

Dollar remains on the defensive

There was a mixed mood to start the week on financial markets yesterday, amid more subdued trading conditions. On equity markets, the Euro Stoxx 50 continued to trend higher, rising by 0.5%. Meanwhile, on Wall Street, the S&P 500 finished down 0.9% for the day. In terms of fixed income, benchmark sovereign bond yields were little changed across the board.

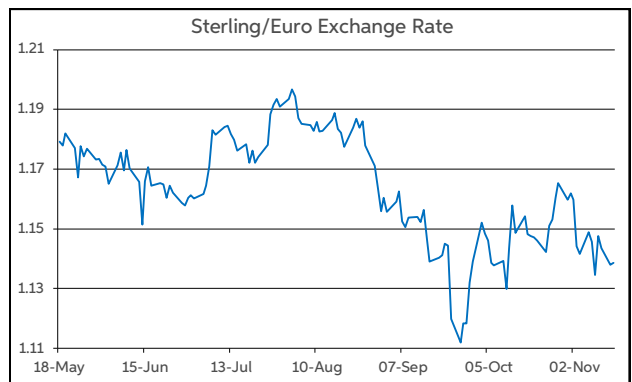
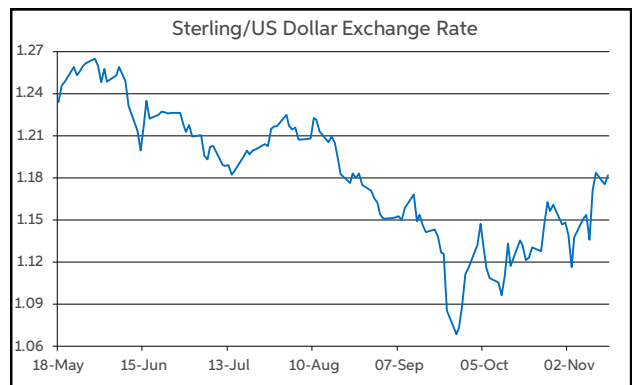
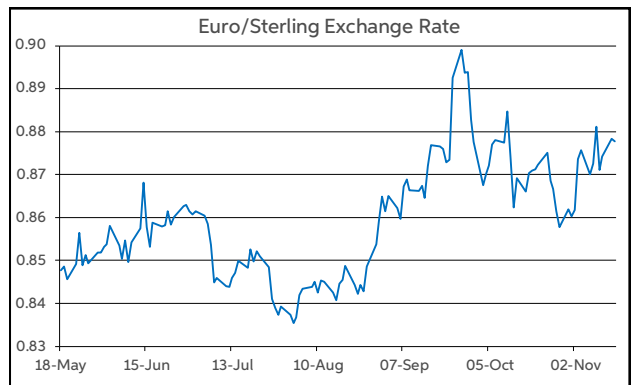
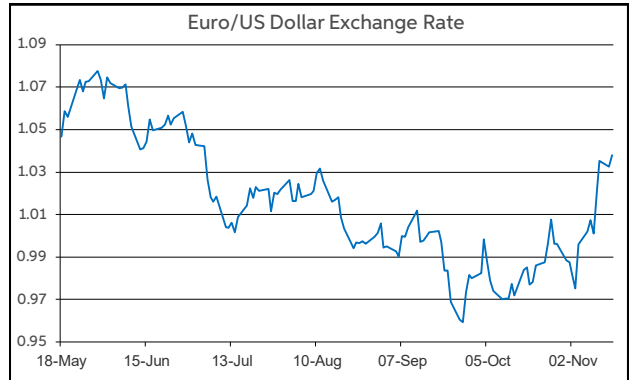
Currency-wise, the main pairs operated in relatively tight ranges yesterday. A light data schedule likely contributed to the lacklustre price action on the exchanges. The only release of note, Eurozone industrial production for September printed ahead of expectations. Output rose by 0.9% in September (+0.3% f'cast). However, the release had no major impact on the euro.

Meantime, overnight, the dollar was on the defensive, following comments from Fed Vice-Chair Brainard, that suggested the US central bank will soon slow the pace of rate hikes. Current marketing pricing is consistent with a smaller 50bps rate hike at the next FOMC meeting in December.

In level terms, the weaker dollar tone is evidenced by EUR/USD opening above the midpoint of the \$1.03-1.04, and GBP/USD operating up above \$1.18. Meanwhile, EUR/GBP is changing hands in the top half of 87-88p, having traded above 88p yesterday.

Already this morning, UK labour market data has been released. The unemployment rate edged up to 3.6% in September (vs. 3.5% f'cast), while average underlying earnings rose by 5.7% y/y (vs. 5.5% f'cast). Sterling has been unreactive to the release so far in early trading. Later today, the second reading of Eurozone GDP is set to confirm the economy grew by 0.2% in Q3.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.0377	0.77	-8.72
EUR/GBP	0.8783	0.19	4.56
GBP/USD	1.1815	0.57	-12.67
GBP/EUR	1.1379	-0.19	-4.36
USD/JPY	139.73	0.13	21.42
EUR/JPY	145.03	0.88	10.82

* 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	3.875	3.88	4.61	5.08	4.75	4.03
EUR	2.00	1.36	1.76	2.79	2.93	2.81
GBP	3.00	2.96	3.47	4.44	4.50	4.19

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

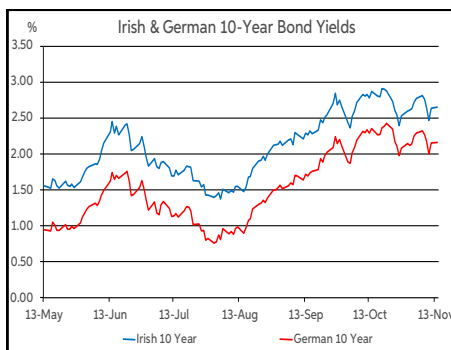
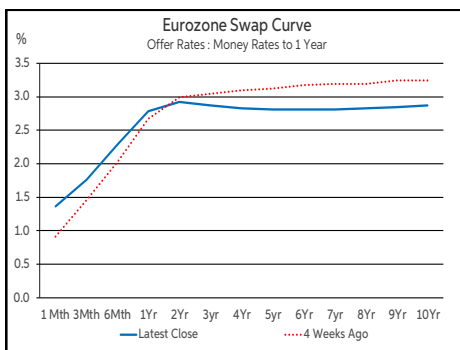
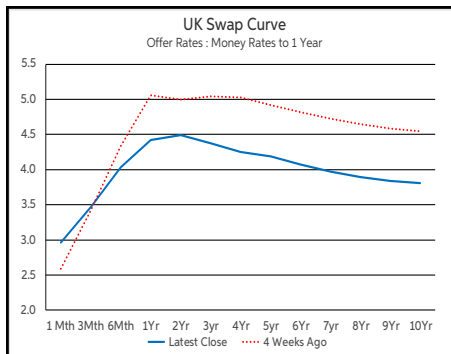
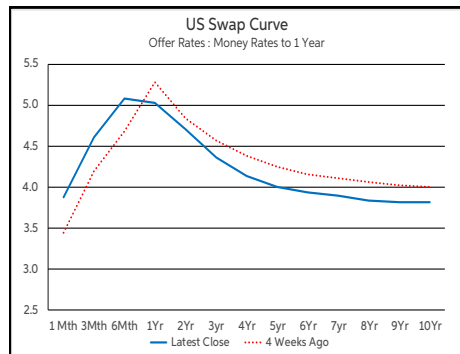
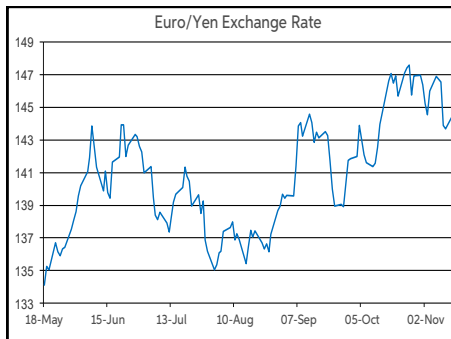
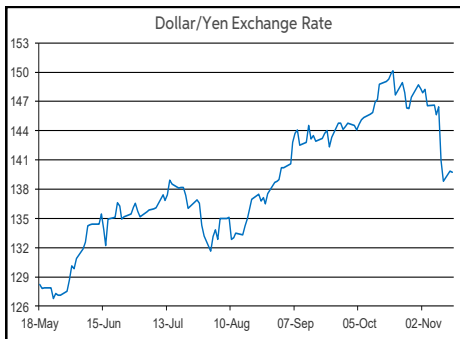
FX Spot	Karl Cooke Shane Gargan Ian Burke	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

Tuesday 15 November 2022
07:26 am



Euro		Sterling		Dollar	
EUR/GBP	0.8782	GBP/EUR	1.1381	USD/JPY	139.74
EUR/USD	1.0377	GBP/USD	1.1815	USD/CAD	1.3261
EUR/JPY	145.04	GBP/CAD	1.567	USD/CHF	0.9405
EUR/SEK	10.8052	GBP/NZD	1.9218	USD/CNY	7.0245
EUR/DKK	7.4389	GBP/JPY	165.1	USD/BRL	5.3321
EUR/NOK	10.325	GBP/SEK	12.2979	USD/RUB	60.35
EUR/CHF	0.9762	GBP/DKK	8.4674	USD/INR	81.172
EUR/AUD	1.538	GBP/NOK	11.7509		
EUR/HKD	8.1192	GBP/CHF	1.1115	AUD/USD	0.6746
EUR/CAD	1.3764	GBP/AUD	1.7514	NZD/USD	0.6146



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	3.86	+5	-15	+235
Germany	2.16	+0	-11	+234
UK	3.35	-0	-63	+238
5 Year Swap %				
US	4.00	-25	-21	+267
Eurozone	2.81	-2	-30	+280
UK	4.19	+0	-73	+291
2 Year Swap %				
US	4.71	+6	-9	+377
Eurozone	2.93	+0	-5	+323
UK	4.49	+0	-50	+330
10 Year Government Bond Spreads to Benchmark bps				
Ireland	53	+2	-3	+10
Belgium	57	-1	-7	+22
France	49	-2	-9	+12
Italy	201	-3	-38	+65
Spain	105	-0	-12	+27
Portugal	100	+1	-8	+34
Greece	217	-18	-48	+68

Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	93.14	-2.97	+1.66	+19.75
West Texas Oil	85.85	-3.69	-0.17	+13.97
Gold \$	1771.8	+0.06	+7.39	-3.10

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