

EUR/USD below \$1.14

The cautious tone experienced on markets last week carried over into the start of this week. This was reflected in most of the main equity indices in 'sideways' mode. At the closing bell on Wall Street last night, the S&P 500 index was flat on the day. On bond markets, both US Treasury and UK Gilts saw their respective 10-year yields rise by 5bps.

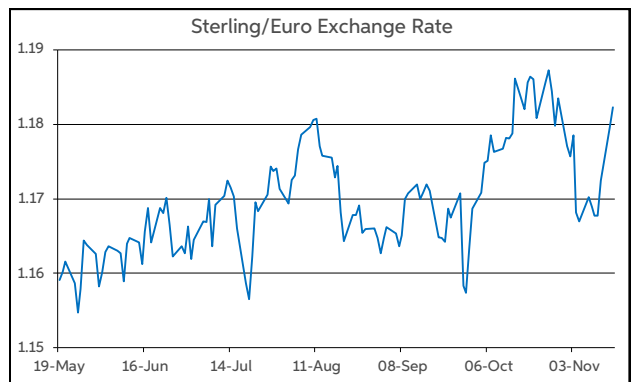
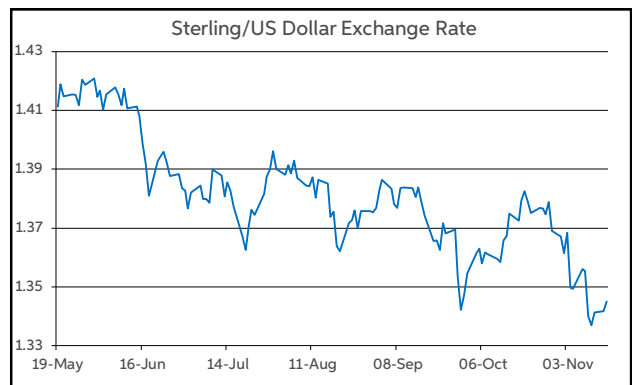
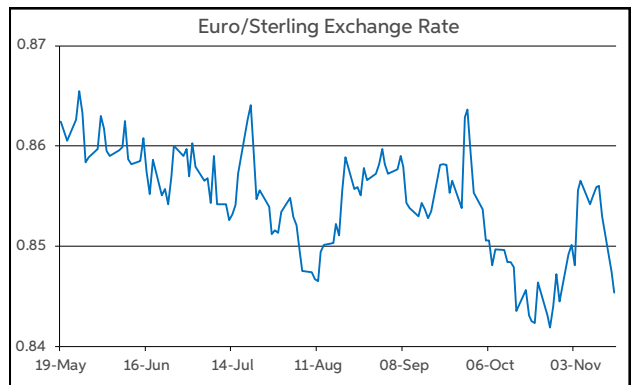
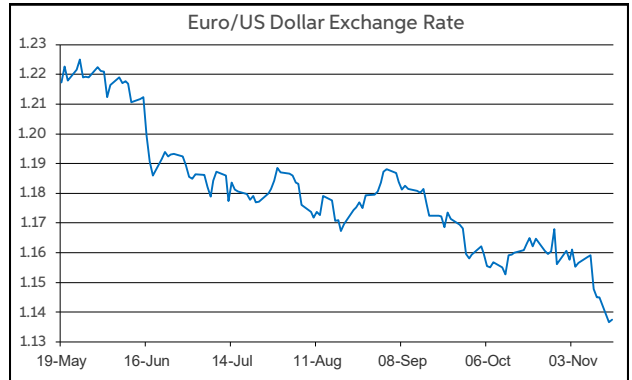
The action on currency markets saw the euro on the defensive. This was most evident against currencies, such as the dollar and sterling, whose respective central banks are expected to hike interest rates before the ECB.

Indeed, ECB President Lagarde, stated once again yesterday that conditions for a rate hike in the Eurozone are very unlikely in 2022. In contrast, BoE Governor Bailey's appearance before the Treasury Select Committee espoused a hawkish outlook. Data-wise, the macro diary contained little to provide interest/direction to the majors.

Overall then, the weaker euro over the past 24 hours sees EUR/USD open this morning below the \$1.14 threshold, at \$1.137, representing a new year-to-date low. Meanwhile, EUR/GBP has been unable to hold onto the 85p level, having spent last week within the 85-86p range. The pair starts today's European session down at the midpoint of the 84-85p band.

Already this morning we have got a batch of UK labour market data. The unemployment rate for the 3 months to September printed ahead of forecasts, falling to 4.3% (f'cast was 4.4%). Later today, there is a busy US schedule including retail sales and industrial production data for October.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1373	-0.76	-6.88
EUR/GBP	0.8454	-0.87	-5.40
GBP/USD	1.3451	0.10	-1.62
GBP/EUR	1.1825	0.88	5.71
USD/JPY	114.21	0.34	10.63
EUR/JPY	129.91	-0.39	2.97

* 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	0.32	0.78	1.35
EUR	0.00	-0.57	-0.56	-0.50	-0.31	-0.06
GBP	0.10	0.05	0.10	0.73	1.12	1.27

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

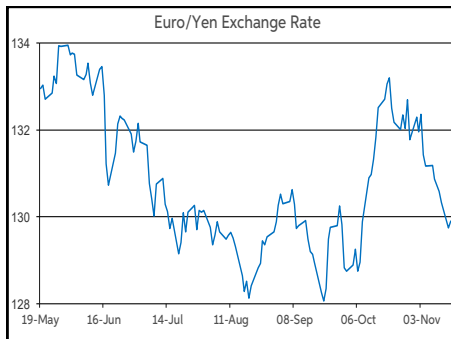
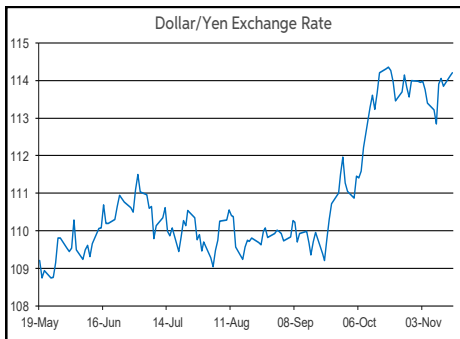
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

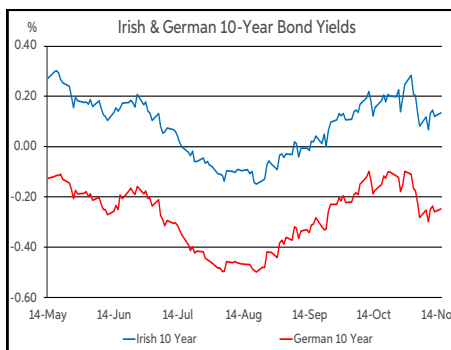
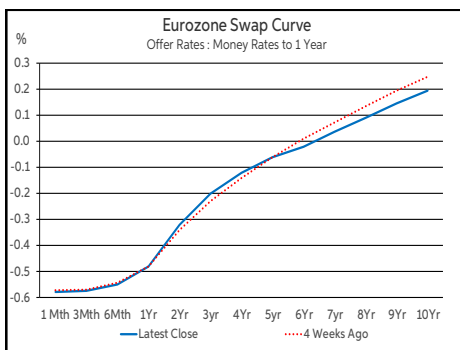
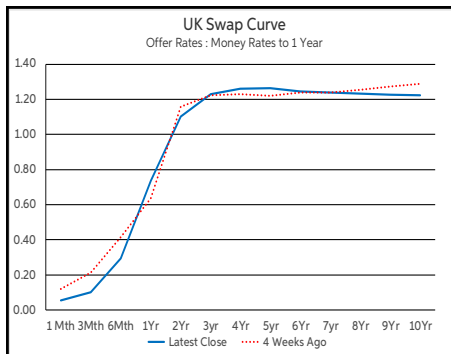
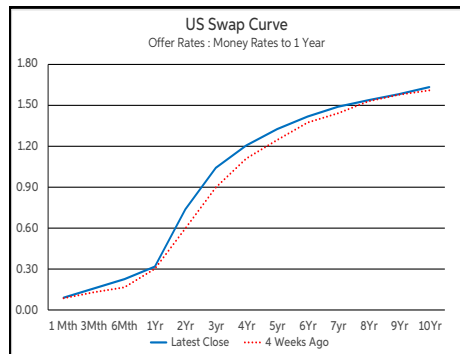
Tuesday 16 November 2021
07:11 am



Euro		Sterling		Dollar	
EUR/GBP	0.8454	GBP/EUR	1.1825	USD/JPY	114.21
EUR/USD	1.1373	GBP/USD	1.3451	USD/CAD	1.2511
EUR/JPY	129.91	GBP/CAD	1.6833	USD/CHF	0.9246
EUR/SEK	10.0034	GBP/NZD	1.9122	USD/CNY	6.3783
EUR/DKK	7.4365	GBP/JPY	153.6	USD/BRL	5.4575
EUR/NOK	9.8919	GBP/SEK	11.8286	USD/RUB	72.5586
EUR/CHF	1.0518	GBP/DKK	8.7929	USD/INR	74.455
EUR/AUD	1.5495	GBP/NOK	11.6983	AUD/USD	0.7339
EUR/HKD	8.8567	GBP/CHF	1.2439	NZD/USD	0.7031
EUR/CAD	1.4233	GBP/AUD	1.8324		



	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.62	+5	+3	+70
Germany	-0.25	+1	-10	+33
UK	0.96	+5	-18	+76
Ireland	0.20	+2	-5	+51
Belgium	0.09	+3	-7	+48
France	0.12	+1	-8	+46
Italy	1.00	+4	+10	+48
Spain	0.48	+1	-1	+43
Portugal	0.38	-1	-1	+32
Greece	1.23	-1	+25	+60
5 Year Swap %				
US	1.33	+3	+12	+90
Eurozone	-0.06	+1	+1	+40
UK	1.26	+2	+5	+107
2 Year Swap %				
US	0.74	+0	+18	+55
Eurozone	-0.32	+0	+3	+21
UK	1.10	-1	-4	+108
10 Year Government Bond Spreads to Benchmark bps				
Ireland	45	+1	+5	+18
Belgium	34	+2	+3	+15
France	36	+0	+2	+13
Italy	125	+3	+20	+15
Spain	73	+0	+9	+10
Portugal	62	-2	+9	-1
Greece	147	-2	+34	+27



	Commodities			
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	82.05	-0.15	-2.70	+58.40
West Texas Oil	80.85	-0.02	-2.14	+67.22
Gold \$	1862.5	-0.09	+5.55	-1.79

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