

Euro remains under pressure

It was a relatively quiet day on financial markets yesterday, as risk appetite was somewhat subdued. The Euro Stoxx 50 was unchanged, while at the close on Wall Street, the S&P 500 was down 0.3%. Meantime on bond markets, benchmark sovereign yields were within their recent ranges.

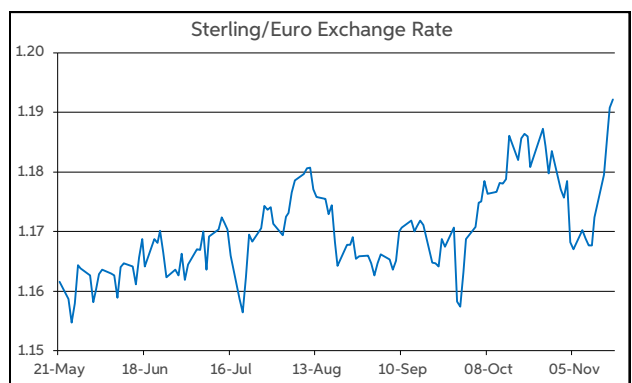
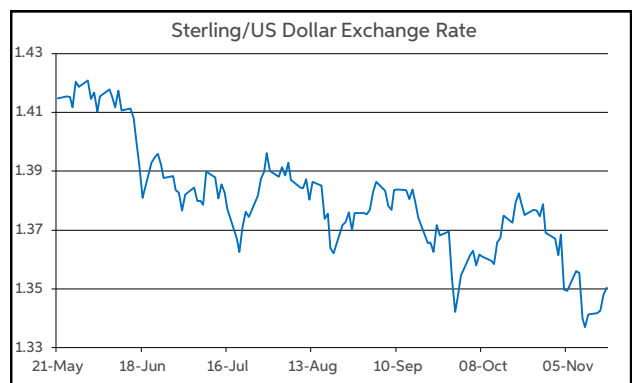
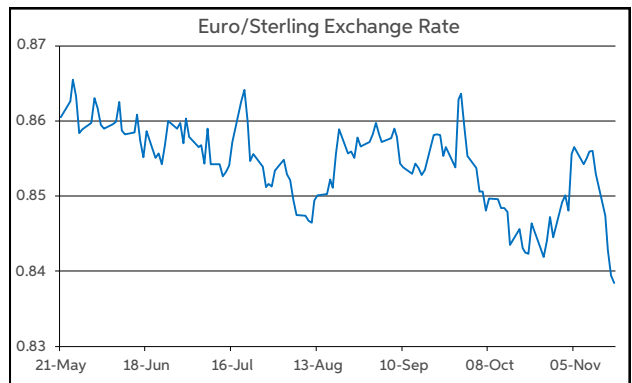
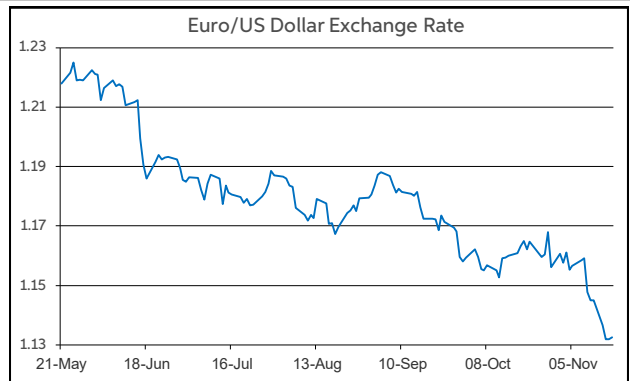
Currency-wise, the euro remained under some downward pressure yesterday, having lost considerable ground against the dollar and sterling recently. Although the euro held onto the \$1.13 handle against the dollar, the single currency was unable to maintain its position above the 84p mark versus sterling.

The recent euro weakness is against a backdrop of potential policy divergence between the ECB and other central banks. Rate hikes are seen as occurring sooner, and to a greater extent in the UK and US over the next 12 months. ECB Governing Council member Schnabel noted yesterday, that the pre-conditions for a rate hike are unlikely to be met next year in the Eurozone, echoing remarks made previously by ECB President Lagarde. Despite inflation being confirmed at 4.1% in October yesterday, the ECB is of the view that inflation will fall back across the bloc over the course of 2022.

As trading gets underway this morning, EUR/USD opens in the bottom half of \$1.13-1.14. Meanwhile, EUR/GBP starts today below the 84p threshold. GBP/USD is operating just above the \$1.35 mark, having been below the midpoint of \$.34-1.35 yesterday.

Ahead today, there is a relatively quiet data schedule on both sides of the Atlantic. The only releases of note are initial jobless claims and the Philly Fed Index. Barring any major surprises though, the data are unlikely to impact on currency markets.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1328	0.26	-7.25
EUR/GBP	0.8387	-0.37	-6.15
GBP/USD	1.3506	0.63	-1.22
GBP/EUR	1.1921	0.37	6.56
USD/JPY	114.08	-0.72	10.50
EUR/JPY	129.23	-0.45	2.43

* 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	0.75	1.33
EUR	0.00	-0.56	-0.56	-0.51	-0.33	-0.09
GBP	0.10	0.06	0.11	0.75	1.14	1.29

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

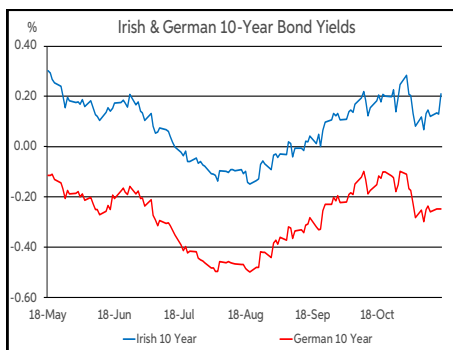
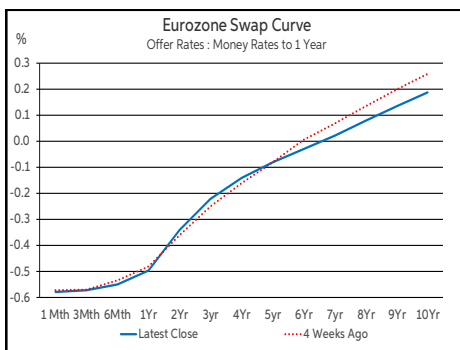
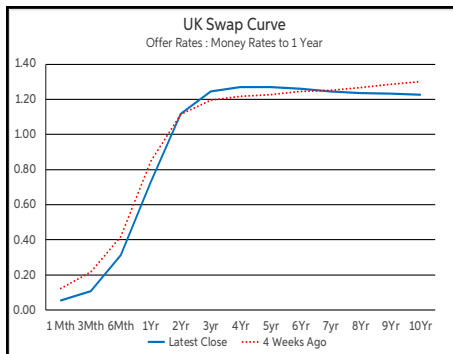
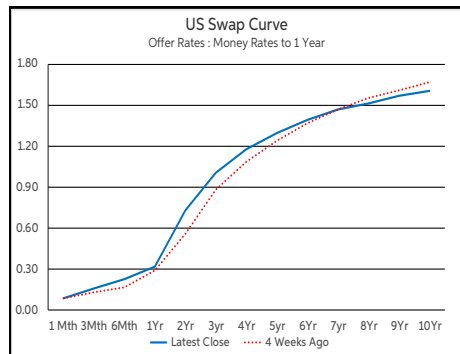
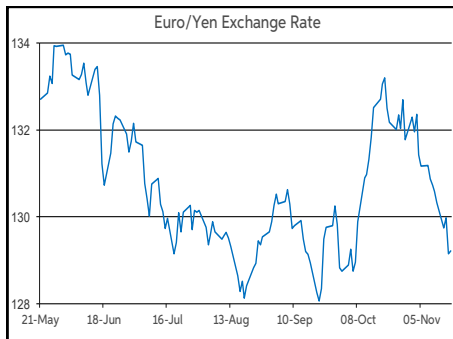
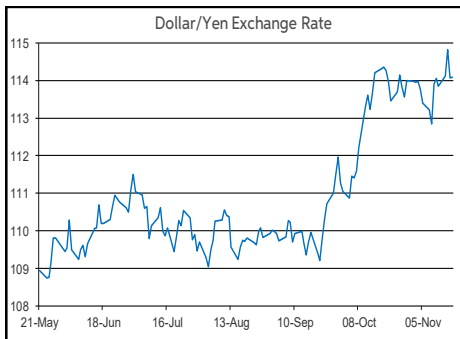
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

Thursday 18 November 2021
07:35 am



Euro		Sterling		Dollar	
EUR/GBP	0.8387	GBP/EUR	1.1922	USD/JPY	114.08
EUR/USD	1.1326	GBP/USD	1.3506	USD/CAD	1.2603
EUR/JPY	129.23	GBP/CAD	1.7023	USD/CHF	0.9279
EUR/SEK	10.0305	GBP/NZD	1.9173	USD/CNY	6.3766
EUR/DKK	7.4356	GBP/JPY	154.08	USD/BRL	5.5292
EUR/NOK	9.9127	GBP/SEK	11.958	USD/RUB	72.545
EUR/CHF	1.0513	GBP/DKK	8.8642	USD/INR	74.05
EUR/AUD	1.5543	GBP/NOK	11.819	AUD/USD	0.7287
EUR/HKD	8.8209	GBP/CHF	1.2535	NZD/USD	0.7041
EUR/CAD	1.4272	GBP/AUD	1.8531		



Debt Markets				
	Close	Day	Change bps	
			4 Weeks	End 20
10 Year Yield %				
US	1.59	-6	-7	+67
Germany	-0.24	+0	-12	+33
UK	0.96	-3	-18	+77
Ireland	0.23	+3	-1	+54
Belgium	0.09	+1	-9	+47
France	0.11	+0	-10	+45
Italy	0.98	+1	+6	+46
Spain	0.49	+1	-2	+44
Portugal	0.39	+2	+0	+33
Greece	1.23	-0	+22	+60
5 Year Swap %				
US	1.30	-4	+9	+88
Eurozone	-0.08	-1	+1	+38
UK	1.27	-6	+5	+108
2 Year Swap %				
US	0.73	-2	+20	+54
Eurozone	-0.34	-2	+3	+19
UK	1.12	-5	+1	+109
10 Year Government Bond Spreads to Benchmark bps				
Ireland	48	+3	+11	+20
Belgium	33	+1	+3	+14
France	36	+0	+2	+12
Italy	122	+1	+18	+13
Spain	74	+1	+11	+11
Portugal	64	+2	+12	+0
Greece	147	-0	+34	+27

Commodities				
	Close	Day	% Change	
			4 Weeks	End 20
Brent Oil	80.28	-2.61	-6.46	+54.98
West Texas Oil	78.32	-3.02	-7.20	+61.99
Gold \$	1867.0	+0.92	+4.78	-1.56

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