

EUR/USD opens at the midpoint of \$1.02-1.03

There was a mixed mood on markets last week, as optimism that central banks may slow the pace of rate hikes, and the darkening economic outlook continued to have contrasting effects on sentiment. The Euro Stoxx 50 gained 1.5%, while the S&P 500 fell by 0.7% on the week.

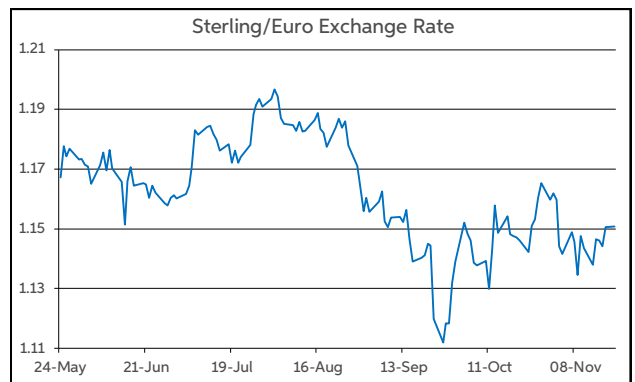
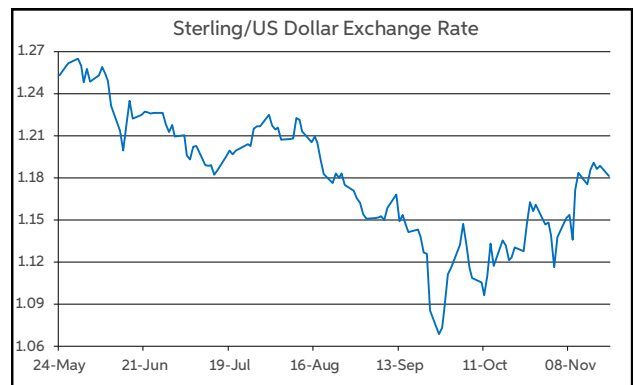
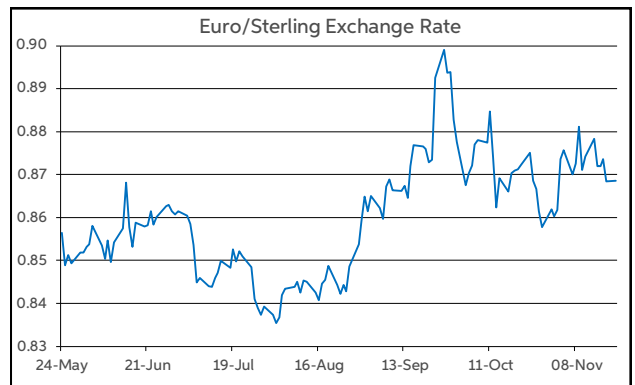
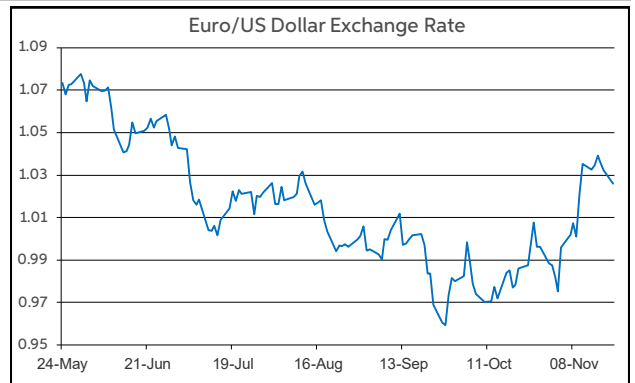
Meantime, oil prices declined by close to 10% last week, in a further sign that concerns regarding the economic outlook are intensifying. Brent crude is currently back below \$88 per barrel, its lowest level since the end of September.

On bond markets, longer-dated yields fell by 10-20bps in the US, UK and Eurozone. However, the policy sensitive 2-year UK Gilt and US Treasury yields rose by circa 10bps, reflecting a modest hardening of UK and US rate hike expectations. In contrast, the 2-year German Bund yield declined by 5bps.

On the currency front, the main pairs operated within relatively tight ranges last week. EUR/USD spend most of its time in the \$1.03-1.04 corridor. Meanwhile, sterling was holding a firmer tone, with GBP/USD finishing the week above \$1.19, having started it near \$1.17. EUR/GBP moved back below 87p. However, a risk averse tone in overnight trading has seen the dollar regain some ground at the start of this week. EUR/USD is down at the midpoint of \$1.02-1.03, while GBP/USD is back at the \$1.18 handle.

This week, the main highlight will be the flash PMI data for November from the US, UK and Eurozone. A further deterioration is expected across the board, with the majority of the indices already in contraction territory. On the monetary policy front, the release of the Fed and ECB meeting minutes will garner attention.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.0257	-1.09	-9.77
EUR/GBP	0.8686	-0.29	3.40
GBP/USD	1.1808	-0.80	-12.72
GBP/EUR	1.1508	0.29	-3.29
USD/JPY	140.8	0.74	22.35
EUR/JPY	144.46	-0.35	10.38

* 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	3.96	4.66	5.16	4.84	4.04
EUR	2.00	1.41	1.82	2.77	2.88	2.75
GBP	3.00	3.04	3.57	4.49	4.58	4.18

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

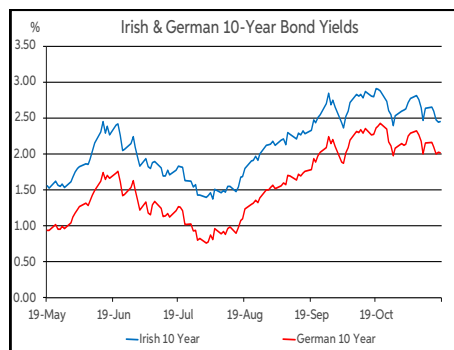
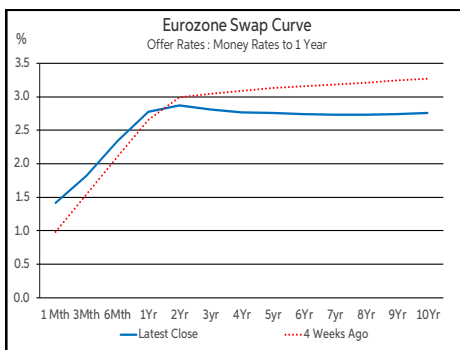
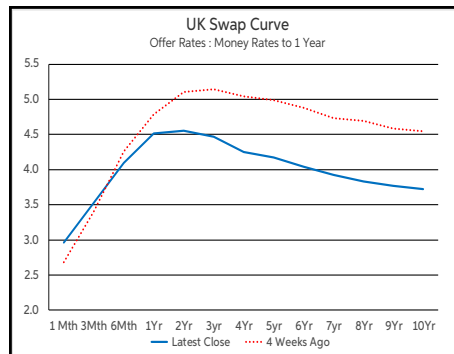
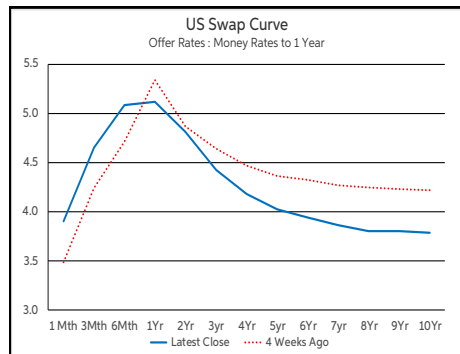
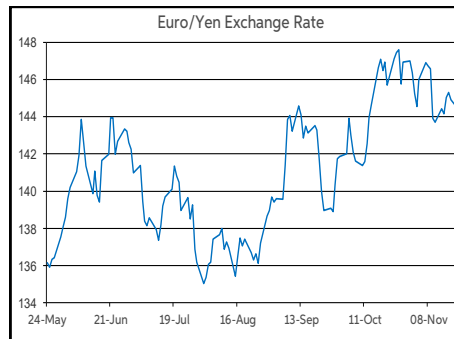
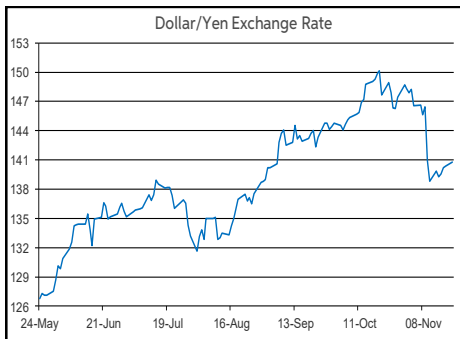
FX Spot	Karl Cooke Shane Gargan Ian Burke	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

Monday 21 November 2022
06:59 am



Euro		Sterling		Dollar	
EUR/GBP	0.8686	GBP/EUR	1.1508	USD/JPY	140.8
EUR/USD	1.0258	GBP/USD	1.1808	USD/CAD	1.3424
EUR/JPY	144.46	GBP/CAD	1.5852	USD/CHF	0.957
EUR/SEK	10.9992	GBP/NZD	1.9286	USD/CNY	7.1612
EUR/DKK	7.437	GBP/JPY	166.26	USD/BRL	5.3827
EUR/NOK	10.5209	GBP/SEK	12.6557	USD/RUB	60.62
EUR/CHF	0.982	GBP/DKK	8.5594	USD/INR	81.795
EUR/AUD	1.5451	GBP/NOK	12.1109	AUD/USD	0.6638
EUR/HKD	8.0107	GBP/CHF	1.1303	NZD/USD	0.612
EUR/CAD	1.3771	GBP/AUD	1.7785		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	3.83	+6	-39	+232
Germany	2.02	-1	-42	+220
UK	3.24	+4	-79	+227
Ireland	2.49	+0	-44	+224
Belgium	2.56	-2	-48	+238
France	2.49	-2	-50	+230
Italy	3.89	-5	-87	+271
Spain	3.03	-2	-52	+244
Portugal	2.98	-2	-51	+250
Greece	4.27	-2	-81	+296
5 Year Swap %				
US	4.03	+9	-30	+269
Eurozone	2.75	+2	-36	+274
UK	4.18	+5	-81	+290
2 Year Swap %				
US	4.82	+8	-2	+387
Eurozone	2.88	+1	-11	+318
UK	4.55	+2	-55	+336
10 Year Government Bond Spreads to Benchmark bps				
Ireland	47	+2	-2	+4
Belgium	54	-1	-6	+19
France	47	-0	-8	+10
Italy	187	-3	-45	+51
Spain	102	-1	-10	+24
Portugal	96	-1	-9	+30
Greece	225	-1	-39	+76

Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	87.62	-2.41	-6.29	+12.65
West Texas Oil	80.07	-1.98	-6.32	+6.29
Gold \$	1749.7	-0.63	+5.62	-4.30

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