

## EUR/USD at fresh YTD low

Risk appetite softened yesterday as US CPI inflation jumped to its highest level in over 30 years. The headline CPI index rose by 0.9% in October lifting the year-on-year rate to 6.2% (vs. 5.8% f'cast). The core rate rose by more than expected as well, jumping to 4.6% (vs. 4.3% f'cast) as price pressures were broad based.

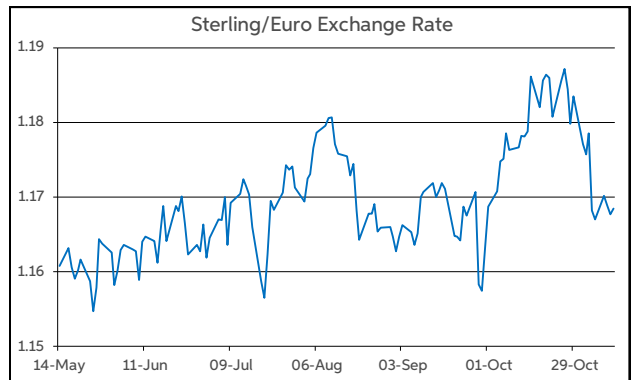
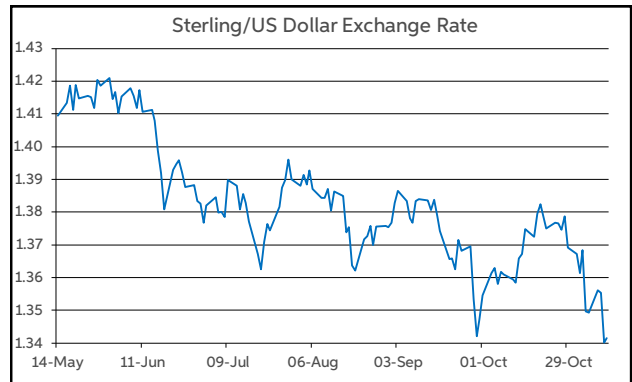
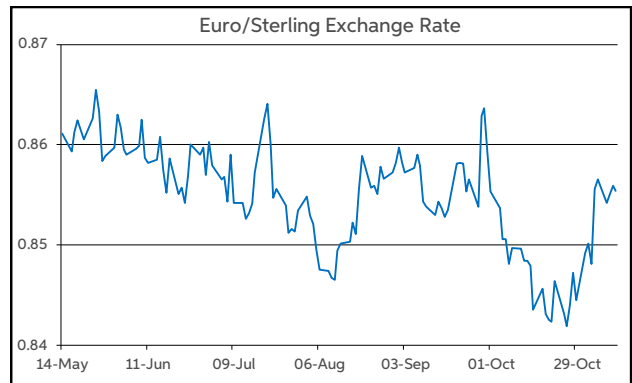
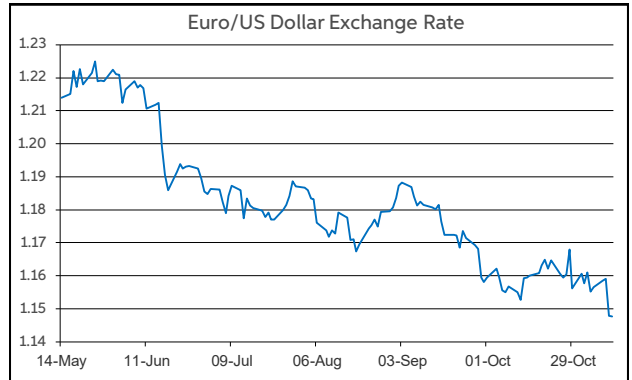
On equity markets, the S&P 500 shed 0.8% on the day. Meantime, the surge in inflation placed upward pressure on bond yields, with US 10Yr Treasury yields rising by 13bps. The rise in US Treasury yields spilled over into other regions, with UK and Eurozone yields moving higher also.

On the currency front, the dollar was holding a firmer tone on the exchanges following the release. The currency gained around 1% against the euro, sterling and the yen yesterday. EUR/USD fell to a fresh YTD low just above \$1.15 in the aftermath of the release, and has continued to move lower since. The data is likely to see the Fed face questions, regarding their view that inflation is still expected to be largely transitory.

Meanwhile, UK GDP data for Q3, released this morning, confirmed that the recovery has lost momentum in the three months to September. GDP increased by 1.3% in Q3 (vs. 1.5% f'cast), down from 5.5% in Q2. The data has not impacted sterling so far.

As trading gets underway this morning, the firmer tone to the dollar is reflected in EUR/USD changing hands below \$1.15 threshold. Cable (GBP/USD) is operating just above the \$1.34 handle, having been at the heart of the \$1.35-1.36 corridor yesterday. Elsewhere, EUR/GBP continues to straddle the midpoint of the 85-86p range.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1477	-0.85	-6.03
EUR/GBP	0.8558	0.18	-4.24
GBP/USD	1.3412	-1.03	-1.91
GBP/EUR	1.1682	-0.18	4.43
USD/JPY	113.93	0.94	10.35
EUR/JPY	130.8	0.09	3.68

\* 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	0.125	0.09	0.15	0.31	0.77	1.30
EUR	0.00	-0.56	-0.57	-0.48	-0.29	-0.06
GBP	0.10	0.05	0.11	0.72	1.11	1.24

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

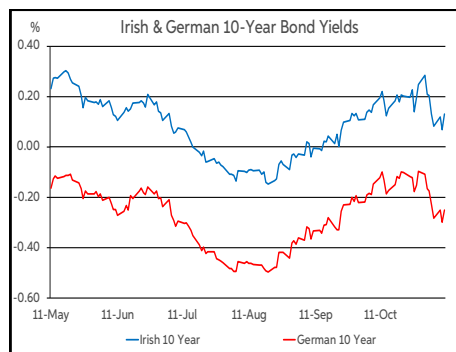
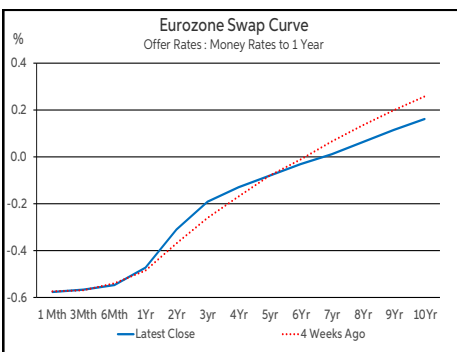
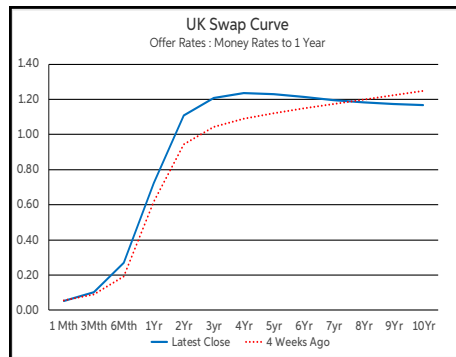
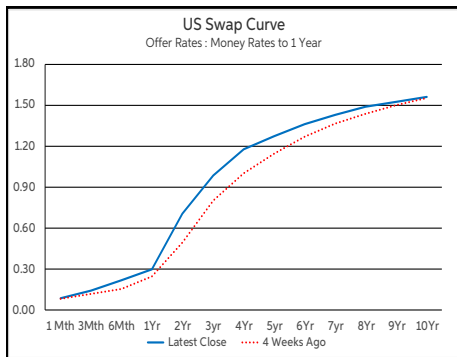
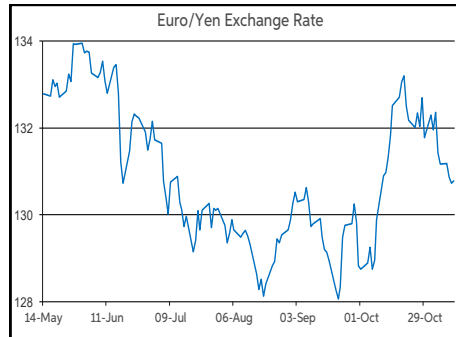
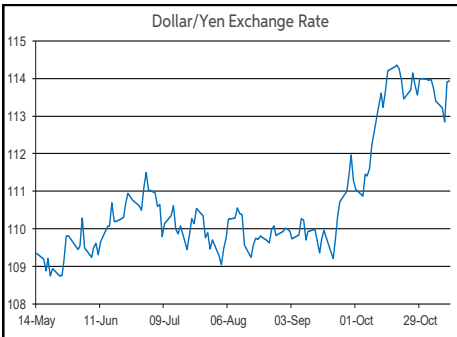
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

Thursday 11 November 2021  
07:20 am



Euro		Sterling		Dollar	
EUR/GBP	0.8558	GBP/EUR	1.1682	USD/JPY	113.93
EUR/USD	1.1477	GBP/USD	1.3412	USD/CAD	1.2513
EUR/JPY	130.8	GBP/CAD	1.6782	USD/CHF	0.9187
EUR/SEK	9.9886	GBP/NZD	1.9048	USD/CNY	6.4025
EUR/DKK	7.4371	GBP/JPY	152.8	USD/BRL	5.491
EUR/NOK	9.9217	GBP/SEK	11.6689	USD/RUB	71.1163
EUR/CHF	1.0547	GBP/DKK	8.6896	USD/INR	74.475
EUR/AUD	1.5704	GBP/NOK	11.5916	AUD/USD	0.7309
EUR/HKD	8.9396	GBP/CHF	1.2322	NZD/USD	0.7039
EUR/CAD	1.4362	GBP/AUD	1.8346		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
<b>10 Year Yield %</b>				
US	1.57	+13	+3	+65
Germany	-0.25	+5	-12	+33
UK	0.93	+10	-17	+73
<b>5 Year Swap %</b>				
US	1.27	+14	+16	+85
Eurozone	-0.08	+7	+1	+38
UK	1.23	+10	+12	+104
<b>2 Year Swap %</b>				
US	0.71	+10	+24	+51
Eurozone	-0.31	+5	+7	+22
UK	1.11	+8	+18	+108
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	45	+2	+7	+18
Belgium	33	+2	+3	+14
France	36	+2	+3	+13
Italy	119	+5	+16	+9
Spain	71	+3	+9	+8
Portugal	62	+2	+11	-2
Greece	138	+0	+33	+18

Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	82.64	-2.52	-0.65	+59.54
West Texas Oil	81.23	-3.44	+0.69	+68.00
Gold \$	1849.6	+0.99	+3.18	-2.47

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