

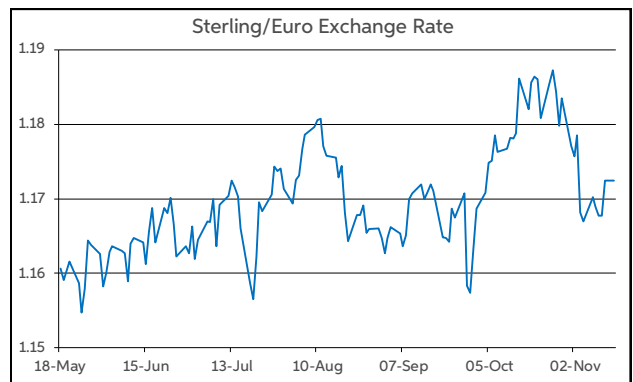
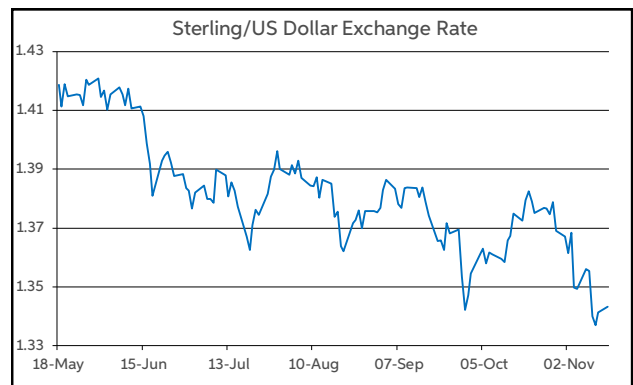
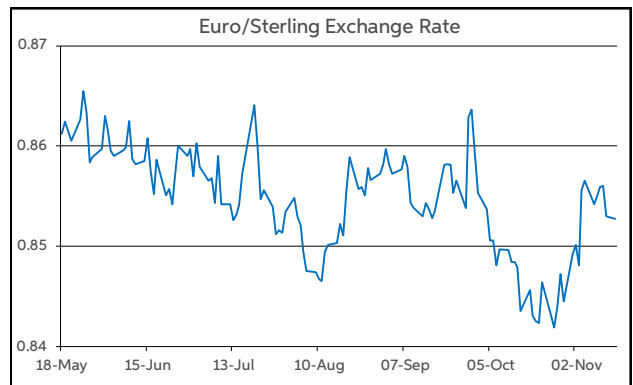
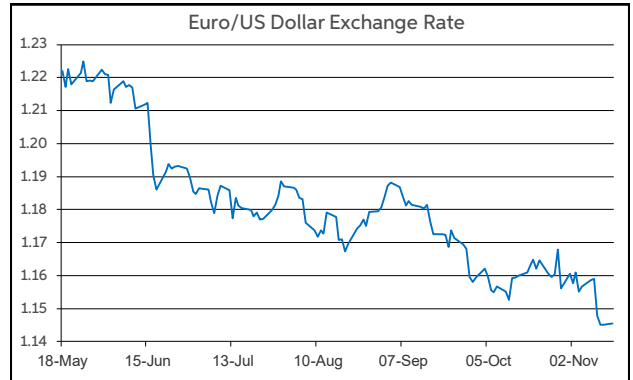
## Dollar holding the upper hand

There was generally a cautious tone to market sentiment last week. This was evident in most of the main equity indices being on the back foot for much of the period. At the closing bell on Wall Street on Friday night, the S&P 500 was down 0.3% for the week. This was against a backdrop of negative newsflow in relation to rising Covid-19 numbers. At the same time, macro data reinforced the view that the economic recovery has lost momentum, while inflation indicators continued to reach new highs.

On the currency front, the dollar was very much holding the upper hand. This came on the back of US CPI data for October showing headline inflation rising to 6.2%, its highest level since late 1990, with the core rate also hitting 30 year highs, at 4.6%. In level terms, the firmer tone to the dollar was reflected in EUR/USD falling below \$1.15 to a year to date low near \$1.143. Meantime, sterling has been battling to hold onto the \$1.34 mark against the dollar. Elsewhere, the action in the EUR/GBP pair last week was confined to the 85-86p trading band.

This week, there is a busy schedule of data releases. This includes UK labour market data which will be the first reading from the post -furlough scheme period. Meanwhile, retail sales data from the US and UK for October will be assessed to see how consumer spending performed at the start of Q4. However, given the current backdrop, it is likely to be inflation data that receives the most attention. This includes UK CPI and the final (more detailed) reading of Eurozone HICP (both October). The experience last week with the dollar shows these inflation readings are a potential source of volatility for Forex markets. Meanwhile, an appearance before the Treasury Select Committee from BoE Governor Bailey today will be closely followed by sterling watchers.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1455	0.11	-6.21
EUR/GBP	0.8527	-0.34	-4.59
GBP/USD	1.3432	0.48	-1.76
GBP/EUR	1.1725	0.34	4.81
USD/JPY	113.93	-0.24	10.35
EUR/JPY	130.52	-0.13	3.46

\* 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	0.16	0.33	0.77	1.31
EUR	0.00	-0.57	-0.56	-0.48	-0.31	-0.08
GBP	0.10	0.06	0.11	0.73	1.11	1.25

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

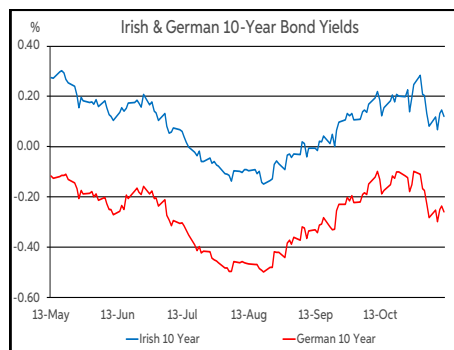
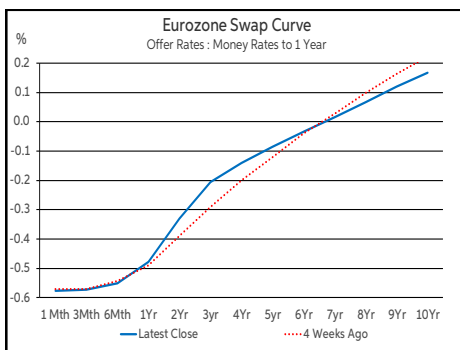
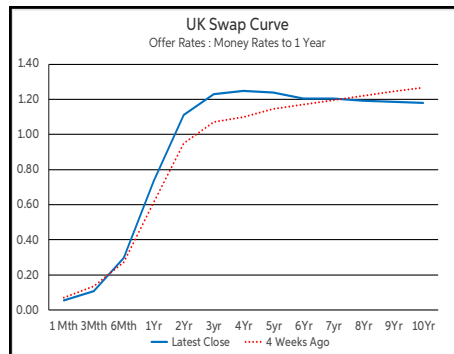
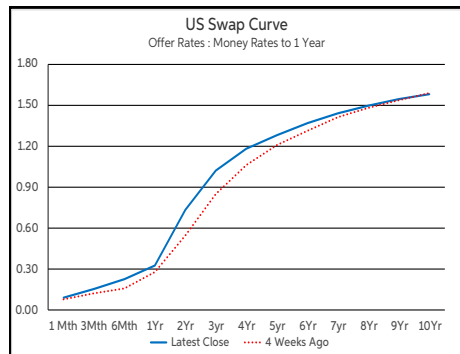
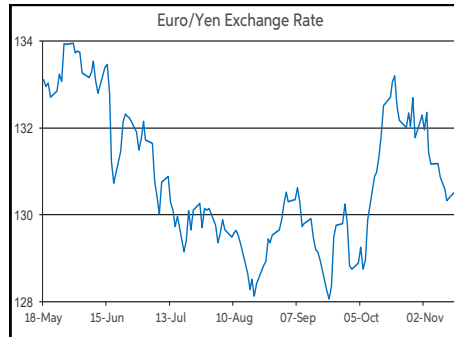
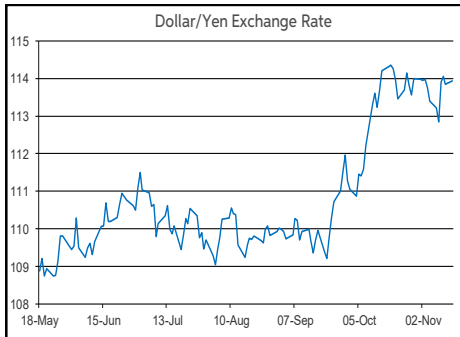
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

Monday 15 November 2021  
07:18 am



Euro		Sterling		Dollar	
EUR/GBP	0.8527	GBP/EUR	1.1725	USD/JPY	113.93
EUR/USD	1.1455	GBP/USD	1.3432	USD/CAD	1.2524
EUR/JPY	130.52	GBP/CAD	1.6821	USD/CHF	0.9196
EUR/SEK	10.0202	GBP/NZD	1.9039	USD/CNY	6.3809
EUR/DKK	7.4369	GBP/JPY	153.04	USD/BRL	5.4562
EUR/NOK	9.9474	GBP/SEK	11.7496	USD/RUB	72.4362
EUR/CHF	1.0535	GBP/DKK	8.7207	USD/INR	74.345
EUR/AUD	1.5589	GBP/NOK	11.6598	AUD/USD	0.7345
EUR/HKD	8.9263	GBP/CHF	1.2353	NZD/USD	0.7054
EUR/CAD	1.4353	GBP/AUD	1.8279		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
<b>10 Year Yield %</b>				
US	1.57	+0	-0	+65
Germany	-0.26	-3	-9	+32
UK	0.91	-1	-19	+72
<b>5 Year Swap %</b>				
US	1.28	+0	+10	+86
Eurozone	-0.09	-6	+4	+37
UK	1.24	-3	+10	+105
<b>2 Year Swap %</b>				
US	0.73	+2	+22	+54
Eurozone	-0.33	-5	+7	+20
UK	1.11	-1	+17	+109
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	44	+0	+5	+17
Belgium	32	-0	+1	+13
France	36	+1	+2	+13
Italy	122	+3	+17	+12
Spain	72	+1	+8	+9
Portugal	64	+2	+12	+0
Greece	149	+6	+40	+29

Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	82.17	-0.84	-3.17	+58.63
West Texas Oil	80.87	-0.74	-1.84	+67.26
Gold \$	1864.0	+0.14	+5.48	-1.71

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