK	10.9541
EUR/CHF	0.9865
EUR/AUD	1.5492
EUR/HKD	8.3614
EUR/CAD	1.4383

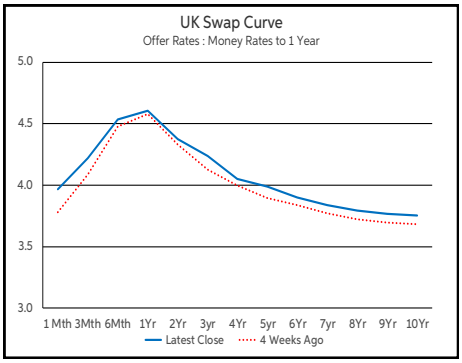
Sterling	
GBP/EUR	1.1259
GBP/USD	1.2006
GBP/CAD	1.6195
GBP/NZD	1.9316
GBP/JPY	161.6
GBP/SEK	12.4778
GBP/DKK	8.3811
GBP/NOK	12.3297
GBP/CHF	1.1108
GBP/AUD	1.7442

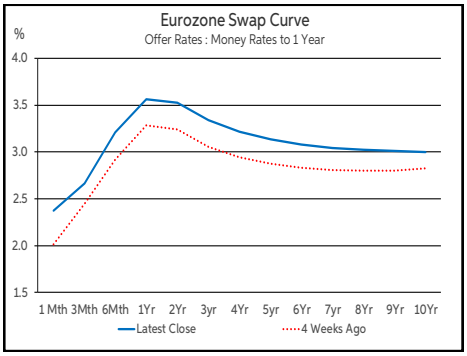
Dollar	
USD/JPY	134.6
USD/CAD	1.3486
USD/CHF	0.925
USD/CNY	6.8713
USD/BRL	5.1674
USD/RUB	74.95
USD/INR	82.76
AUD/USD	0.6883
NZD/USD	0.6214

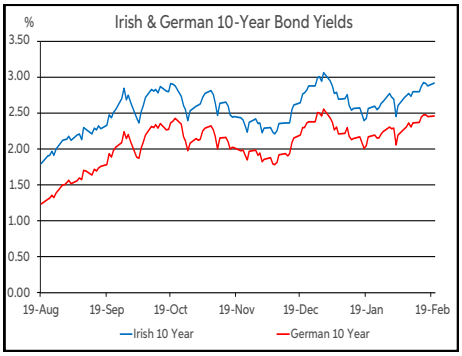












Debt Markets		Change bps		
	Close	Day	4 Weeks	End 22
10 Year Yield %				
US	3.82	-5	+30	-6
Germany	2.46	+0	+26	-10
UK	3.47	-4	+12	-20
Ireland	2.93	+4	+32	-22
Belgium	3.11	+2	+27	-9
France	2.93	+2	+27	-19
Italy	4.34	+4	+31	-37
Spain	3.51	+1	+31	-15
Portugal	3.35	-1	+26	-25
Greece	4.32	-0	+13	-27
5 Year Swap %				
US	4.09	+3	+44	+9
Eurozone	3.13	+2	+27	-10
UK	3.99	-6	+11	-31
2 Year Swap %				
US	4.92	+2	+49	+25
Eurozone	3.53	+2	+29	+14
UK	4.37	-4	+5	-31
10 Year Government Bond Spreads to Benchmark bps				
Ireland	47	+3	+6	-11
Belgium	65	+2	+1	+1
France	47	+1	+1	-8
Italy	187	+3	+5	-27
Spain	105	+1	+5	-5
Portugal	89	-1	-0	-15
Greece	186	-1	-14	-17

Commodities		% Change		
	Close	Day	4 Weeks	End 22
Brent Oil	84.07	+1.29	-4.67	-2.14
West Texas Oil	76.31	-2.73	-6.51	-4.80
Gold $	1841.1	-0.02	-4.67	+0.92

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