

Subdued mood on markets

Investor sentiment continued to hold a cautious tone yesterday. Both the Euro Stoxx 50 and the S&P 500 finished flat for the day. In terms of fixed income, sovereign bond yields were confined to fairly tight ranges.

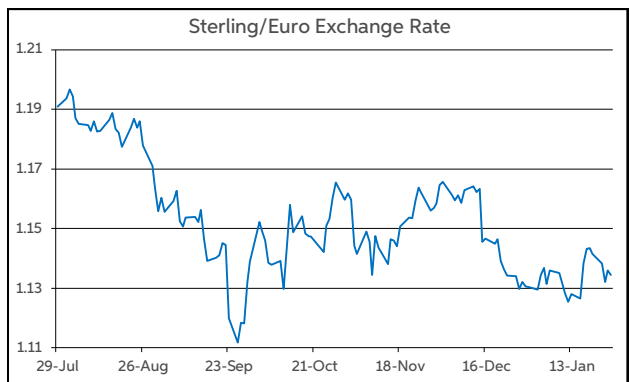
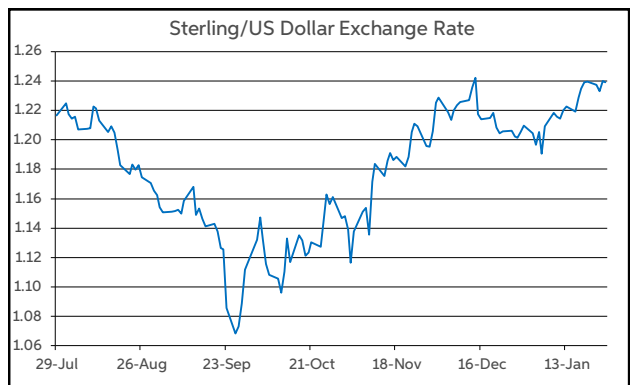
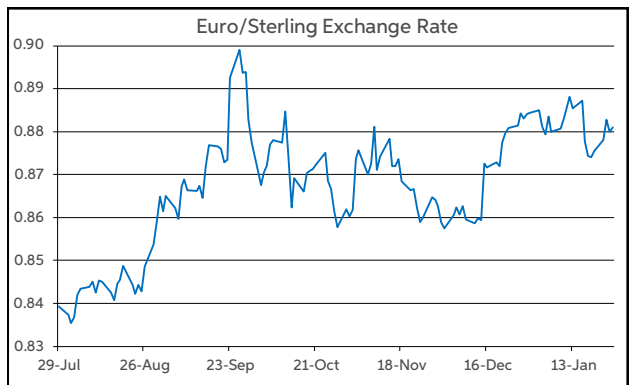
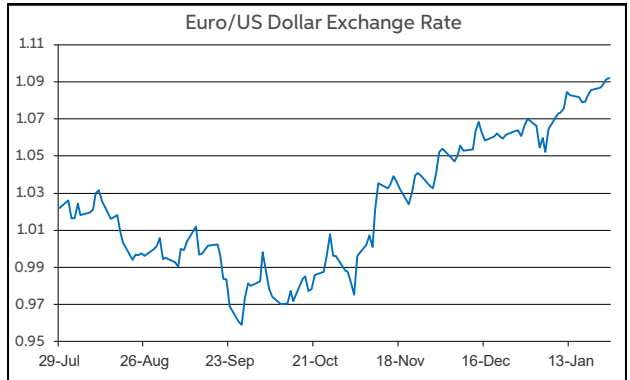
Meanwhile, on currency markets, the majors operated in very narrow corridors also. A sparse data schedule likely contributed to the lacklustre price action. The only release of note, the German Ifo survey for January, printed in-line with the consensus, rising to 90.2 from 88.6. However, as the data matched expectations, the release did not impact the euro. Similarly, a raft of hawkish comments from a number of ECB Governing Council members did not affect the single currency yesterday.

Of the limited moves to register on the exchanges, sterling recouped some of its losses from the day before. The pound rose by circa 0.5% against the euro and the dollar. Elsewhere, the yen was on the front foot, as 10-year JGB yields climbed up towards the upper bound of the Bank of Japan's yield curve band.

As trading gets underway this morning, EUR/GBP opens back down at the 88p level. GBP/USD is changing hands up in the top half of \$1.23-1.24. Meanwhile, EUR/USD continues to straddle the \$1.09 handle. USD/JPY is trading below the ¥130 threshold.

Today, a busy US data docket includes the first reading of Q4 GDP. The consensus is that the US economy expanded by 2.6% in annualised terms in the final quarter of 2022. The Q4 reading of core-PCE inflation will also garner close attention. However, barring any major surprise, the data may not impact the dollar.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.092	0.22	2.04
EUR/GBP	0.8811	-0.37	-0.37
GBP/USD	1.2392	0.58	2.44
GBP/EUR	1.1344	0.37	0.37
USD/JPY	129.63	-0.62	-1.13
EUR/JPY	141.56	-0.42	0.90

* 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	4.52	4.81	5.00	4.42	3.61
EUR	2.50	2.05	2.50	3.27	3.21	2.86
GBP	3.50	3.80	4.07	4.52	4.21	3.79

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

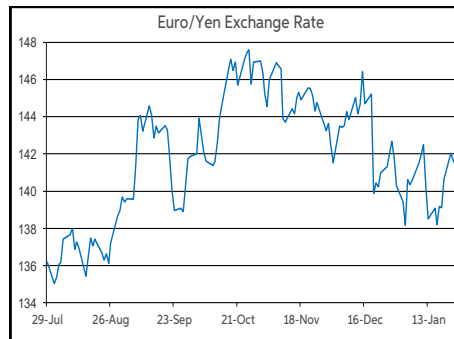
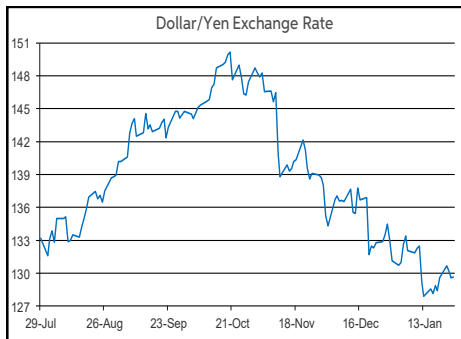
FX Spot	Karl Cooke Shane Gargan Ian Burke	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

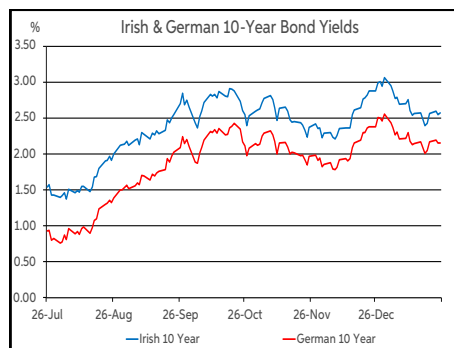
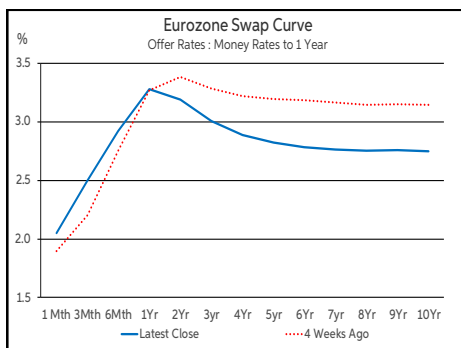
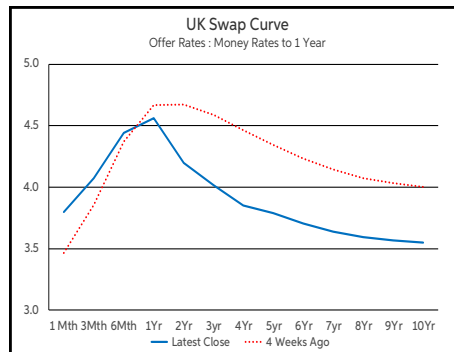
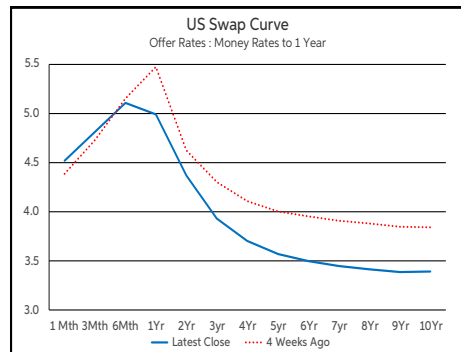
Thursday 26 January 2023
07:39 am



Euro		Sterling		Dollar	
EUR/GBP	0.8811	GBP/EUR	1.1344	USD/JPY	129.63
EUR/USD	1.092	GBP/USD	1.2392	USD/CAD	1.3399
EUR/JPY	141.56	GBP/CAD	1.6604	USD/CHF	0.9178
EUR/SEK	11.1459	GBP/NZD	1.9105	USD/CNY	6.7825
EUR/DKK	7.438	GBP/JPY	160.64	USD/BRL	5.0734
EUR/NOK	10.8166	GBP/SEK	12.647	USD/RUB	69.45
EUR/CHF	1.0023	GBP/DKK	8.4393	USD/INR	81.429
EUR/AUD	1.5358	GBP/NOK	12.269	AUD/USD	0.711
EUR/HKD	8.5539	GBP/CHF	1.1374	NZD/USD	0.6483
EUR/CAD	1.4632	GBP/AUD	1.7427		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 22
10 Year Yield %				
US	3.45	-0	-44	-43
Germany	2.16	+0	-35	-40
UK	3.24	-3	-41	-43
5 Year Swap %				
US	3.57	-1	-41	-42
Eurozone	2.82	-0	-36	-41
UK	3.79	-7	-55	-51
2 Year Swap %				
US	4.37	-5	-23	-31
Eurozone	3.19	-1	-18	-20
UK	4.20	-8	-47	-49
10 Year Government Bond Spreads to Benchmark bps				
Ireland	43	+2	-9	-15
Belgium	63	+1	+0	-0
France	44	+1	-10	-11
Italy	193	+17	-20	-21
Spain	99	+2	-8	-11
Portugal	88	+1	-15	-15
Greece	206	+4	-3	+3



Commodities				
	% Change			
	Close	Day	4 Weeks	End 22
Brent Oil	86.12	-0.01	+3.44	+0.24
West Texas Oil	79.78	-0.10	+1.13	-0.47
Gold \$	1945.9	+0.44	+7.86	+6.66

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