

## Dollar remains well underpinned

Risk appetite remained subdued yesterday as Covid-19 cases continued to rise. The Euro Stoxx 50 edged lower for the 6th day running, while the S&P 500 finished close to flat. On the currency front, the dollar continued to hold the upper hand.

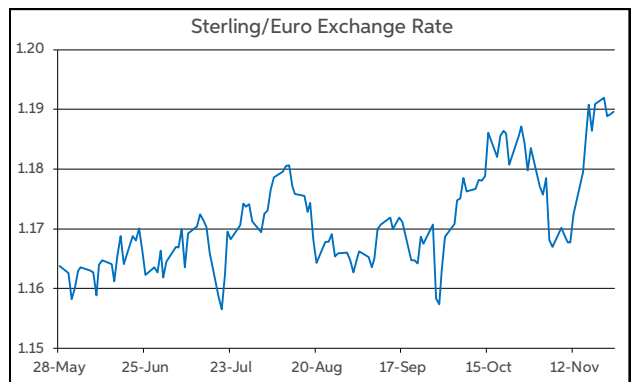
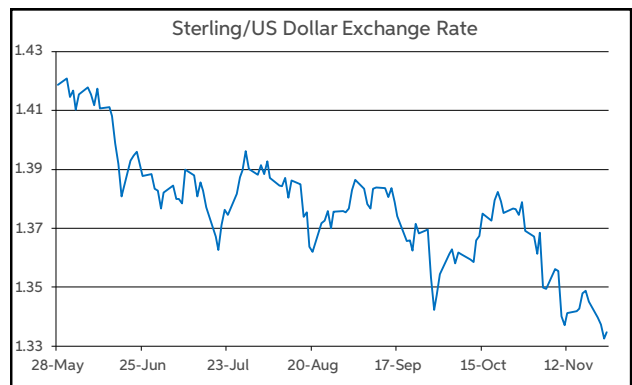
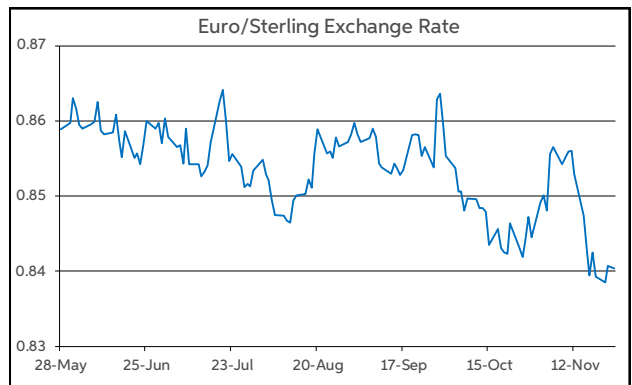
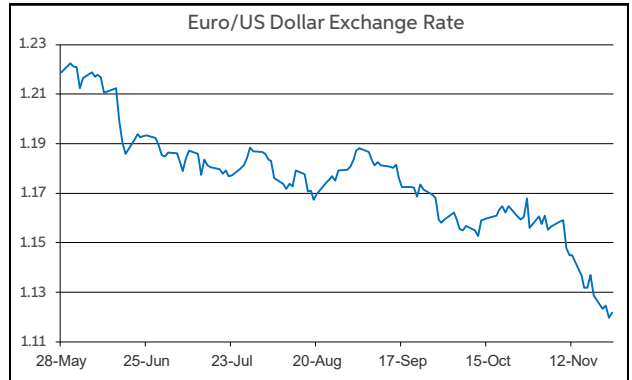
This was against the backdrop of US core-PCE inflation rising to its highest level in 30 years, at 4.1% in October. There was also a slew of strong results from various activity metrics. This included, Q3 GDP being revised slightly higher to 2.1% q/q (2% previously). Meanwhile, both consumption and personal income came in 0.3% above the consensus, at 0.5% and 1.3% in October. The latest weekly initial jobless claims declined to 199k from 268k as well. The dollar was also underpinned by the softer tone to risk appetite.

From a euro perspective, the only release of note yesterday was the German Ifo. As expected, the index fell for the 5th month in-a-row in November. Elsewhere in Germany, the coalition of the SPD, Greens and FDP agreed to form a government. However, the euro reaction to the announcement and the data was limited.

The firmer tone to the dollar was reflected in the currency gaining circa 0.5% throughout the European session. This saw, EUR/USD fall to a low of \$1.118. Overnight though, despite a more hawkish bias to the Fed minutes, the dollar handed back some of its gains. EUR/USD opens this morning just above the \$1.12 mark. GBP/USD is operating at the midpoint \$1.33-1.34. Meantime, EUR/GBP continues to straddle 84p.

Ahead today, the release of the ECB meeting minutes will garner some attention. However, a market holiday in the US for Thanksgiving suggests it could be a quieter day on markets.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1217	-0.20	-8.16
EUR/GBP	0.8404	0.05	-5.96
GBP/USD	1.3347	-0.24	-2.38
GBP/EUR	1.1897	-0.05	6.34
USD/JPY	115.31	0.36	11.69
EUR/JPY	129.35	0.14	2.53

\* 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	0.18	0.42	0.89	1.45
EUR	0.00	-0.57	-0.57	-0.49	-0.34	-0.07
GBP	0.10	0.07	0.12	0.75	1.15	1.31

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

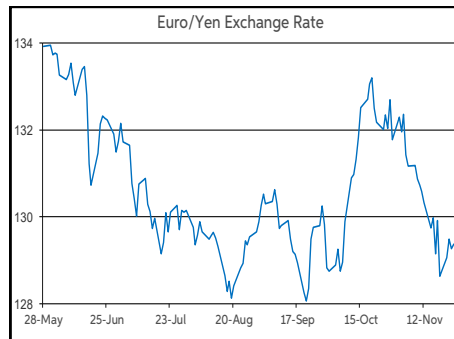
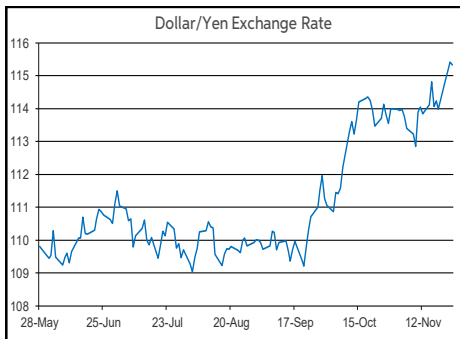
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

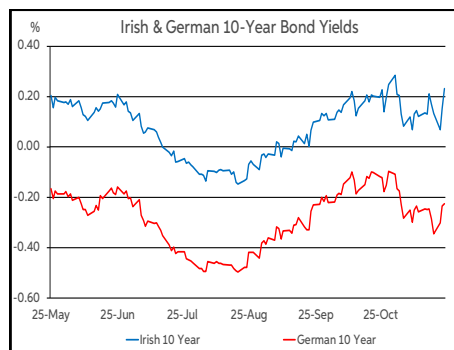
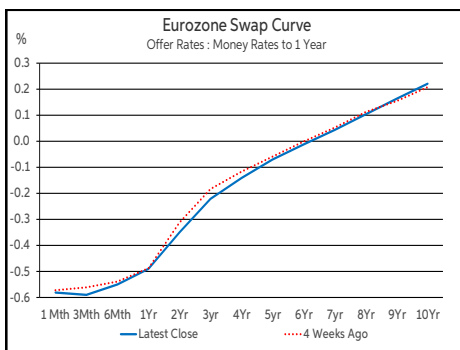
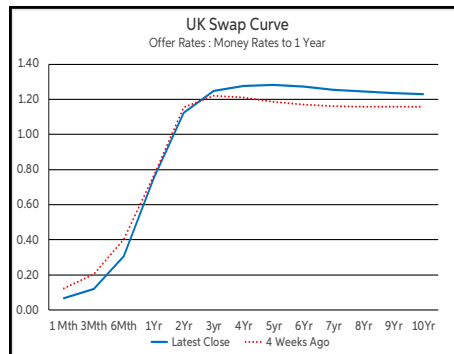
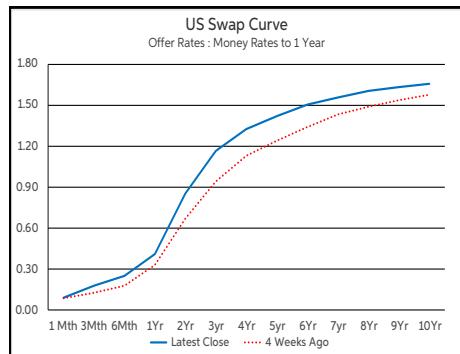
Thursday 25 November 2021  
07:36 am



Euro		Sterling		Dollar	
EUR/GBP	0.8404	GBP/EUR	1.1897	USD/JPY	115.31
EUR/USD	1.1218	GBP/USD	1.3347	USD/CAD	1.2645
EUR/JPY	129.35	GBP/CAD	1.6876	USD/CHF	0.9324
EUR/SEK	10.2124	GBP/NZD	1.9398	USD/CNY	6.386
EUR/DKK	7.4362	GBP/JPY	153.9	USD/BRL	5.6061
EUR/NOK	10.0425	GBP/SEK	12.1495	USD/RUB	74.5925
EUR/CHF	1.0462	GBP/DKK	8.8459	USD/INR	74.58
EUR/AUD	1.5566	GBP/NOK	11.9476	AUD/USD	0.7206
EUR/HKD	8.7453	GBP/CHF	1.2447	NZD/USD	0.6878
EUR/CAD	1.4183	GBP/AUD	1.852		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
<b>10 Year Yield %</b>				
US	1.64	-3	+9	+73
Germany	-0.22	+1	-4	+36
UK	1.00	+0	+2	+80
<b>5 Year Swap %</b>				
US	1.42	+0	+22	+100
Eurozone	-0.07	+0	-1	+39
UK	1.28	-0	+10	+109
<b>2 Year Swap %</b>				
US	0.86	+3	+22	+66
Eurozone	-0.35	-1	-3	+18
UK	1.12	-1	-2	+110
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	49	+4	+11	+22
Belgium	35	-1	+3	+16
France	36	-1	+2	+13
Italy	130	+1	+23	+20
Spain	75	+0	+10	+12
Portugal	67	+1	+12	+4
Greece	159	+7	+41	+39



Commodities				
	Close	% Change		
		Day	4 Weeks	End 20
Brent Oil	82.25	-0.07	-2.75	+58.78
West Texas Oil	78.32	+0.00	-5.25	+61.99
Gold \$	1788.5	-0.07	-0.46	-5.69

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