

Cautious tone to markets

The week on financial markets got off to a fairly muted start yesterday. This was not overly surprising given the dearth of any top tier macro data to provide direction.

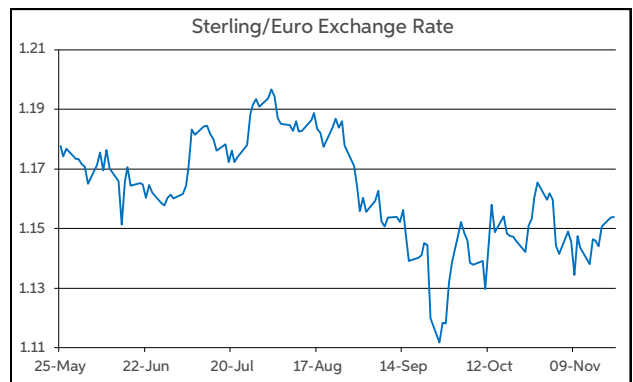
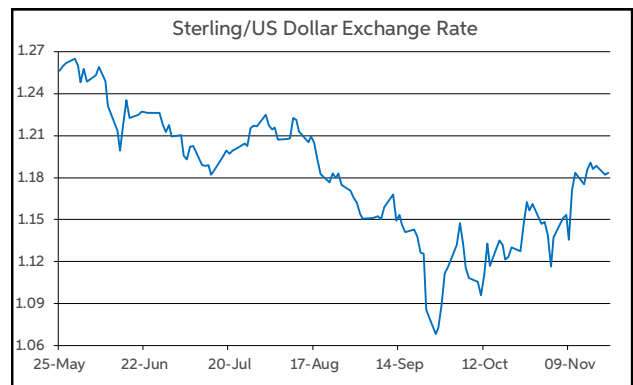
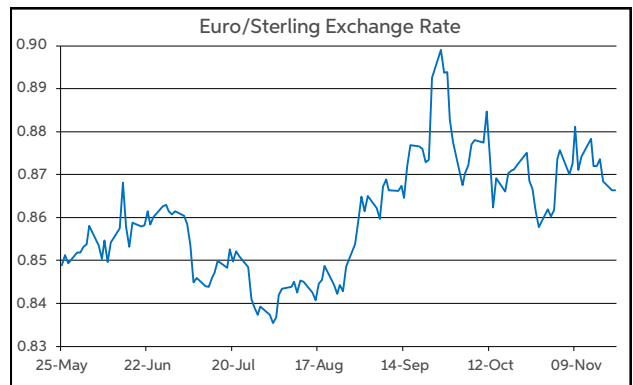
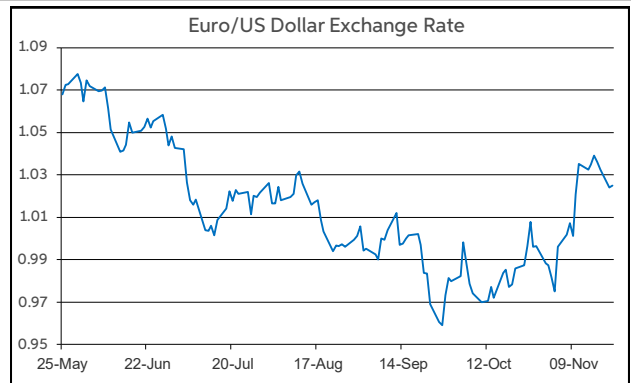
Overall, there was a generally cautious tone to proceedings on equity markets as investors were digesting Covid related news from China. In Europe, the Euro Stoxx 50 index fell by 0.4%. Meanwhile, at the closing bell on Wall Street last night, the S&P 500 was also 0.4% lower on the day. On bond markets, most of the main European benchmark 10-year sovereign bond yields were between 4-6bps lower. The 10-year German bund yield dipped back below the 2% mark.

On the currency front, similar to elsewhere, the action was largely uneventful. The dollar had come into the start of yesterday's European session with some improved momentum. This saw the greenback regain some ground against both the euro and sterling, as well as the yen.

However, for much of the past 24 hours, the main pairs have been operating within relatively confined ranges. In level terms, EUR/USD opens this morning at the midpoint of \$1.02-1.03. GBP/USD is trading in the lower half of \$1.18-1.19. Meanwhile, EUR/GBP has edged slightly lower but it continues to change hands in the upper half of the 86-87p band.

Looking ahead to today, the macro agenda is once again sparse. The only release of note is the flash reading of Eurozone consumer confidence (Nov). Therefore, amid another quiet macro calendar, the main FX pairs may continue to trade within narrow ranges.

John Fahey, Senior Economist, AIB



| Today's Opening FX Rates | | | |
|--------------------------|--------|----------|----------|
| | | % Change | |
| | | Day * | End 2021 |
| EUR/USD | 1.0251 | -0.28 | -9.83 |
| EUR/GBP | 0.8662 | -0.30 | 3.12 |
| GBP/USD | 1.1831 | -0.01 | -12.55 |
| GBP/EUR | 1.1538 | 0.30 | -3.02 |
| USD/JPY | 141.95 | 1.00 | 23.35 |
| EUR/JPY | 145.52 | 0.68 | 11.19 |

* 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 | 3.98 | 4.69 | 5.17 | 4.85 | 4.05 |
| EUR | 2.00 | 1.41 | 1.82 | 2.76 | 2.87 | 2.74 |
| GBP | 3.00 | 3.08 | 3.59 | 4.52 | 4.55 | 4.16 |

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

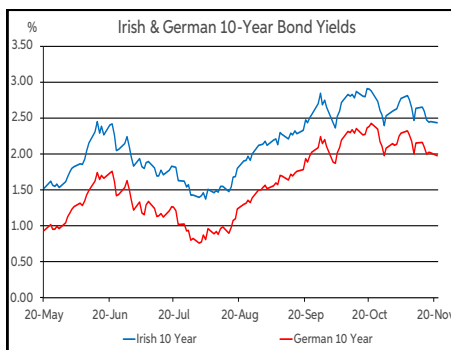
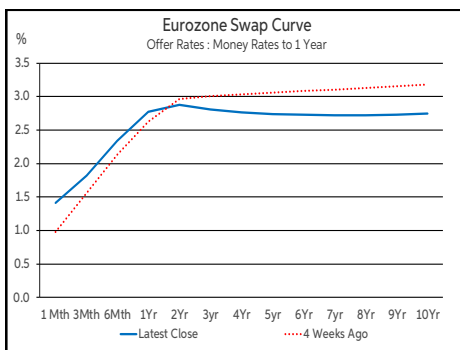
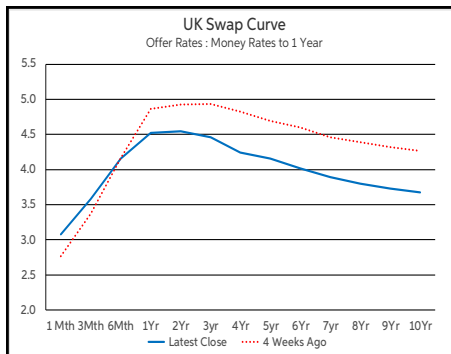
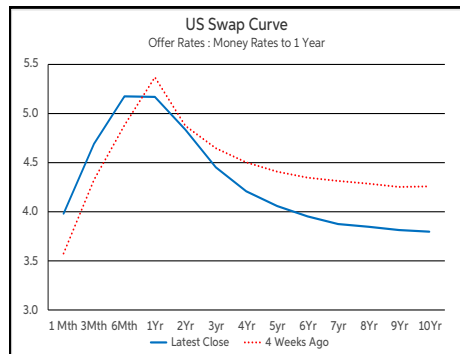
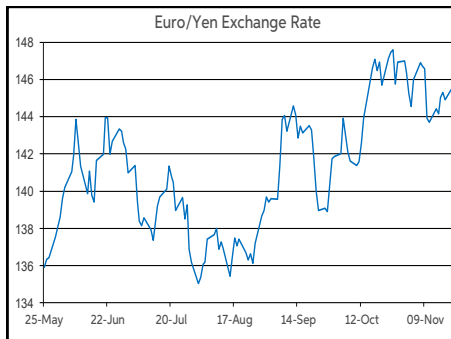
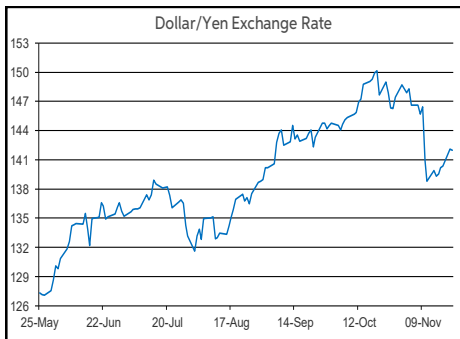
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|---------|-----------------------------------------|------------|------------|------------------|---------------------------|-----------------|-----------------------------------|
| FX Spot | Karl Cooke Shane Gargan Ian Burke | FX Options | Mark Tuite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

Opening Levels

Tuesday 22 November 2022
07:16 am



| Euro | | Sterling | | Dollar | |
|---------|---------|----------|---------|---------|--------|
| EUR/GBP | 0.8662 | GBP/EUR | 1.1538 | USD/JPY | 141.95 |
| EUR/USD | 1.0251 | GBP/USD | 1.1831 | USD/CAD | 1.3436 |
| EUR/JPY | 145.52 | GBP/CAD | 1.5899 | USD/CHF | 0.9571 |
| EUR/SEK | 10.9746 | GBP/NZD | 1.9334 | USD/CNY | 7.1637 |
| EUR/DKK | 7.4367 | GBP/JPY | 167.96 | USD/BRL | 5.32 |
| EUR/NOK | 10.5077 | GBP/SEK | 12.6636 | USD/RUB | 60.85 |
| EUR/CHF | 0.9812 | GBP/DKK | 8.5828 | USD/INR | 81.725 |
| EUR/AUD | 1.551 | GBP/NOK | 12.1214 | AUD/USD | 0.6608 |
| EUR/HKD | 8.0042 | GBP/CHF | 1.1326 | NZD/USD | 0.6118 |
| EUR/CAD | 1.3776 | GBP/AUD | 1.79 | | |



| Debt Markets | | | | |
|---------------------------------------------------------|-------|------------|---------|--------|
| | Close | Change bps | | |
| | | Day | 4 Weeks | End 21 |
| 10 Year Yield % | | | | |
| US | 3.84 | +1 | -41 | +233 |
| Germany | 1.98 | -4 | -37 | +216 |
| UK | 3.19 | -5 | -55 | +222 |
| Ireland | 2.47 | -2 | -32 | +222 |
| Belgium | 2.50 | -6 | -43 | +233 |
| France | 2.46 | -3 | -41 | +227 |
| Italy | 3.93 | +4 | -67 | +274 |
| Spain | 2.98 | -5 | -47 | +239 |
| Portugal | 2.92 | -6 | -43 | +244 |
| Greece | 4.24 | -3 | -62 | +293 |
| 5 Year Swap % | | | | |
| US | 4.06 | +2 | -31 | +272 |
| Eurozone | 2.74 | +0 | -32 | +273 |
| UK | 4.16 | -2 | -48 | +288 |
| 2 Year Swap % | | | | |
| US | 4.84 | +1 | +0 | +389 |
| Eurozone | 2.88 | +1 | -8 | +318 |
| UK | 4.54 | -1 | -38 | +335 |
| 10 Year Government Bond Spreads to Benchmark bps | | | | |
| Ireland | 49 | +2 | +5 | +6 |
| Belgium | 53 | -2 | -6 | +17 |
| France | 48 | +1 | -4 | +11 |
| Italy | 195 | +8 | -30 | +59 |
| Spain | 101 | -1 | -10 | +23 |
| Portugal | 95 | -2 | -7 | +28 |
| Greece | 226 | +1 | -25 | +77 |

| Commodities | | | | |
|----------------|----------|-------|---------|--------|
| | % Change | | | |
| | Close | Day | 4 Weeks | End 21 |
| Brent Oil | 87.45 | -0.19 | -6.23 | +12.43 |
| West Texas Oil | 79.74 | -0.41 | -7.41 | +5.85 |
| Gold \$ | 1737.8 | -0.68 | +5.41 | -4.95 |

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