

Positive US macro headlines

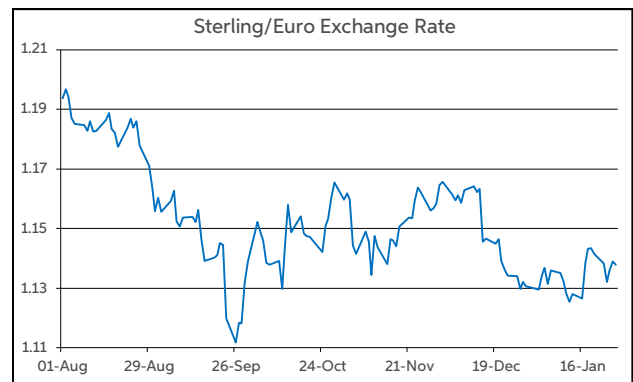
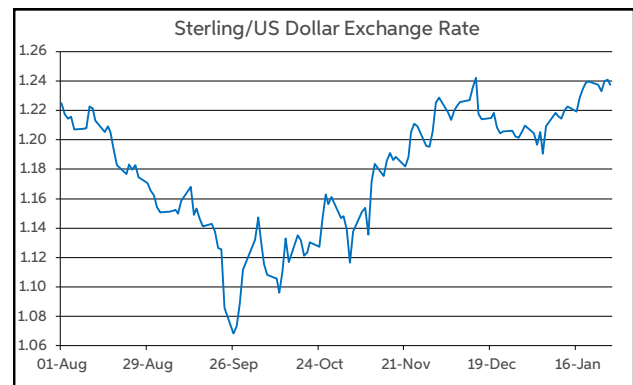
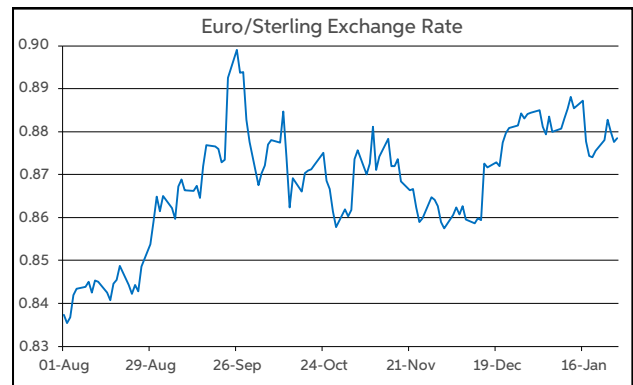
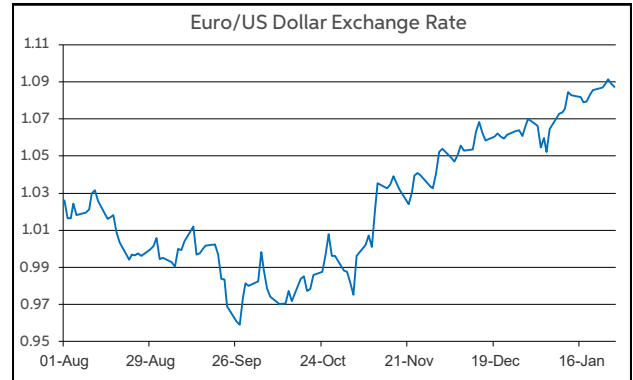
There was a more upbeat mood to market sentiment yesterday. Risk appetite was supported by a batch of better than expected US data. The positive tone was reflected in gains for equity markets on both sides of the Atlantic. In Europe, the Euro Stoxx 50 finished its session up 0.6%. Meanwhile, at the closing bell on Wall Street last night, the S&P 500 was up by 1.1% on the day.

The aforementioned US data included the first reading of Q4 GDP. It printed at 2.9% on an annualised basis, which was ahead of the 2.6% consensus forecast. Although, the breakdown of the data suggest that domestic demand was soft, with the main drivers of growth coming from inventories and external trade. In terms of the other key US macro newsflow, durable goods orders for December also surprised to the upside of expectations. However, similar to GDP, the underlying details were not as favourable as the headline reading implied. Meanwhile, the weekly jobless claims number continued yesterday's trend of consensus beating data. The core PCE measure of inflation for Q4 fell from 4.7% to 3.9%, which was slightly lower than what had been anticipated.

From a currency-viewpoint, the main pairs have remained confined to fairly narrow ranges over the past 24 hours. The dollar is somewhat firmer over the period. The EUR/USD pair is back trading below the \$1.09 threshold, while GBP/USD has edged back further from the \$1.24 handle. Elsewhere, EUR/GBP is operating beneath the 88p mark.

Today's macro diary is once again US centric. It includes personal income/spending/core PCE data for December. However, given that these data were already incorporated into yesterday's Q4 GDP numbers, their market impact may be limited.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.087	-0.44	1.57
EUR/GBP	0.8785	-0.20	-0.67
GBP/USD	1.2372	-0.21	2.27
GBP/EUR	1.1378	0.20	0.67
USD/JPY	130.08	0.59	-0.79
EUR/JPY	141.43	0.16	0.81

* 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	4.55	4.80	5.00	4.46	3.69
EUR	2.50	2.06	2.46	3.28	3.25	2.91
GBP	3.50	3.82	4.10	4.53	4.25	3.83

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

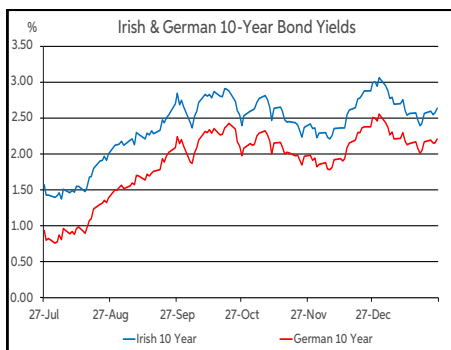
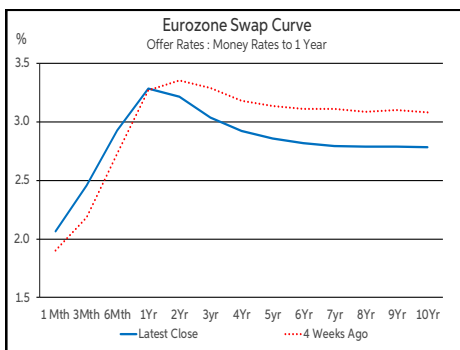
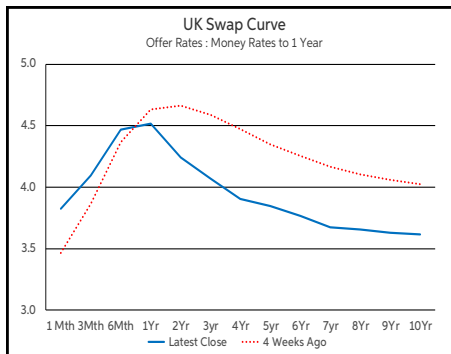
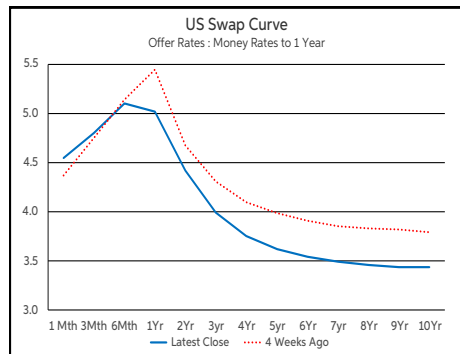
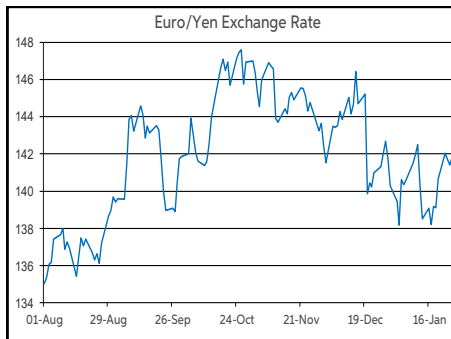
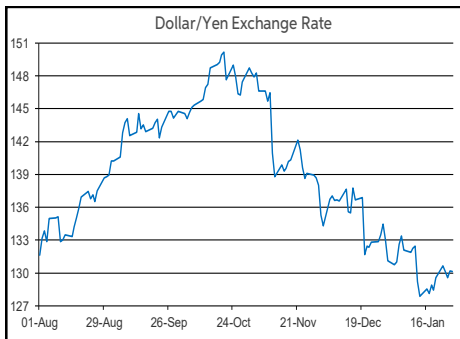
FX Spot	Karl Cooke Shane Gargan Ian Burke	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

Friday 27 January 2023
07:16 am



Euro		Sterling		Dollar	
EUR/GBP	0.8785	GBP/EUR	1.1378	USD/JPY	130.08
EUR/USD	1.087	GBP/USD	1.2372	USD/CAD	1.3339
EUR/JPY	141.43	GBP/CAD	1.6504	USD/CHF	0.9223
EUR/SEK	11.197	GBP/NZD	1.9079	USD/CNY	6.7825
EUR/DKK	7.437	GBP/JPY	160.93	USD/BRL	5.0658
EUR/NOK	10.7615	GBP/SEK	12.7444	USD/RUB	69.2
EUR/CHF	1.0027	GBP/DKK	8.4624	USD/INR	81.585
EUR/AUD	1.5307	GBP/NOK	12.2532		
EUR/HKD	8.5134	GBP/CHF	1.1411	AUD/USD	0.7099
EUR/CAD	1.4504	GBP/AUD	1.7423	NZD/USD	0.6481



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 22
10 Year Yield %				
US	3.51	+6	-31	-37
Germany	2.22	+5	-25	-35
UK	3.31	+7	-35	-36
5 Year Swap %				
US	3.62	+6	-33	-37
Eurozone	2.86	+4	-27	-37
UK	3.85	+6	-44	-46
2 Year Swap %				
US	4.42	+4	-21	-26
Eurozone	3.22	+3	-13	-17
UK	4.24	+5	-42	-44
10 Year Government Bond Spreads to Benchmark bps				
Ireland	44	+1	-6	-14
Belgium	65	+1	+5	+1
France	46	+2	-5	-9
Italy	196	+3	-11	-19
Spain	101	+2	-6	-9
Portugal	90	+1	-12	-14
Greece	200	-6	-10	-3

Commodities				
	% Change			
	Close	Day	4 Weeks	End 22
Brent Oil	87.47	+1.57	+6.33	+1.82
West Texas Oil	80.64	+1.08	+2.82	+0.60
Gold \$	1929.0	-0.87	+6.29	+5.73

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