

Quiet day on markets

There was a mixed tone to investor sentiment yesterday. The Euro Stoxx 50 fell back modestly, by 0.3%, having moved sharply higher since the start of the year. On Wall Street, the S&P 500 finished with a 0.7% gain on the day. Elsewhere, oil prices rose by circa 0.5%, with Brent crude inching higher, back up to \$80 per barrel.

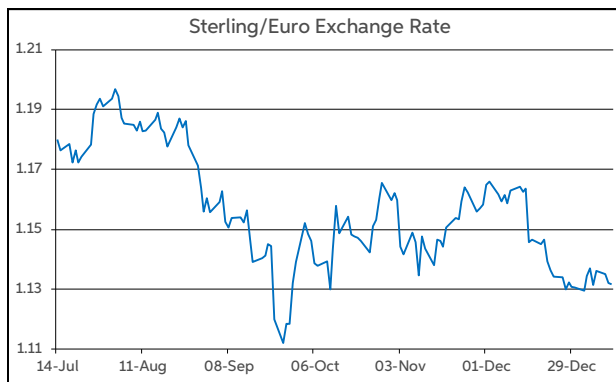
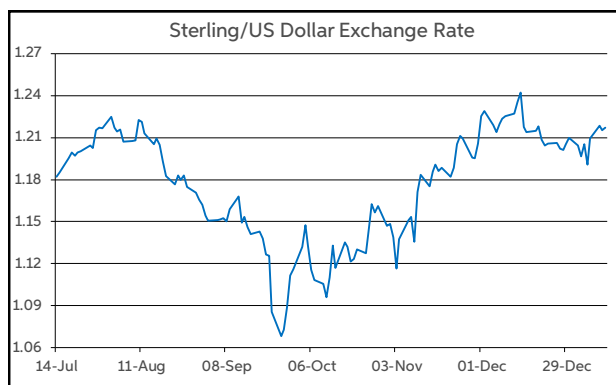
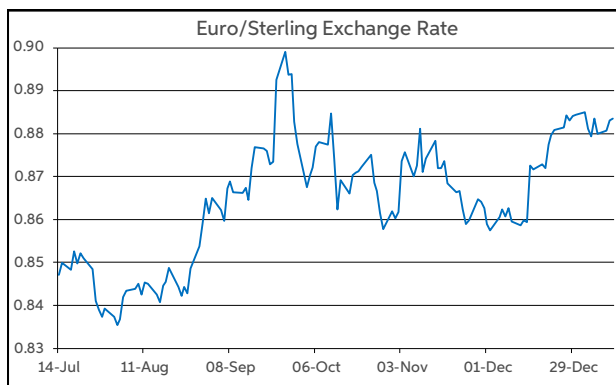
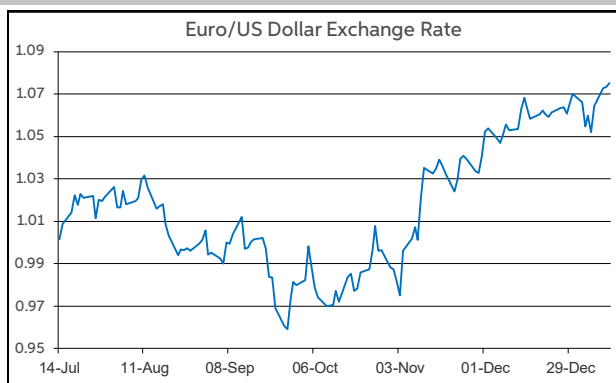
In terms of fixed income markets, yields rose across the board. US Treasury yields climbed 5-9bps higher. Similarly, German Bund yields increased by circa 8bps. Meanwhile, UK Gilt yields moved a more modest 2-3bps higher.

On the currency front, the majors traded in very narrow ranges throughout the day. A sparse data schedule likely contributed to the lacklustre price action. The only release of note, US Small Business Optimism, edged lower to 89.8 in December from 91.9. However, the data did not impact the dollar. There was also no market moving comments from the raft of central bank speakers yesterday, which included Fed Chair Powell.

As trading gets underway this morning, the majors open at very similar levels to 24 hours ago. EUR/USD remains in and around the midpoint of the \$1.07-1.08 corridor. Meantime, EUR/GBP has held its ground above the 88p threshold, with the pair continuing to change hands in the bottom half of the 88-89p band. Cable (GBP/USD) is operating above the midpoint of \$1.21-1.22. Elsewhere, USD/JPY continues to straddle the ¥132 handle.

Turning to the day ahead, the data schedule, once again, is very light on both sides of the Atlantic. As a result, currency markets may continue to trade sideways, ahead of the key data release, US CPI inflation for December, due tomorrow.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.0752	0.10	0.47
EUR/GBP	0.8832	0.12	-0.14
GBP/USD	1.217	-0.03	0.60
GBP/EUR	1.1316	-0.12	0.14
USD/JPY	132.28	0.39	0.89
EUR/JPY	142.22	0.47	1.37

* 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	4.43	4.81	5.04	4.50	3.69
EUR	2.50	1.90	2.27	3.27	3.28	2.92
GBP	3.50	3.58	3.96	4.58	4.47	4.10

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
---------	---	------------	------------	------------------	---------------------------	-----------------	-----------------------------------

Opening Levels

Wednesday 11 January 2023
07:33 am



Euro

EUR/GBP	0.8832
EUR/USD	1.0752
EUR/JPY	142.22
EUR/SEK	11.1918
EUR/DKK	7.4366
EUR/NOK	10.7233
EUR/CHF	0.9899
EUR/AUD	1.556
EUR/HKD	8.3994
EUR/CAD	1.4427

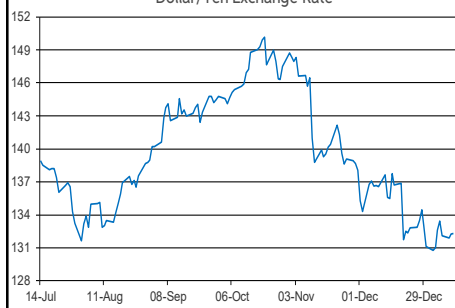
Sterling

GBP/EUR	1.1316
GBP/USD	1.217
GBP/CAD	1.6331
GBP/NZD	1.9093
GBP/JPY	160.98
GBP/SEK	12.6727
GBP/DKK	8.4165
GBP/NOK	12.1375
GBP/CHF	1.1207
GBP/AUD	1.7613

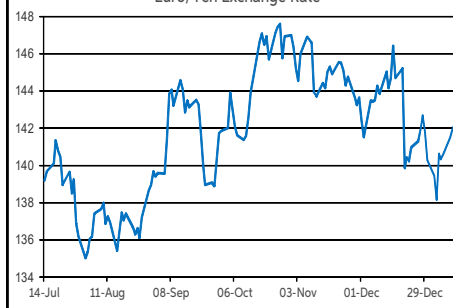
Dollar

USD/JPY	132.28
USD/CAD	1.3418
USD/CHF	0.9209
USD/CNY	6.7713
USD/BRL	5.1997
USD/RUB	69.65
USD/INR	81.648
AUD/USD	0.6909
NZD/USD	0.6372

Dollar/Yen Exchange Rate

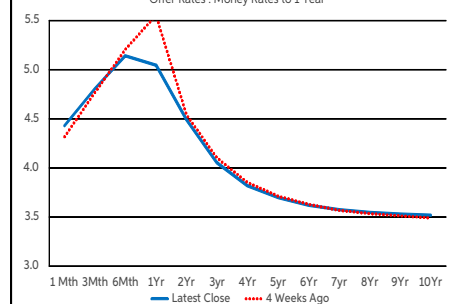


Euro/Yen Exchange Rate



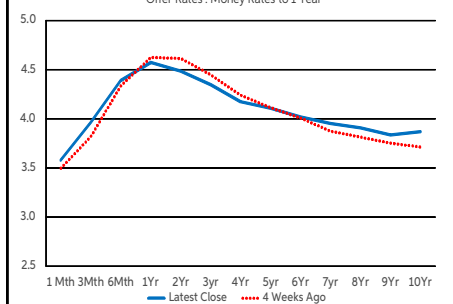
US Swap Curve

Offer Rates : Money Rates to 1 Year



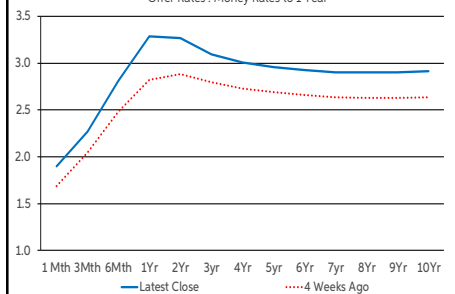
UK Swap Curve

Offer Rates : Money Rates to 1 Year

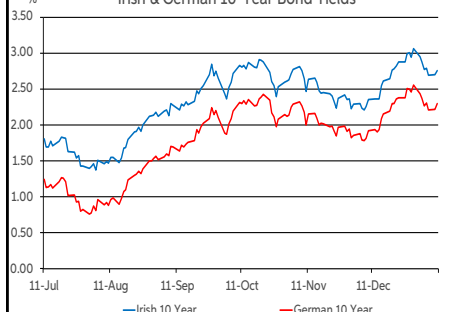


Eurozone Swap Curve

Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



Debt Markets

	Close	Change bps		
		Day	4 Weeks	End 22
10 Year Yield %				
US	3.62	+9	+11	-26
Germany	2.30	+8	+39	-26
UK	3.56	+3	+27	-11
Ireland	2.78	+5	+38	-37
Belgium	2.89	+5	+40	-31
France	2.80	+7	+41	-31
Italy	4.22	+4	+42	-48
Spain	3.33	+7	+40	-32
Portugal	3.26	+7	+43	-34
Greece	4.38	-7	+43	-21
5 Year Swap %				
US	3.70	+6	+2	-30
Eurozone	2.96	+5	+28	-27
UK	4.11	+2	+5	-19
2 Year Swap %				
US	4.49	+4	-1	-19
Eurozone	3.27	+3	+40	-12
UK	4.48	+3	-13	-20
10 Year Government Bond Spreads to Benchmark bps				
Ireland	48	-3	-1	-11
Belgium	59	-3	+1	-5
France	50	-1	+2	-5
Italy	192	-4	+3	-22
Spain	103	-2	+1	-6
Portugal	96	-2	+3	-7
Greece	208	-15	+4	+5

Commodities

	% Change			
	Close	Day	4 Weeks	End 22
Brent Oil	80.1	+0.56	-0.72	-6.76
West Texas Oil	75.11	+0.56	-0.44	-6.30
Gold \$	1877.3	+0.30	+3.70	+2.90

This publication is for information purposes and is not an invitation to deal. The information is believed to be reliable but is not guaranteed. Any expressions of opinions are subject to change without notice. This publication is not to be reproduced in whole or in part without prior permission. In the Republic of Ireland it is distributed by Allied Irish Banks, p.l.c. In the UK it is distributed by Allied Irish Banks, p.l.c. and Allied Irish Bank (GB). In Northern Ireland it is distributed by Allied Irish Bank (NI). In the United States of America it is distributed by Allied Irish Banks, p.l.c. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland. Allied Irish Bank (GB) and AIB (NI) are trade marks used under licence by AIB Group (UK) p.l.c. (a wholly owned subsidiary of Allied Irish Banks, p.l.c.), incorporated in Northern Ireland. Registered Office 92 Ann Street, Belfast BT1 3HH. Registered Number NI018800. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In the United States of America, Allied Irish Banks, p.l.c., New York Branch, is a branch licensed by the New York State Department of Financial Services. Deposits and other investment products are not FDIC insured, they are not guaranteed by any bank and they may lose value. Please note that telephone calls may be recorded in line with market practice.