

Currency markets remain range bound

Investor sentiment continued to soften slightly yesterday. The Euro Stoxx 50 finished flat for the day, while on Wall Street, the S&P 500 was down by 0.3%. In terms of fixed income markets, US Treasury yields rose by 3-8bps, with the policy sensitive 2-year yield rising the most, following some hawkish Fed rhetoric. UK Gilt yields finished the day 4-11bps higher, amid some volatility in the aftermath of the UK Fiscal Statement.

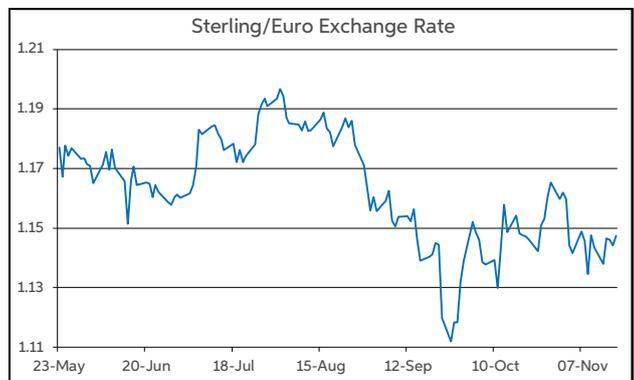
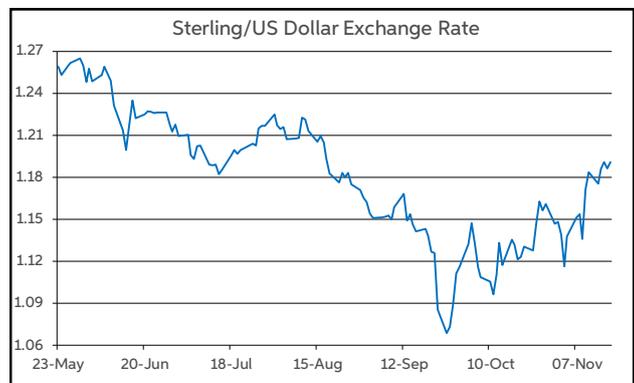
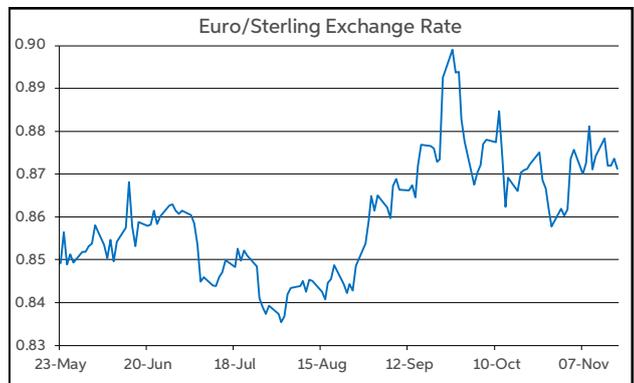
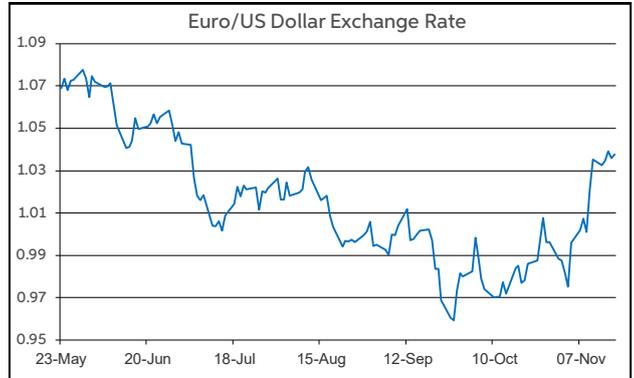
The Fiscal Statement pointed to a grim outlook for the UK, with the OBR estimating the economy will contract by 1.4% next year, as fiscal policy is tightened significantly. However, Government borrowing, although falling, is set to remain relatively high for the next three years.

Sterling moved modestly lower following the announcement. Elsewhere, on the currency front, hawkish comments from the US Fed's Bullard, who stated rates will need to rise to a 5-5.25% range at a minimum next year, supported the dollar. However, overnight, the dollar handed back its gains, and sterling recouped its losses.

In level terms, EUR/USD opens this morning in the top half of \$1.03-1.04. Meantime, GBP/USD is operating up above the \$1.19 threshold, having traded as low as \$1.176 yesterday. EUR/GBP is changing hands just above the 87p mark.

Already today, UK retail sales have printed ahead of the consensus rising by 0.6% in October (vs. +0.3% f'cast). Consumer confidence for November improved also, albeit it remains at a very weak level of -44 (up from -47 in October). Sterling has been not been impacted by the data in early trading. Later today, comments from ECB President Lagarde may garner some attention.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.0379	0.00	-8.70
EUR/GBP	0.8714	-0.10	3.74
GBP/USD	1.1912	0.13	-11.95
GBP/EUR	1.1473	0.10	-3.60
USD/JPY	139.77	0.24	21.45
EUR/JPY	145.1	0.26	10.87

* 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	3.91	4.67	5.11	4.77	3.97
EUR	2.00	1.40	1.80	2.74	2.88	2.76
GBP	3.00	2.98	3.56	4.48	4.50	4.11

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
---------	---	------------	------------	------------------	---------------------------	-----------------	-----------------------------------

Opening Levels

Friday 18 November 2022
07:45 am



Euro

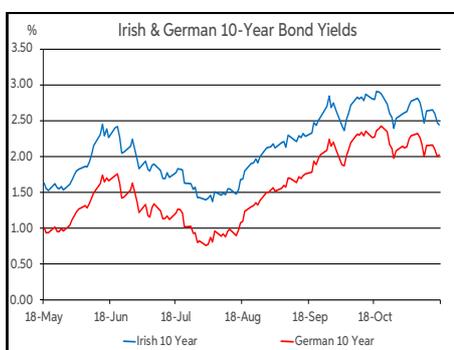
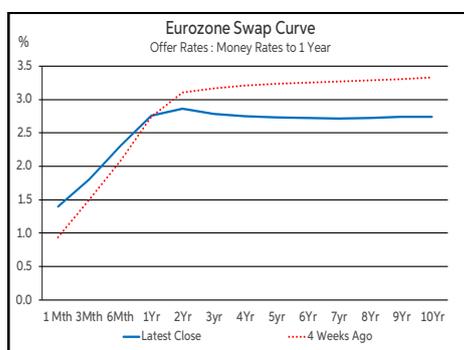
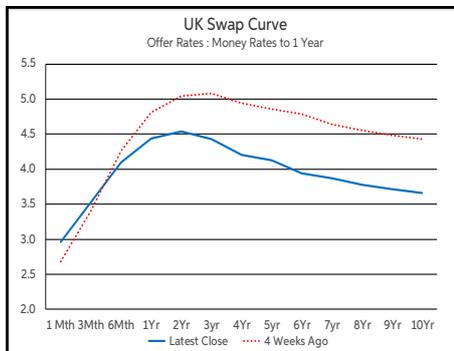
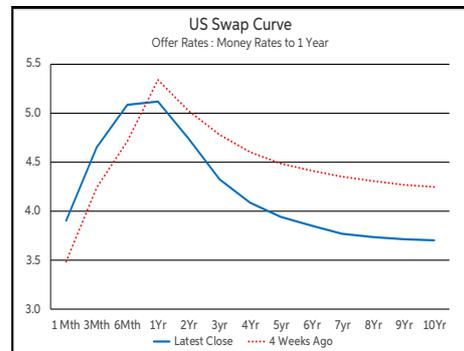
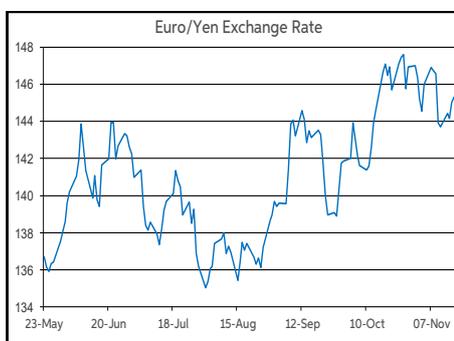
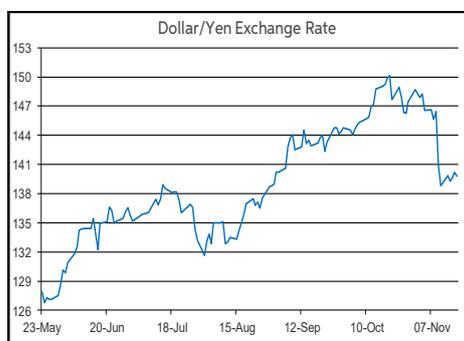
EUR/GBP	0.8714
EUR/USD	1.0379
EUR/JPY	145.1
EUR/SEK	10.986
EUR/DKK	7.4381
EUR/NOK	10.4765
EUR/CHF	0.9876
EUR/AUD	1.5454
EUR/HKD	8.1204
EUR/CAD	1.3817

Sterling

GBP/EUR	1.1473
GBP/USD	1.1912
GBP/CAD	1.5857
GBP/NZD	1.9295
GBP/JPY	166.51
GBP/SEK	12.6117
GBP/DKK	8.534
GBP/NOK	12.0265
GBP/CHF	1.1335
GBP/AUD	1.7734

Dollar

USD/JPY	139.77
USD/CAD	1.3311
USD/CHF	0.9516
USD/CNY	7.1269
USD/BRL	5.4231
USD/RUB	60.42
USD/INR	81.66
AUD/USD	0.6715
NZD/USD	0.6171



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	3.77	+8	-46	+226
Germany	2.03	+3	-36	+221
UK	3.20	+5	-71	+223
Ireland				
Ireland	2.48	-3	-45	+223
Belgium	2.58	+2	-45	+240
France	2.51	+2	-45	+231
Italy	3.94	-0	-80	+275
Spain	3.05	+2	-49	+246
Portugal	3.01	+2	-45	+252
Greece	4.29	+3	-75	+298
5 Year Swap %				
US	3.94	+9	-51	+261
Eurozone	2.73	+6	-50	+272
UK	4.12	+6	-68	+285
2 Year Swap %				
US	4.74	+11	-24	+380
Eurozone	2.86	+5	-24	+316
UK	4.54	+9	-50	+335
10 Year Government Bond Spreads to Benchmark bps				
Ireland	45	-6	-8	+2
Belgium	55	-1	-8	+19
France	48	-1	-8	+10
Italy	191	-3	-44	+54
Spain	102	-1	-13	+25
Portugal	98	-1	-8	+31
Greece	226	-0	-39	+77

Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	89.78	-3.32	-2.81	+15.43
West Texas Oil	81.69	-4.59	-5.03	+8.44
Gold \$	1760.9	-0.73	+8.18	-3.69

This publication is for information purposes and is not an invitation to deal. The information is believed to be reliable but is not guaranteed. Any expressions of opinions are subject to change without notice. This publication is not to be reproduced in whole or in part without prior permission. In the Republic of Ireland it is distributed by Allied Irish Banks, p.l.c. In the UK it is distributed by Allied Irish Banks, p.l.c. and Allied Irish Bank (GB). In Northern Ireland it is distributed by Allied Irish Bank (NI). In the United States of America it is distributed by Allied Irish Banks, p.l.c. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland. Allied Irish Bank (GB) and AIB (NI) are trade marks used under licence by AIB Group (UK) p.l.c. (a wholly owned subsidiary of Allied Irish Banks, p.l.c.), incorporated in Northern Ireland. Registered Office 92 Ann Street, Belfast BT1 3HH. Registered Number NI018800. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In the United States of America, Allied Irish Banks, p.l.c., New York Branch, is a branch licensed by the New York State Department of Financial Services. Deposits and other investment products are not FDIC insured, they are not guaranteed by any bank and they may lose value. Please note that telephone calls may be recorded in line with market practice.