

Sterling firmer, dollar softer

Investor sentiment continued to hold a more positive tone yesterday. Both the Euro Stoxx 50 and the S&P 500 gained circa 0.5%. Meanwhile, benchmark sovereign bond yields fell by circa 5-12bps across the board. Elsewhere, oil prices declined sharply by over 3%, as reports emerged that the G7 is debating measures to cap Russian oil prices. Brent crude fell back near \$85 per barrel.

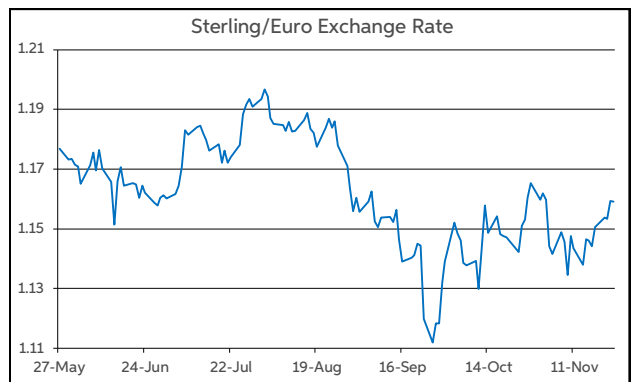
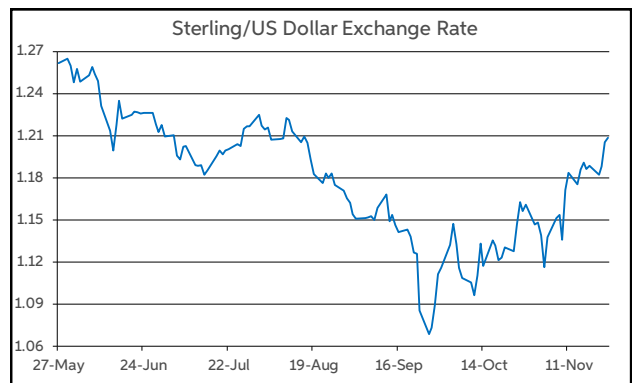
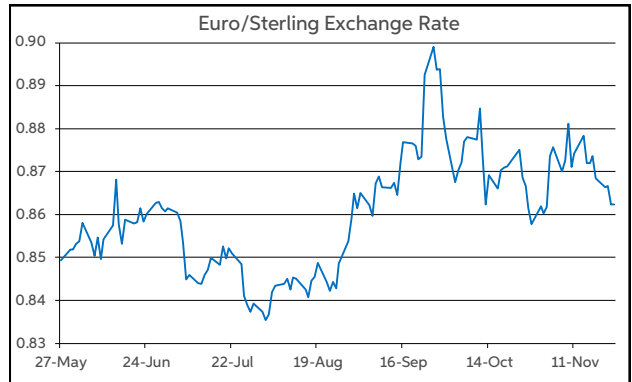
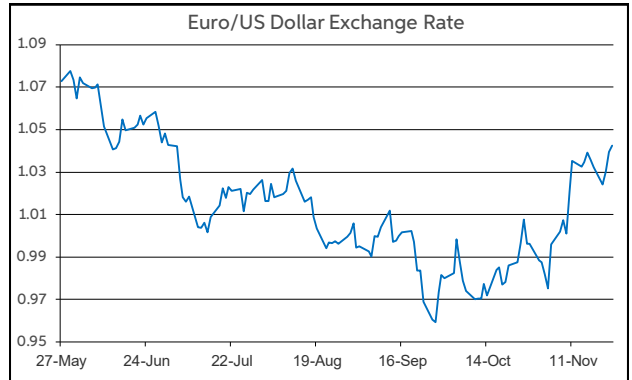
Data-wise, the flash PMIs for November printed slightly ahead of expectations in the Eurozone and UK. However, the indices remained below the key 50 threshold, consistent with a further contraction in activity. Meantime, in the US, the flash PMIs were weaker than anticipated, and in contraction territory also.

On the currency front, sterling was on the front foot yesterday. It was supported by the UK Supreme Court ruling that approval from Westminster will be needed for a second Scottish Independence Referendum, and by some hawkish BoE comments. Overnight, the dollar was on the defensive, as the latest FOMC meeting minutes noted “a substantial majority of participants” favoured slowing the pace of rate hikes soon.

As trading gets underway this morning, the firmer tone to sterling and the softer dollar tone sees GBP/USD in the top half of \$1.20-1.21. EUR/GBP is operating back towards the 86p mark. Dollar weakness is also evident in EUR/USD changing hands above \$1.04.

Today, a relatively sparse data schedule and a market holiday in the US for Thanksgiving suggests that trading conditions may be somewhat subdued. The main release of note will be the latest ECB meeting minutes for October, which poses some event risk for the euro. The November reading of the German Ifo is also due.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.0422	0.93	-8.32
EUR/GBP	0.8624	-0.71	2.67
GBP/USD	1.2081	1.63	-10.70
GBP/EUR	1.159	0.72	-2.60
USD/JPY	138.74	-1.85	20.56
EUR/JPY	144.61	-0.94	10.50

* 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	4.02	4.70	5.14	4.75	3.96
EUR	2.00	1.42	1.86	2.77	2.85	2.62
GBP	3.00	3.10	3.59	4.53	4.50	4.01

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

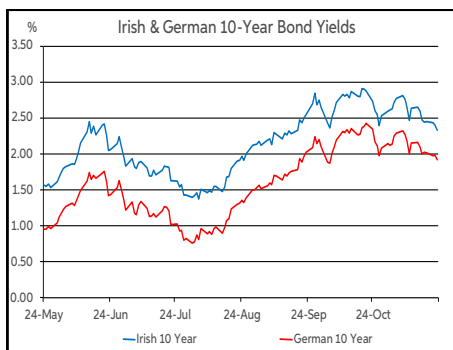
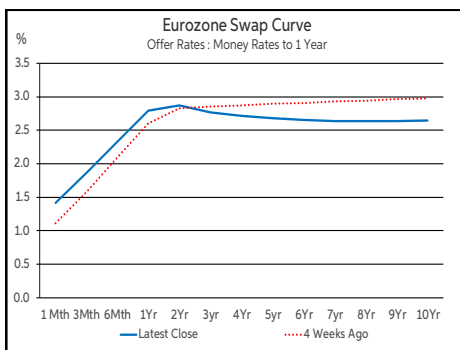
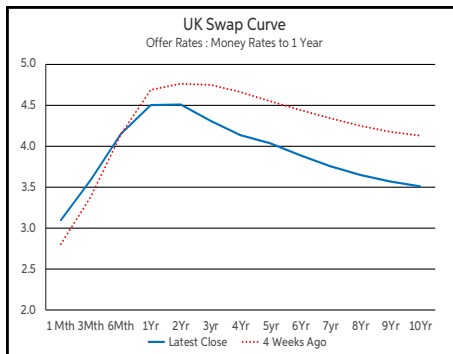
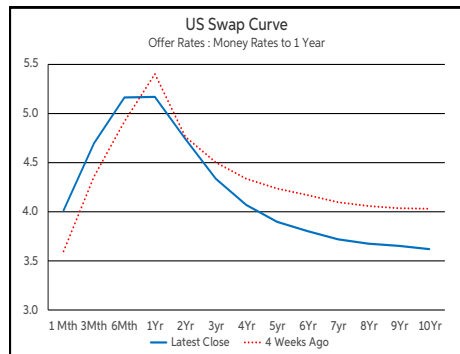
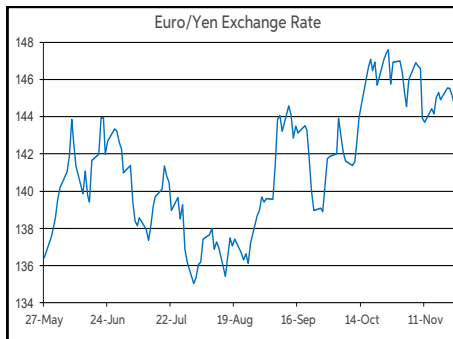
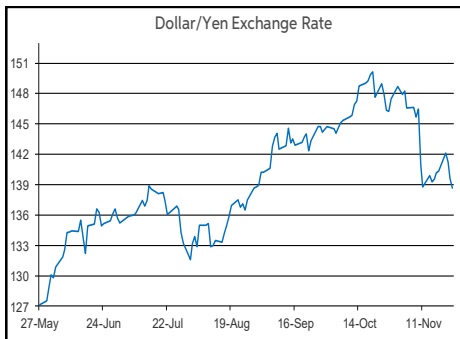
FX Spot	Karl Cooke Shane Gargan Ian Burke	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

Thursday 24 November 2022
07:37 am



Euro		Sterling		Dollar	
EUR/GBP	0.8626	GBP/EUR	1.1591	USD/JPY	138.74
EUR/USD	1.0422	GBP/USD	1.2082	USD/CAD	1.3338
EUR/JPY	144.63	GBP/CAD	1.6118	USD/CHF	0.9409
EUR/SEK	10.8646	GBP/NZD	1.9309	USD/CNY	7.148
EUR/DKK	7.4364	GBP/JPY	167.63	USD/BRL	5.3591
EUR/NOK	10.3351	GBP/SEK	12.5939	USD/RUB	60.45
EUR/CHF	0.9808	GBP/DKK	8.6187	USD/INR	81.69
EUR/AUD	1.5432	GBP/NOK	11.9792	AUD/USD	0.6753
EUR/HKD	8.1381	GBP/CHF	1.1368	NZD/USD	0.6256
EUR/CAD	1.3904	GBP/AUD	1.7888		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	3.69	-7	-32	+218
Germany	1.92	-6	-19	+210
UK	3.01	-12	-57	+204
Ireland	2.36	-7	-24	+212
Belgium	2.43	-7	-32	+225
France	2.38	-7	-29	+219
Italy	3.80	-11	-54	+261
Spain	2.90	-9	-34	+230
Portugal	2.84	-8	-31	+235
Greece	4.19	-5	-48	+287
5 Year Swap %				
US	3.90	-8	-30	+257
Eurozone	2.68	-1	-21	+267
UK	4.03	-6	-45	+276
2 Year Swap %				
US	4.74	-5	+2	+380
Eurozone	2.87	+3	+5	+317
UK	4.51	+1	-24	+332
10 Year Government Bond Spreads to Benchmark bps				
Ireland	44	-1	-4	+1
Belgium	50	-1	-12	+15
France	46	-1	-10	+9
Italy	188	-5	-34	+51
Spain	97	-3	-15	+20
Portugal	92	-2	-12	+25
Greece	227	+1	-29	+77

Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	85.41	-3.34	-10.74	+9.81
West Texas Oil	77.93	-3.59	-12.82	+3.45
Gold \$	1749.3	+0.52	+5.09	-4.33

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