

## Euro continues to weaken

Data-wise, yesterday's calendar included a number of important updates from the UK and US economies. We had the pre-European open release of a plethora of UK labour market metrics. This included some data for October, which showed no major impact from the ending of the furlough scheme in September.

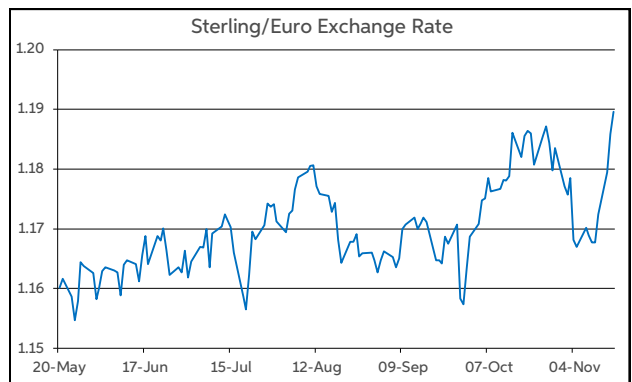
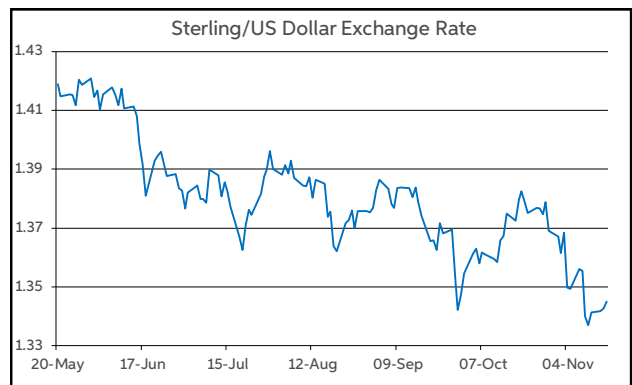
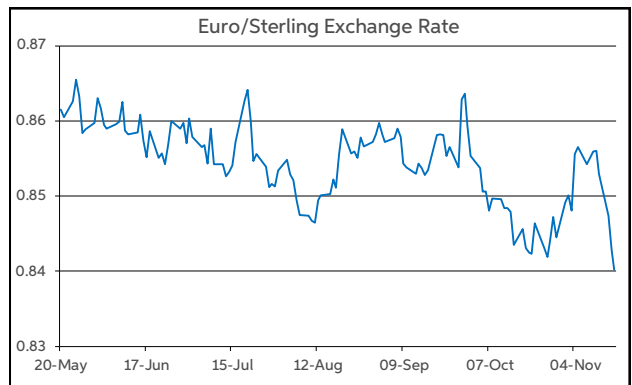
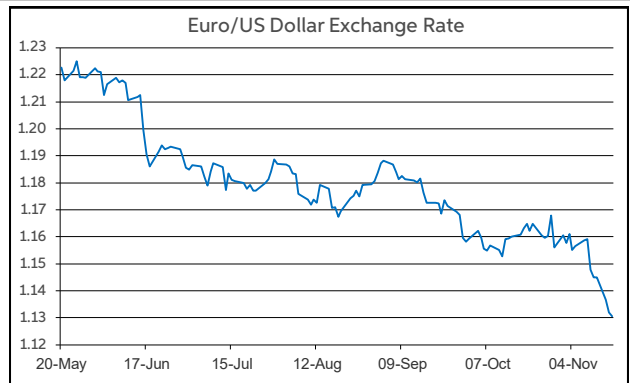
In the US, the macro news offered positive signs for Q4 after the recovery lost momentum in Q3. The retail sales report for October showed headline sales at +1.7% m/m, up from +0.8% in September and versus a +1.4% consensus. The underlying details of the release suggest that consumer spending got off to a healthy start in Q4. Similarly, US industrial production got off to a strong opening in the quarter. Headline production rose by a better than expected +1.6% in October (f'cast for +0.7%), while manufacturing output also printed ahead of forecasts at +1.2% (f'cast +0.7%).

On currency markets, the euro remained under pressure yesterday. This was against the backdrop of the aforementioned macro updates from the US and UK, reinforcing the view the Fed and BoE will hike rates before the ECB.

The weaker euro trend has continued in overnight trading with EUR/USD dropping below \$1.13, registering its lowest level since July'20 at \$1.126. It has managed to edged back up to the \$1.13 mark to start the European session. Meantime, EUR/GBP is struggling to hold onto the 84p threshold.

Already this morning, UK CPI figures for October were released. It showed inflation rising to 4.2% from 3.1% and versus a 3.9% forecast. Currency-wise, the focus today will likely remain on the euro given its recent weakening trend.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1305	-0.62	-7.43
EUR/GBP	0.8402	-0.88	-5.99
GBP/USD	1.3452	0.27	-1.62
GBP/EUR	1.1898	0.89	6.37
USD/JPY	114.88	0.65	11.27
EUR/JPY	129.88	0.02	2.95

\* 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	0.78	1.38
EUR	0.00	-0.57	-0.56	-0.48	-0.31	-0.07
GBP	0.10	0.06	0.11	0.73	1.17	1.34

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

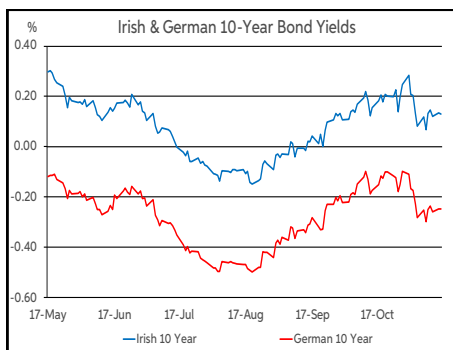
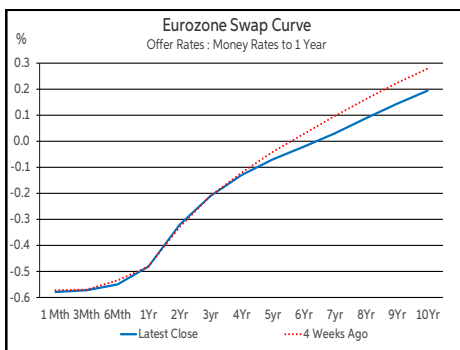
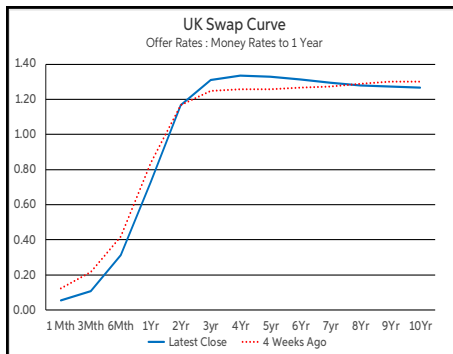
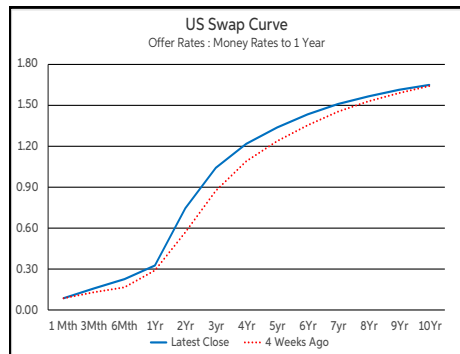
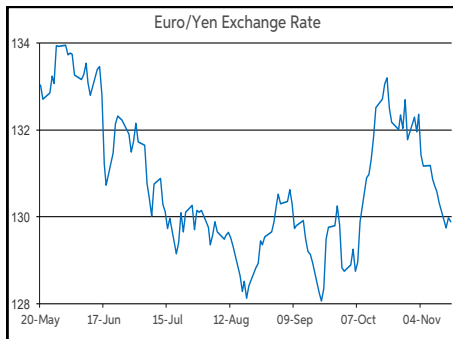
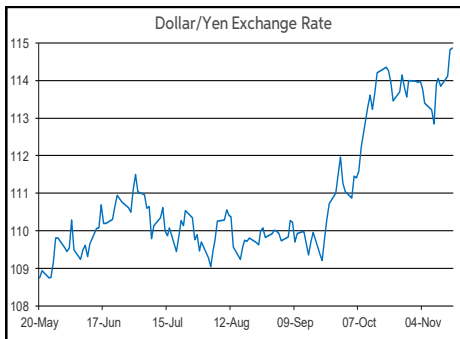
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

Wednesday 17 November 2021  
07:16 am



Euro		Sterling		Dollar	
EUR/GBP	0.8402	GBP/EUR	1.1895	USD/JPY	114.89
EUR/USD	1.1305	GBP/USD	1.345	USD/CAD	1.2555
EUR/JPY	129.87	GBP/CAD	1.6888	USD/CHF	0.9314
EUR/SEK	10.0606	GBP/NZD	1.9194	USD/CNY	6.385
EUR/DKK	7.4366	GBP/JPY	154.51	USD/BRL	5.5028
EUR/NOK	9.8909	GBP/SEK	11.9707	USD/RUB	72.9638
EUR/CHF	1.0531	GBP/DKK	8.8475	USD/INR	74.345
EUR/AUD	1.5492	GBP/NOK	11.7684	AUD/USD	0.7296
EUR/HKD	8.804	GBP/CHF	1.2529	NZD/USD	0.7006
EUR/CAD	1.4192	GBP/AUD	1.8433		



Debt Markets				
	Close	Day	4 Weeks	End 20
<b>10 Year Yield %</b>				
US	1.64	+2	-0	+72
Germany	-0.24	+0	-13	+33
UK	0.99	+3	-17	+80
Ireland	0.20	-1	-8	+50
Belgium	0.08	-1	-12	+47
France	0.11	-1	-12	+45
Italy	0.97	-3	+2	+45
Spain	0.48	+0	-5	+43
Portugal	0.37	-1	-4	+31
Greece	1.23	+0	+22	+60
<b>5 Year Swap %</b>				
US	1.34	+2	+14	+92
Eurozone	-0.07	-1	-2	+39
UK	1.33	+7	+8	+114
<b>2 Year Swap %</b>				
US	0.74	+0	+20	+55
Eurozone	-0.32	+0	+2	+21
UK	1.17	+7	+1	+114
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	44	-1	+6	+17
Belgium	33	-1	+1	+14
France	36	-1	+1	+12
Italy	122	-3	+15	+12
Spain	73	+0	+8	+10
Portugal	62	-1	+10	-2
Greece	147	+0	+35	+27

Commodities				
	Close	Day	4 Weeks	End 20
Brent Oil	82.43	+0.46	-3.11	+59.13
West Texas Oil	80.76	-0.11	-2.92	+67.03
Gold \$	1849.9	-0.67	+4.58	-2.46

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