

Dollar recoups early losses as risk appetite fades

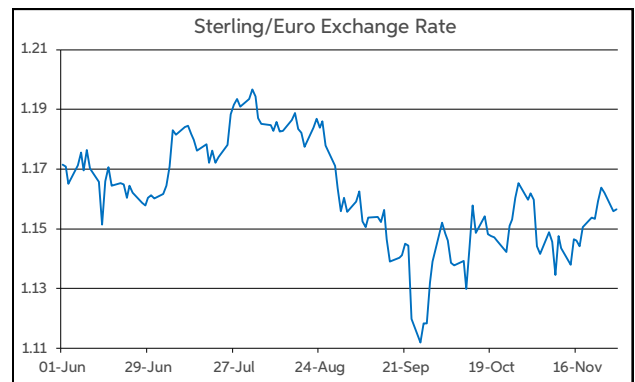
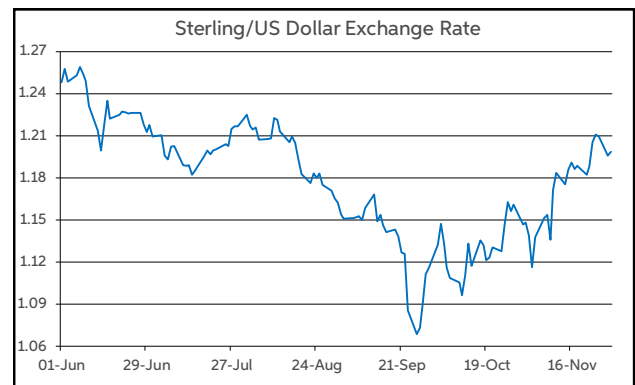
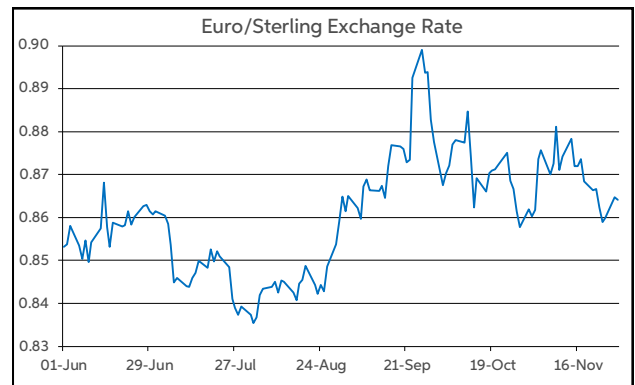
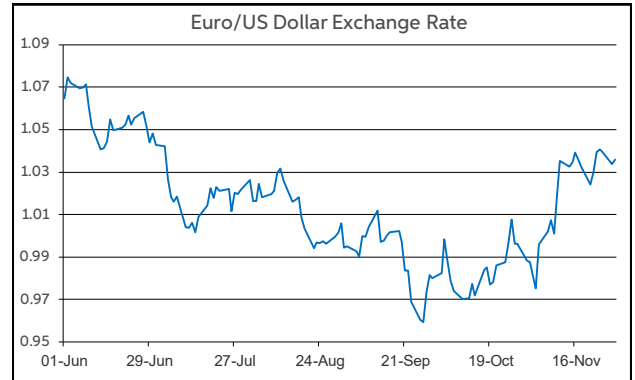
There was a weaker tone to risk appetite to start the week on financial markets yesterday, as concerns regarding the economic outlook and ongoing protests in China weighed on sentiment. The Euro Stoxx 50 fell by 0.7%, while the S&P 500 lost 1.5%. Meanwhile, in terms of fixed income, benchmark sovereign bond yields were little changed. Elsewhere, oil moved off its lows, with Brent crude finishing the day above \$83 per barrel.

On currency markets, the euro was in the ascendancy throughout yesterday, supported by some hawkish comments from ECB officials. Most notably, ECB President Lagarde noted that the central bank still has a way to go in hiking interest rates. EUR/USD rose to its highest level since June, just shy of \$1.05. However, the dollar gained momentum amid the risk averse backdrop as the day progressed, recouping all of its losses. Overnight, as risk appetite faded further sterling found itself on the back-foot.

As trading gets underway this morning, EUR/USD is operating back near the midpoint of the \$1.03-1.04 range. Meanwhile, EUR/GBP opens up above the 86p handle. GBP/USD is trading back below the \$1.20 threshold, having traded north of \$1.21 for a period yesterday.

Turning to the day ahead, a busy data schedule includes the latest Eurozone EC sentiment indices. A slight improvement in the indices is anticipated in November, albeit, they are expected to remain at very weak levels. Meantime, the flash reading of German HICP inflation is due, ahead of the bloc wide measure on Wednesday. Comments from ECB Board member Schnabel may garner attention also. In the US, the Conference Board measure of consumer confidence (Nov) is projected to deteriorate.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.0359	0.09	-8.88
EUR/GBP	0.8642	0.62	2.88
GBP/USD	1.1986	-0.51	-11.41
GBP/EUR	1.1566	-0.61	-2.80
USD/JPY	138.45	0.07	20.31
EUR/JPY	143.44	0.15	9.60

* 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	4.05	4.73	5.12	4.76	3.93
EUR	2.00	1.48	1.92	2.79	2.87	2.65
GBP	3.00	3.19	3.64	4.51	4.53	4.10

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

Tuesday 29 November 2022
07:37 am



Euro

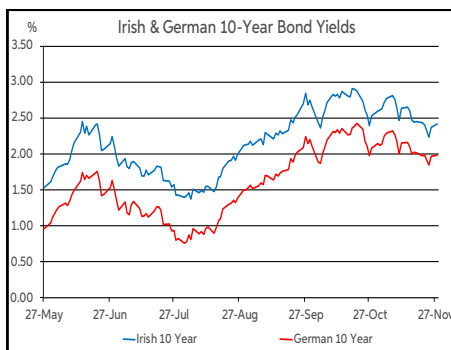
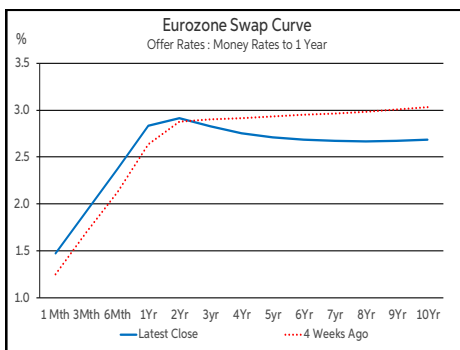
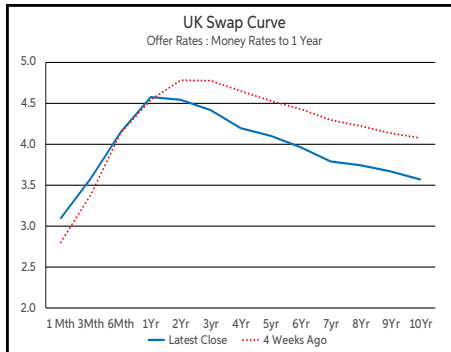
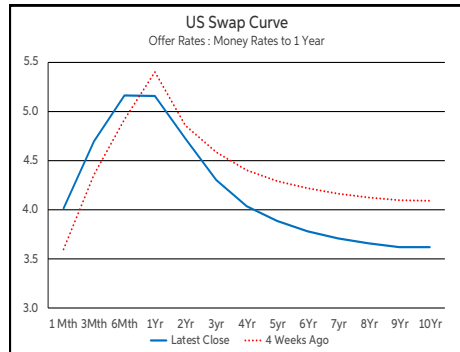
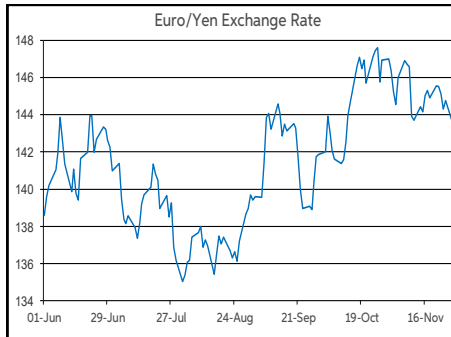
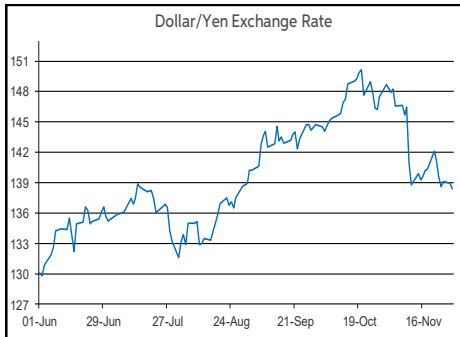
EUR/GBP	0.8641
EUR/USD	1.036
EUR/JPY	143.46
EUR/SEK	10.8999
EUR/DKK	7.4359
EUR/NOK	10.3293
EUR/CHF	0.9821
EUR/AUD	1.5463
EUR/HKD	8.0933
EUR/CAD	1.3916

Sterling

GBP/EUR	1.1569
GBP/USD	1.1987
GBP/CAD	1.6102
GBP/NZD	1.9292
GBP/JPY	166
GBP/SEK	12.6109
GBP/DKK	8.603
GBP/NOK	11.9513
GBP/CHF	1.1363
GBP/AUD	1.7892

Dollar

USD/JPY	138.46
USD/CAD	1.3431
USD/CHF	0.9478
USD/CNY	7.1682
USD/BRL	5.3654
USD/RUB	61.3
USD/INR	81.73
AUD/USD	0.67
NZD/USD	0.6212



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	3.68	-1	-37	+217
Germany	1.99	+2	-16	+217
UK	3.13	+1	-40	+215
Ireland				
Ireland	2.45	+4	-18	+220
Belgium	2.53	+3	-22	+235
France	2.63	+19	-6	+243
Italy	3.92	+6	-39	+273
Spain	2.99	+3	-26	+240
Portugal	2.96	+5	-21	+247
Greece	4.22	+5	-37	+291
5 Year Swap %				
US	3.88	-2	-37	+255
Eurozone	2.71	+1	-21	+270
UK	4.10	+2	-38	+283
2 Year Swap %				
US	4.72	-4	-10	+378
Eurozone	2.91	+1	+5	+321
UK	4.55	-4	-23	+335
10 Year Government Bond Spreads to Benchmark bps				
Ireland	45	+2	-2	+2
Belgium	54	+0	-6	+18
France	63	+17	+10	+26
Italy	192	+4	-23	+56
Spain	100	+1	-10	+23
Portugal	97	+3	-5	+30
Greece	223	+2	-21	+74

Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	83.19	-0.53	-12.27	+6.96
West Texas Oil	77.1	+0.85	-10.91	+2.35
Gold \$	1740.8	-0.88	+6.59	-4.79

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