

Dollar gains, while euro remains on the defensive

There was a cautious tone to investor sentiment yesterday. This was against a backdrop of concerns that rising Covid-19 numbers could see more countries re-impose restrictions to deal with the on-going pandemic. The Euro Stoxx 50 index fell by 0.4%. Meanwhile, at the close on Wall Street last night, the S&P 500 was down by 0.3%. On bond markets, yields were generally higher across the board, with the 10-year US Treasury yield up by 8bps.

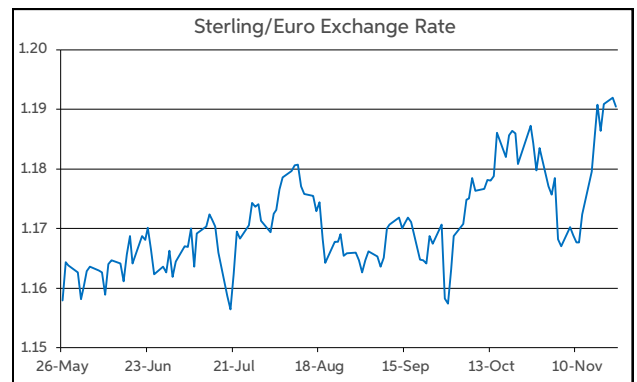
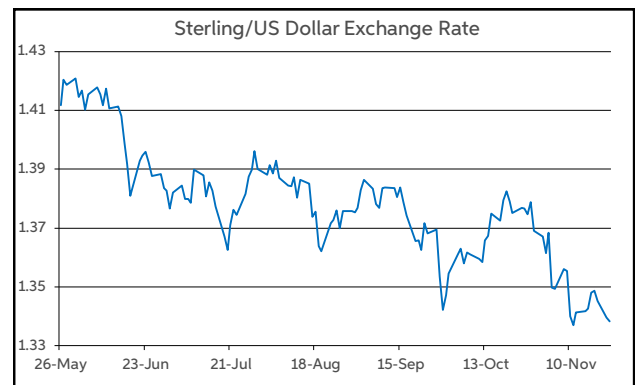
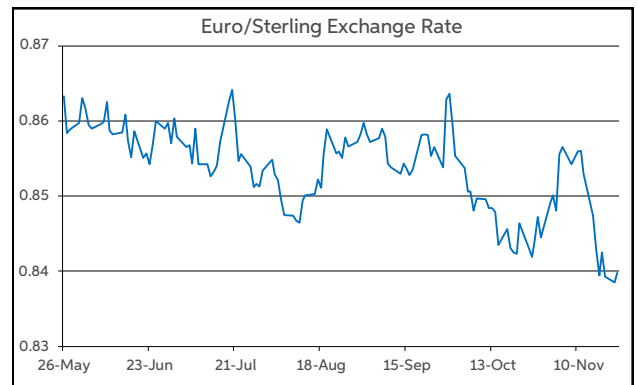
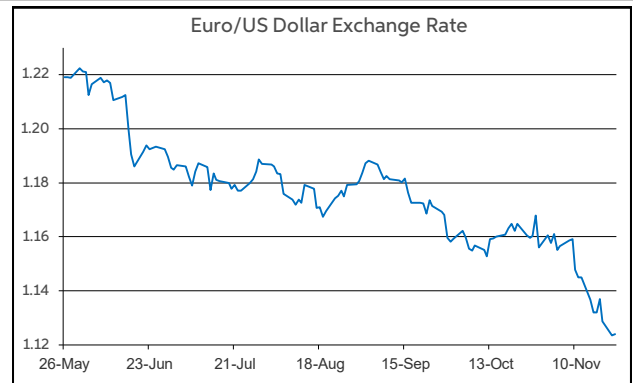
Currency-wise, the euro remained on the defensive yesterday. Meanwhile, the dollar reacted positively to the news that Fed Chair Powell was to be re-nominated for a second term by President Biden. The dollar index rose to its highest level since July 2020.

Yesterday's data calendar was relatively sparse. In the Eurozone, the flash reading of the EC measure of consumer sentiment for November disappointed versus expectations. In contrast, the main US release yesterday, existing home sales for October printed ahead of forecasts. Although, from a currency perspective, there was limited reaction from either the euro or the dollar to their respective macro news.

In level terms, the aforementioned firmer tone to the dollar over the last 24 hours has seen EUR/USD fall to a new year-to-date low, at \$1.123. The stronger dollar tone is also reflected in GBP/USD trading below the \$1.34 threshold. Elsewhere, the EUR/GBP pair opens this morning just below the 84p mark.

Ahead today, we get one of the main data highlights of the week with the flash November PMIs from the Eurozone, UK and US due. However, unless the data surprise, the FX impact may be limited.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.124	-0.33	-7.97
EUR/GBP	0.8398	0.16	-6.03
GBP/USD	1.3383	-0.46	-2.12
GBP/EUR	1.1903	-0.15	6.42
USD/JPY	114.95	0.73	11.34
EUR/JPY	129.21	0.40	2.42

* 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	0.17	0.40	0.87	1.45
EUR	0.00	-0.56	-0.56	-0.49	-0.34	-0.10
GBP	0.10	0.06	0.11	0.74	1.11	1.25

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

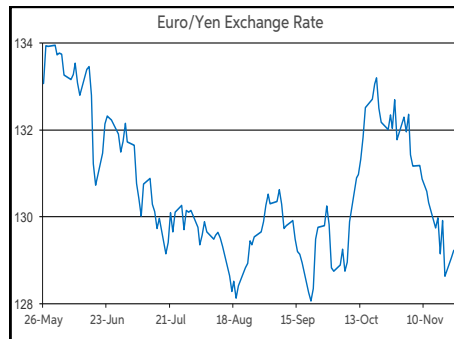
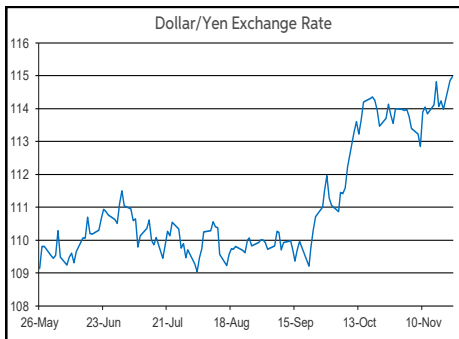
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

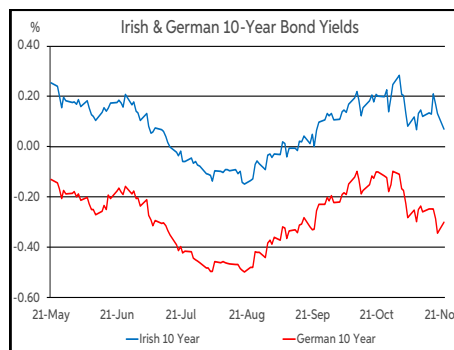
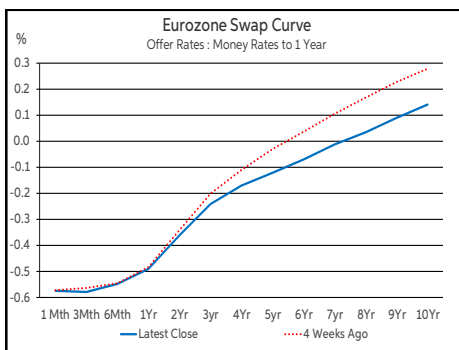
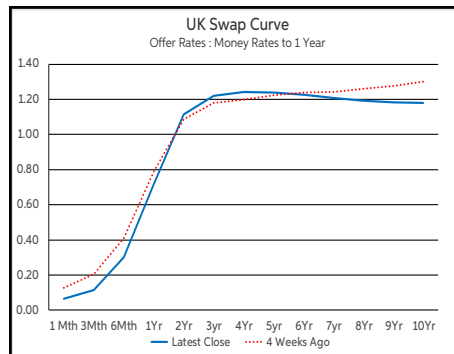
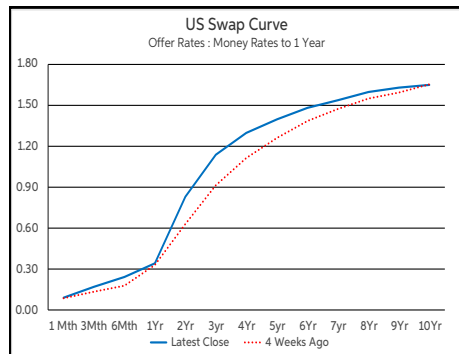
Tuesday 23 November 2021
07:20 am



Euro		Sterling		Dollar	
EUR/GBP	0.8398	GBP/EUR	1.1903	USD/JPY	114.95
EUR/USD	1.124	GBP/USD	1.3383	USD/CAD	1.2714
EUR/JPY	129.21	GBP/CAD	1.7016	USD/CHF	0.932
EUR/SEK	10.1212	GBP/NZD	1.93	USD/CNY	6.3848
EUR/DKK	7.4359	GBP/JPY	153.84	USD/BRL	5.5865
EUR/NOK	10.0601	GBP/SEK	12.0495	USD/RUB	74.695
EUR/CHF	1.0477	GBP/DKK	8.8525	USD/INR	74.53
EUR/AUD	1.5571	GBP/NOK	11.9719	AUD/USD	0.7217
EUR/HKD	8.7585	GBP/CHF	1.2466	NZD/USD	0.6931
EUR/CAD	1.4291	GBP/AUD	1.854		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.63	+8	-0	+72
Germany	-0.30	+5	-18	+28
UK	0.93	+5	-21	+74
5 Year Swap %				
US	1.40	+11	+17	+98
Eurozone	-0.12	+2	-8	+34
UK	1.24	+4	+2	+105
2 Year Swap %				
US	0.83	+8	+24	+64
Eurozone	-0.36	+1	-1	+17
UK	1.12	+4	+4	+109
10 Year Government Bond Spreads to Benchmark bps				
Ireland	43	-5	+5	+16
Belgium	34	-0	+4	+15
France	35	+0	+1	+11
Italy	124	+4	+21	+15
Spain	72	-1	+10	+9
Portugal	65	+0	+14	+2
Greece	148	-3	+34	+28



Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	79.7	+1.03	-7.31	+53.86
West Texas Oil	76.74	+0.83	-9.33	+58.72
Gold \$	1805.0	-2.14	-0.13	-4.82

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