

Very limited FX price action

There was a quiet start to the week on financial markets yesterday. A full market holiday in the US for Labour Day contributed to the muted price action. In Europe, the Euro Stoxx 50 traded sideways for most of the day, and finished down a marginal 0.1%.

On bond markets, German Bund yields rose by 2-4bps, while UK Gilt yields climbed 3-6bps higher. However, there was no obvious catalyst for the moves. Meantime, oil prices continued to rise, with Brent crude up 0.5% to \$89 per barrel.

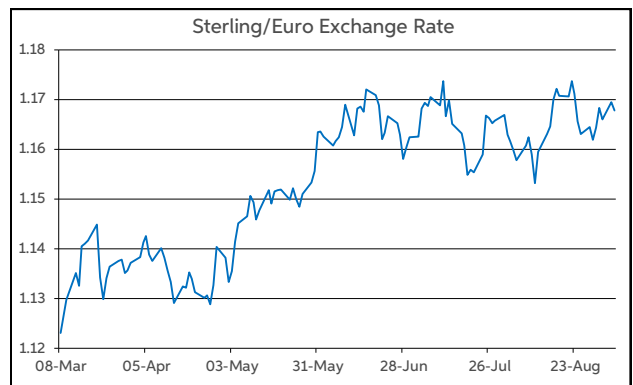
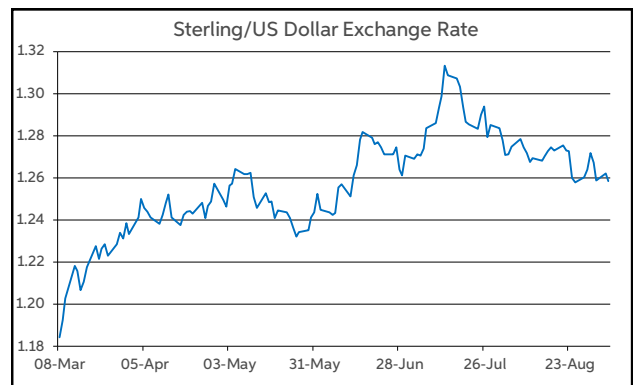
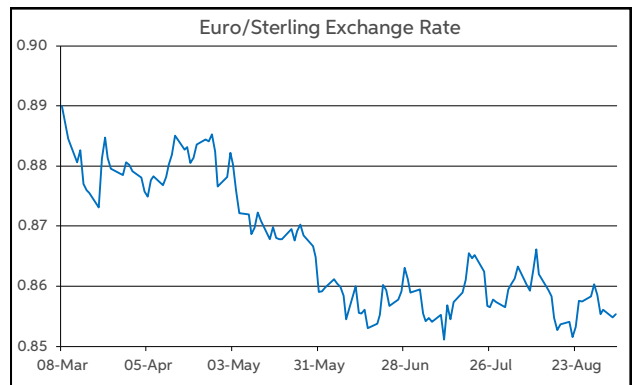
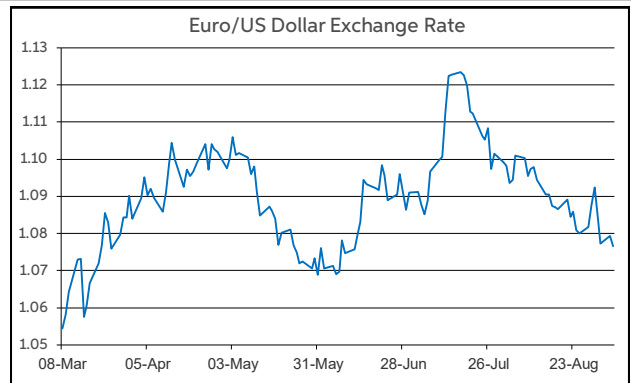
A relatively sparse data schedule also added to the limited moves across various asset classes. The only release of note, the EU Sentix index for September, printed below expectations, falling to -21.5 from -18.9 (and vs. -20.0 f'cast). Meanwhile, on the monetary policy front, in a speech yesterday, ECB President Lagarde steered away from providing any guidance on monetary policy.

Against this backdrop, the main FX pairs operated in very tight ranges throughout the day. EUR/USD traded between \$1.076-\$1.081, while EUR/GBP fluctuated in an extremely narrow 85.4-85.6p corridor. However, overnight, the dollar was holding a slightly firmer tone against the euro and sterling.

In level terms, EUR/USD opens this morning down near \$1.076. Meanwhile, EUR/GBP remains at the midpoint 85-86p. GBP/USD is back below the half \$1.26 threshold.

Turning to the day ahead, the main release of note will be Eurozone producer price inflation for July. However, barring any major surprises, the data are unlikely to impact on markets. Elsewhere, remarks from ECB officials may garner some attention.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.0764	-0.19	0.58
EUR/GBP	0.8553	-0.01	-3.29
GBP/USD	1.2581	-0.20	4.00
GBP/EUR	1.1687	0.01	3.40
USD/JPY	146.97	0.56	12.10
EUR/JPY	158.22	0.36	12.77

* v Previous Day's European Open
See Next Page for More Rates

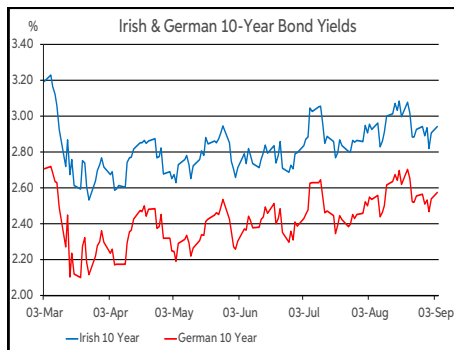
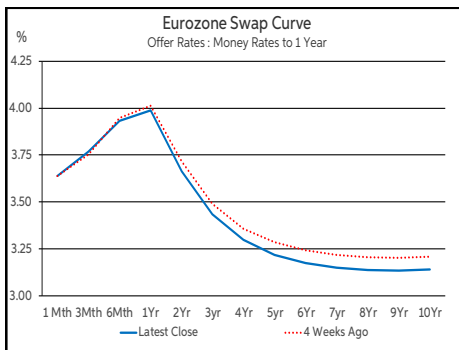
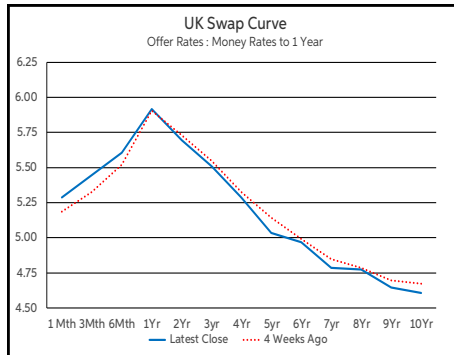
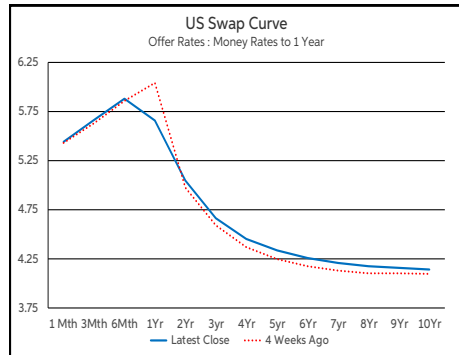
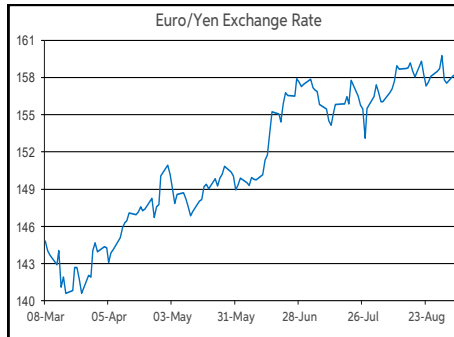
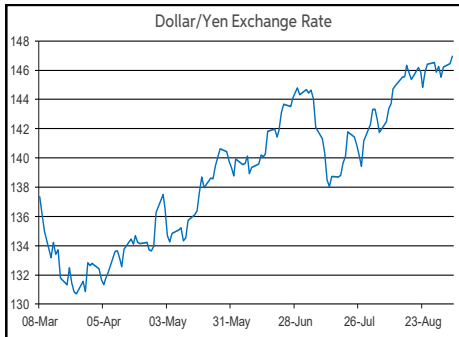
Opening Interest Rates						
Base Rate	Money Market		Swap Rates			
	1-Mth	3-Mth	1-Yr	2-Yr	5-Yr	
USD	5.38	5.44	5.65	5.10	4.40	
EUR	4.25	3.64	3.99	3.67	3.23	
GBP	5.25	5.28	5.74	5.70	5.08	

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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

Euro		Sterling		Dollar	
EUR/GBP	0.8553	GBP/EUR	1.1687	USD/JPY	146.97
EUR/USD	1.0764	GBP/USD	1.2581	USD/CAD	1.3636
EUR/JPY	158.22	GBP/CAD	1.7158	USD/CHF	0.8862
EUR/SEK	11.9324	GBP/NZD	2.1371	USD/CNY	7.2945
EUR/DKK	7.4518	GBP/JPY	184.9	USD/BRL	4.9373
EUR/NOK	11.5285	GBP/SEK	13.9476	USD/RUB	97.2425
EUR/CHF	0.954	GBP/DKK	8.7099	USD/INR	82.9406
EUR/AUD	1.6859	GBP/NOK	13.4755	AUD/USD	0.6384
EUR/HKD	8.4362	GBP/CHF	1.1152	NZD/USD	0.5887
EUR/CAD	1.4678	GBP/AUD	1.9707		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 22
10 Year Yield %				
US	4.18	+7	+8	+30
Germany	2.58	+3	+2	+1
UK	4.47	+4	+1	+80
Ireland				
Ireland	2.97	+4	-2	-18
Belgium	3.19	+2	-5	-1
France	3.11	+4	-2	-1
Italy	4.29	+5	+3	-41
Spain	3.61	+4	-2	-4
Portugal	3.31	+3	-1	-29
Greece	3.94	+11	+5	-65
5 Year Swap %				
US	4.33	-0	+12	+34
Eurozone	3.22	+4	-6	-1
UK	5.03	-4	-11	+73
2 Year Swap %				
US	5.05	-0	+11	+37
Eurozone	3.66	+2	-4	+27
UK	5.70	+3	-3	+101
10 Year Government Bond Spreads to Benchmark bps				
Ireland	39	+0	-4	-19
Belgium	61	-1	-6	-2
France	53	+0	-4	-2
Italy	171	+2	+2	-43
Spain	104	+1	-4	-6
Portugal	73	+0	-3	-31
Greece	136	+7	+3	-67

Commodities				
	% Change			
	Close	Day	4 Weeks	End 22
Brent Oil	89	+0.51	+4.29	+3.60
West Texas Oil	85.52	+2.36	+4.37	+6.69
Gold \$	1938.2	-0.03	+0.09	+6.24

This publication is for information purposes and is not an invitation to deal. The information is believed to be reliable but is not guaranteed. Any expressions of opinions are subject to change without notice. This publication is not to be reproduced in whole or in part without prior permission. In the Republic of Ireland it is distributed by Allied Irish Banks, p.l.c. In the UK it is distributed by Allied Irish Banks, p.l.c. and Allied Irish Bank (GB). In Northern Ireland it is distributed by Allied Irish Bank (NI). In the United States of America it is distributed by Allied Irish Banks, p.l.c. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland. Allied Irish Bank (GB) and AIB (NI) are trade marks used under licence by AIB Group (UK) p.l.c. (a wholly owned subsidiary of Allied Irish Banks, p.l.c.), incorporated in Northern Ireland. Registered Office 92 Ann Street, Belfast BT1 3HH. Registered Number NI018800. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In the United States of America, Allied Irish Banks, p.l.c., New York Branch, is a branch licensed by the New York State Department of Financial Services. Deposits and other investment products are not FDIC insured, they are not guaranteed by any bank and they may lose value. Please note that telephone calls may be recorded in line with market practice.