

## Euro slightly firmer on lower gas prices

Equity markets continued to move higher yesterday, despite some disappointing macro-data releases. The flash PMIs for the US, Eurozone and UK all printed below expectations in October. More importantly, both sector surveys are below the key 50 level across the board, consistent with a contraction in activity at the start of Q4. The Euro Stoxx 50 gained 1.6% as European gas prices declined further. On Wall Street, the S&P 500 rose by 1.2%.

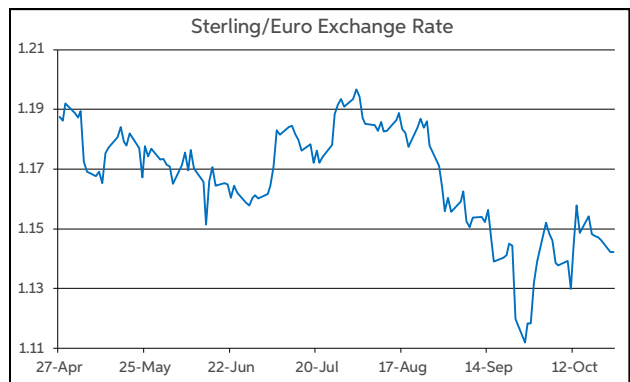
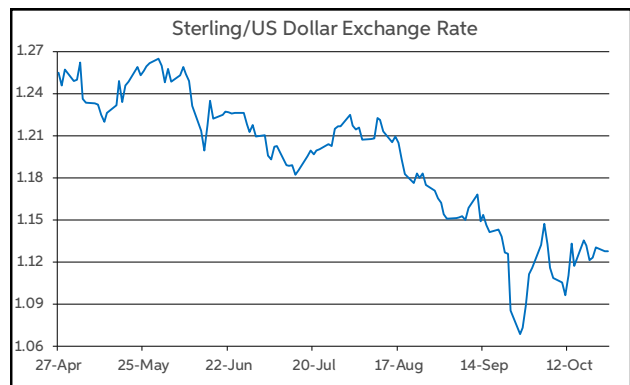
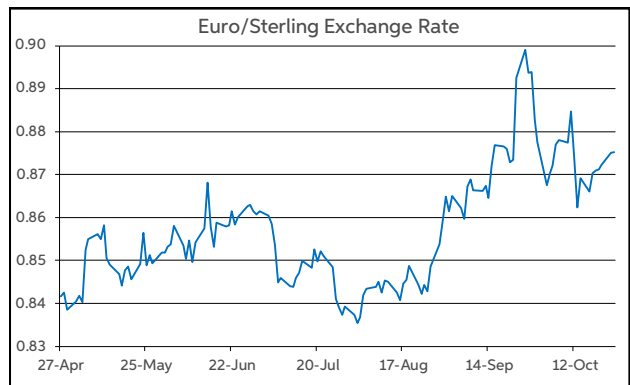
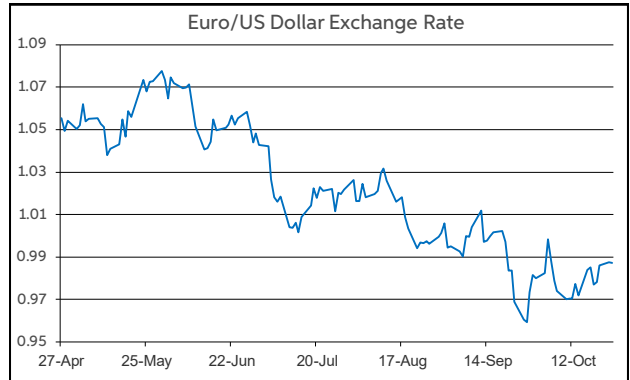
In terms of fixed income markets, German Bund yields fell by 2-10bps. In contrast, US Treasury yields rose by 4-6bps. In the UK, Gilt yields shifted circa 30bps lower along the curve, as Rishi Sunak won the Tory leadership contest. He is set to become Prime Minister today, with current Chancellor Hunt expected to remain in place. The much anticipated Fiscal Statement is still due to go ahead as planned on October 31st.

On the currency front, the euro was holding a slightly firmer tone yesterday, buoyed by the descent in gas prices. Elsewhere, having rallied in early Asia-trading before the open in Europe, sterling handed back some of its gains throughout the day.

In level terms, EUR/GBP opens this morning up at the midpoint of 87-88p. EUR/USD is operating in the top half of \$0.98-0.99. Elsewhere, GBP/USD is changing hands back below the \$1.13 threshold. Meanwhile, USD/JPY remains unchanged, below ¥149.

Today, the main data release, the German Ifo, is forecast to edge lower to 83.3 in October. In the UK, away from the ongoing political developments, prepared remarks from BoE Chief Economist Pill will be under the microscope.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	0.9873	0.26	-13.15
EUR/GBP	0.8749	0.83	4.15
GBP/USD	1.1282	-0.57	-16.61
GBP/EUR	1.1422	-0.82	-3.99
USD/JPY	148.89	-0.01	29.38
EUR/JPY	147.02	0.27	12.34

\* 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	3.125	3.59	4.36	5.00	4.86	4.36
EUR	1.25	0.98	1.54	2.62	2.94	3.02
GBP	2.25	2.72	3.38	4.72	4.93	4.71

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

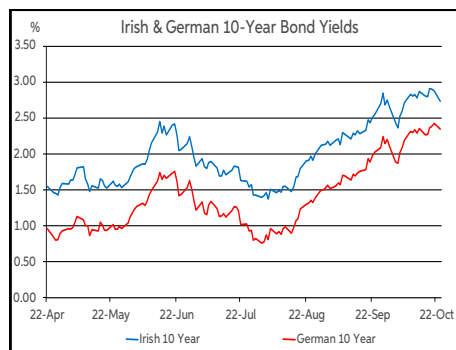
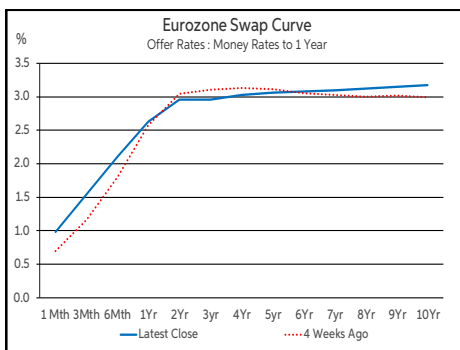
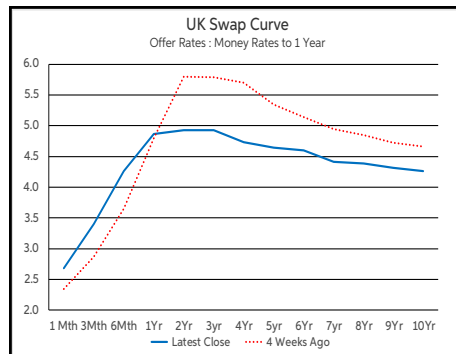
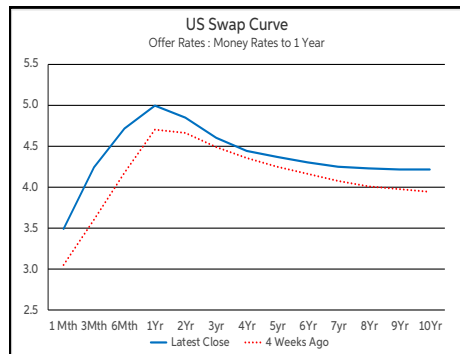
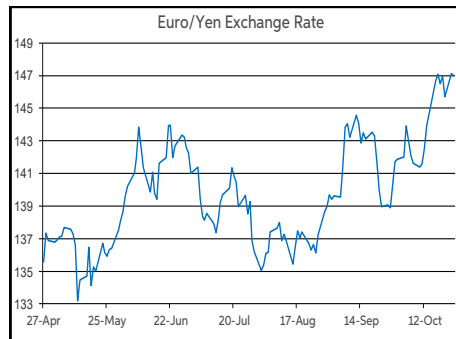
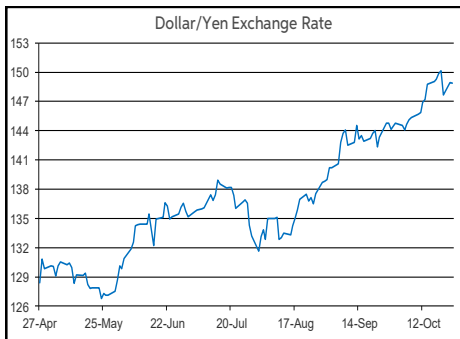
FX Spot	Karl Cooke Shane Gargan Ian Burke	FX Options	Mark Tuite	Reuters Phone	AIB.G.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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# Opening Levels

Tuesday 25 October 2022  
07:17 am



Euro		Sterling		Dollar	
EUR/GBP	0.8749	GBP/EUR	1.1422	USD/JPY	148.89
EUR/USD	0.9873	GBP/USD	1.1282	USD/CAD	1.37
EUR/JPY	147.02	GBP/CAD	1.5459	USD/CHF	1.0009
EUR/SEK	11.0193	GBP/NZD	1.9743	USD/CNY	7.3068
EUR/DKK	7.4378	GBP/JPY	167.98	USD/BRL	5.307
EUR/NOK	10.36	GBP/SEK	12.5893	USD/RUB	60.45
EUR/CHF	0.9883	GBP/DKK	8.4983	USD/INR	82.767
EUR/AUD	1.5592	GBP/NOK	11.8441	AUD/USD	0.633
EUR/HKD	7.7511	GBP/CHF	1.1292	NZD/USD	0.5713
EUR/CAD	1.3529	GBP/AUD	1.7822		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
<b>10 Year Yield %</b>				
US	4.25	+3	+32	+273
Germany	2.34	-9	+25	+252
UK	3.74	-28	-49	+277
<b>5 Year Swap %</b>				
US	4.37	+4	+16	+303
Eurozone	3.06	-6	-5	+305
UK	4.64	-34	-70	+337
<b>2 Year Swap %</b>				
US	4.85	+1	+22	+390
Eurozone	2.96	-2	-8	+326
UK	4.92	-18	-87	+373
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	44	-5	-23	+2
Belgium	59	-2	-6	+23
France	52	-3	-8	+15
Italy	225	-8	-19	+88
Spain	111	-1	-9	+33
Portugal	101	-4	-8	+35
Greece	252	-13	-7	+102

Commodities				
	Close	% Change		
		Day	4 Weeks	End 21
Brent Oil	93.26	-0.26	+10.94	+19.90
West Texas Oil	86.12	+0.76	+11.60	+14.32
Gold \$	1648.6	-0.49	+1.67	-9.83

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