

Currency markets range bound

Risk appetite softened yesterday, as concerns regarding the global economic outlook intensified. Equity markets moved lower on both sides of the Atlantic, with the Euro Stoxx 50 and the S&P 500 falling by 0.8% on the day. Elsewhere, oil prices fell by circa 1%, with Brent crude back near \$92 per barrel.

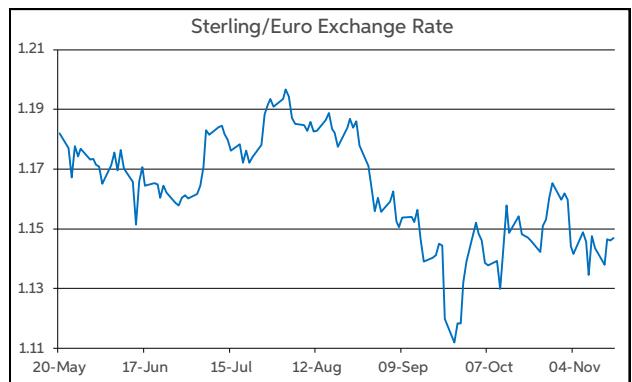
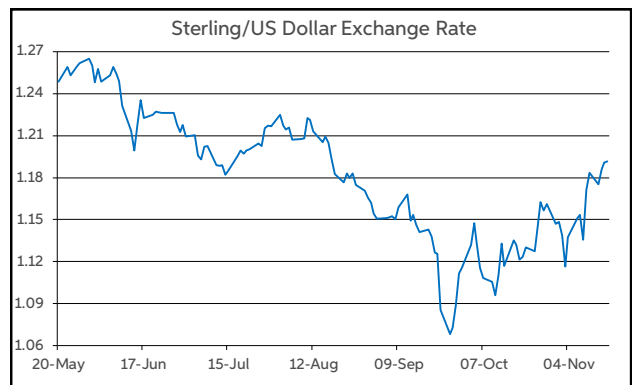
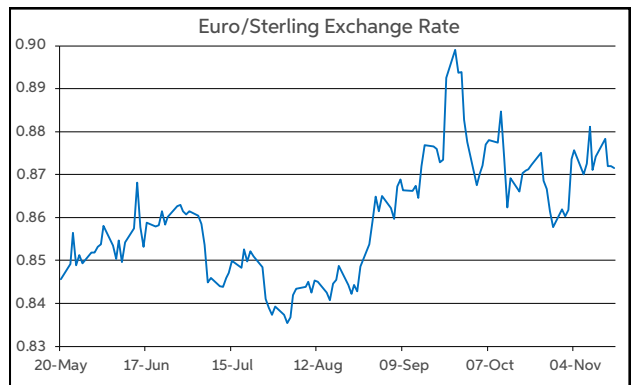
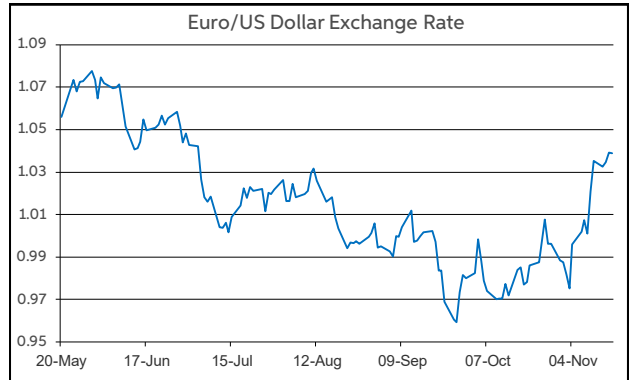
On bond markets, US Treasury and German Bund yields declined by 2-10bps along the curve. In the UK, Gilt yields fell by a more pronounced 14-15bps. The larger fall in UK yields followed comments from BoE officials at the Treasury Select Committee. Both BoE Governor Bailey and MPC member Dhingra indicated that the central bank may slow the pace of rate hikes in December.

In the US, a number of data releases had mixed performances. Retail sales beat expectations, rising by 1.3% in October (vs. +1.0% f'cast). However, industrial production was weaker than expected, falling by 0.1% in the month (vs. +0.2% f'cast). Homebuilder sentiment also deteriorated by more than anticipated, declining to 33 (vs. 36 f'cast) in November.

On the currency front, the main pairs operated within tight ranges yesterday. Of the limited moves to register, sterling was slightly firmer. GBP/USD regained the \$1.19 handle, while EUR/GBP edged back towards the 87p mark. Meantime, EUR/USD continued to straddle the \$1.04 threshold.

Today, the Fiscal Statement in the UK poses some event risk for sterling. Chancellor Hunt is expected to announce a number of tax increases and spending cuts. Elsewhere, prepared remarks from a number of BoE officials may garner attention. In the US, a number of Fed officials will also be on the wires.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.0389	0.16	-8.61
EUR/GBP	0.871	-0.31	3.69
GBP/USD	1.1923	0.45	-11.87
GBP/EUR	1.1472	0.31	-3.56
USD/JPY	139.4	-0.21	21.13
EUR/JPY	144.86	-0.05	10.69

* 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	3.90	4.65	5.07	4.68	3.90
EUR	2.00	1.41	1.80	2.71	2.82	2.66
GBP	3.00	2.96	3.53	4.48	4.47	4.07

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

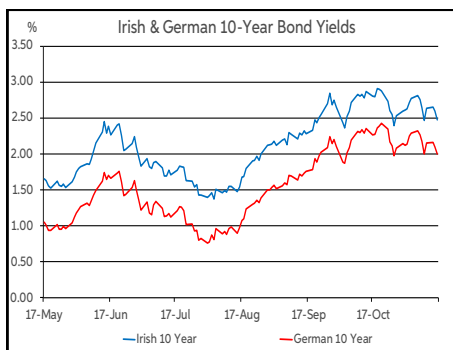
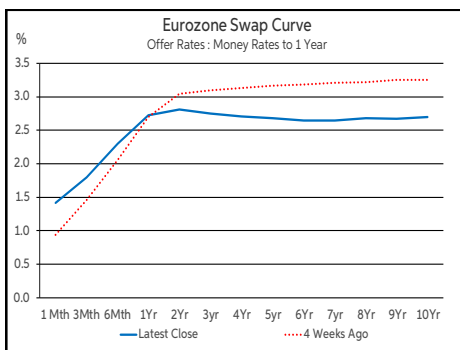
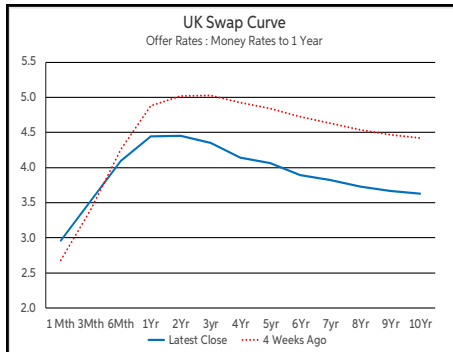
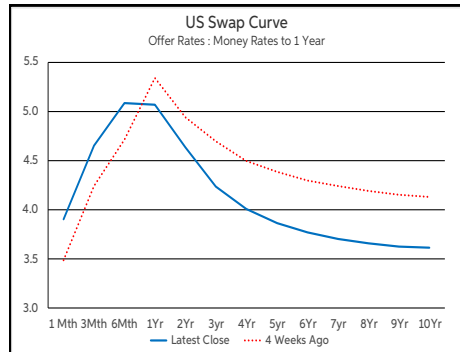
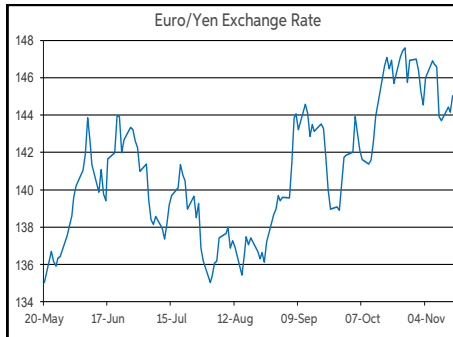
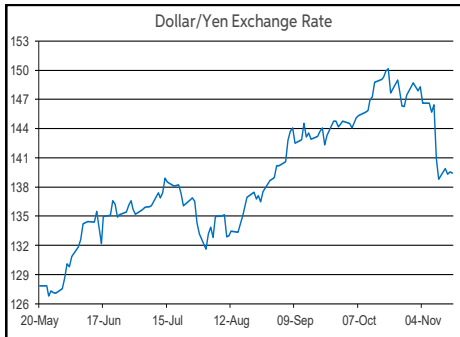
FX Spot	Karl Cooke Shane Gargan Ian Burke	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

Thursday 17 November 2022
07:36 am



Euro		Sterling		Dollar	
EUR/GBP	0.871	GBP/EUR	1.1472	USD/JPY	139.4
EUR/USD	1.0389	GBP/USD	1.1923	USD/CAD	1.332
EUR/JPY	144.86	GBP/CAD	1.5887	USD/CHF	0.9443
EUR/SEK	10.901	GBP/NZD	1.9377	USD/CNY	7.1207
EUR/DKK	7.438	GBP/JPY	166.21	USD/BRL	5.3998
EUR/NOK	10.4233	GBP/SEK	12.5103	USD/RUB	60.45
EUR/CHF	0.9812	GBP/DKK	8.537	USD/INR	81.52
EUR/AUD	1.541	GBP/NOK	11.9649	AUD/USD	0.6742
EUR/HKD	8.1316	GBP/CHF	1.1266	NZD/USD	0.6152
EUR/CAD	1.384	GBP/AUD	1.7689		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	3.69	-9	-45	+218
Germany	2.00	-10	-37	+218
UK	3.15	-15	-72	+218
5 Year Swap %				
US	3.87	-4	-48	+253
Eurozone	2.68	-2	-48	+267
UK	4.07	-2	-77	+279
2 Year Swap %				
US	4.63	+0	-26	+369
Eurozone	2.81	-2	-22	+311
UK	4.45	-2	-56	+326
10 Year Government Bond Spreads to Benchmark bps				
Ireland	51	-2	-5	+8
Belgium	56	-2	-10	+20
France	49	-2	-10	+12
Italy	194	-2	-46	+58
Spain	103	-2	-13	+26
Portugal	98	+1	-9	+32
Greece	226	+9	-42	+77

Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	92.86	-1.07	+0.49	+19.39
West Texas Oil	85.62	-1.44	-0.44	+13.66
Gold \$	1773.8	-0.25	+8.92	-2.99

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