

EUR/USD back below \$0.99

Risk appetite remained subdued on markets yesterday. The Euro Stoxx 50 rose by 0.3%, while the S&P finished down 0.4%. On bond markets, longer dated UK Gilts and US Treasuries jumped by 16-20bps. Their German counterparts rose by a more modest 4bps. Meanwhile, the German 2-year yield edged slightly lower on some less hawkish comments from a number of ECB officials.

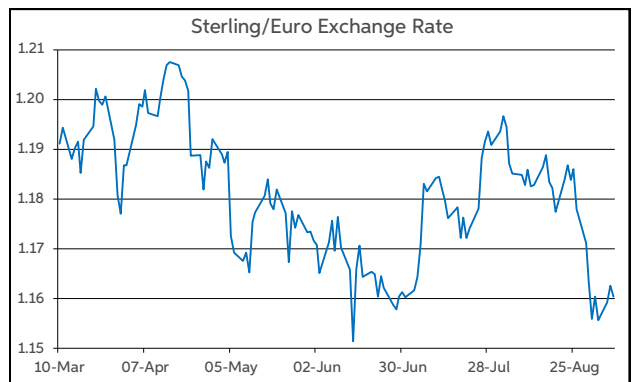
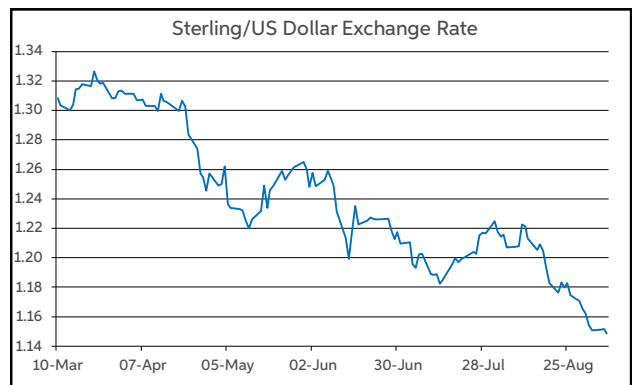
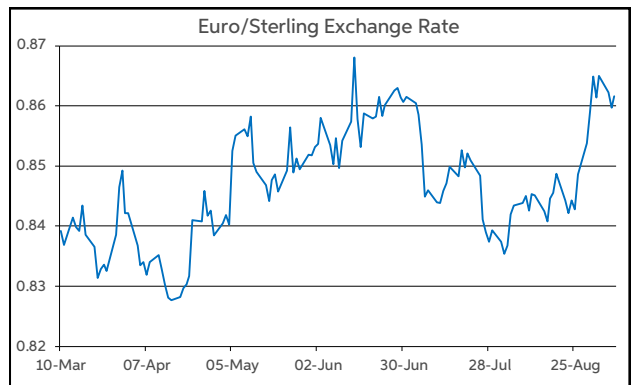
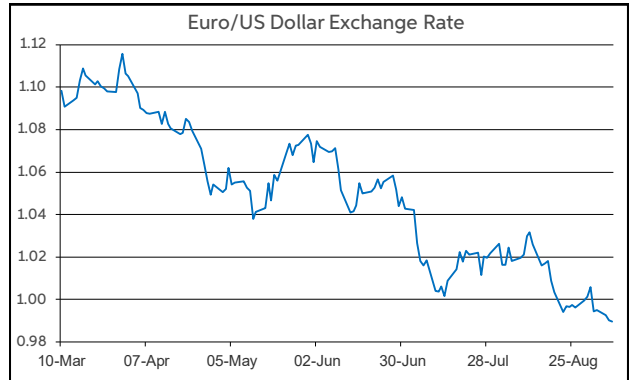
Currency-wise, the dollar returned to the ascendancy as concerns regarding Europe's gas supplies remained to the fore. The greenback gained 0.5-0.7% against the euro and the pound yesterday. Sterling had briefly rallied early on, following reports that new PM Truss was preparing a package to cap energy bills for households and businesses through the winter. GBP/USD briefly regained the \$1.16 handle, but the move was short-lived.

From a euro viewpoint, comments from members of the ECB's Governing Council were unhelpful for the single currency. Over the past 48 hours a number of officials have cautioned against tightening policy too quickly, and noted that the ECB may have to pause rate hikes if the economy were to enter a protracted recession. However, current pricing suggests the market still believes a 75bps rate hike is most likely from the ECB on Thursday.

The firmer dollar and softer euro is evidenced by EUR/USD opening back just below the \$0.99 mark. EUR/GBP is just above the 86p threshold. GBP/USD is operating under the \$1.14 handle. USD/JPY is changing hands up near the ¥144 level.

Today, a number of Fed speakers will garner attention, as will BoE Governor Bailey's testimony to the Treasury Select Committee. Data-wise, the final reading of Eurozone Q2 GDP is due.

Daniel Noonan Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	0.9895	-0.51	-12.96
EUR/GBP	0.8614	0.16	2.55
GBP/USD	1.1484	-0.67	-15.12
GBP/EUR	1.1605	-0.16	-2.48
USD/JPY	143.96	2.16	25.10
EUR/JPY	142.46	1.65	8.86

* 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	2.375	2.64	3.14	3.93	3.87	3.51
EUR	0.50	0.30	0.78	1.86	2.18	2.32
GBP	1.75	2.18	2.67	3.99	4.24	3.87

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

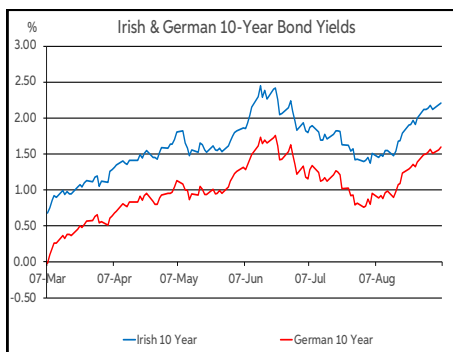
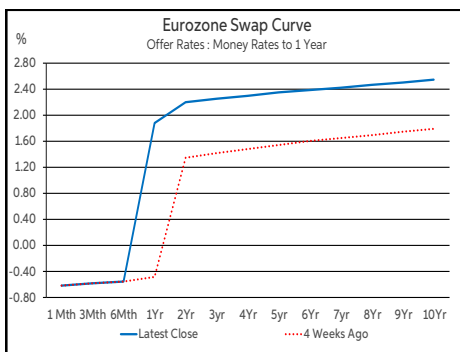
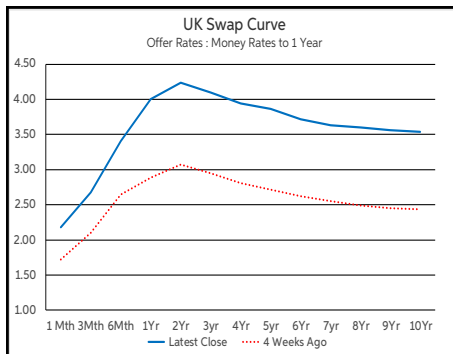
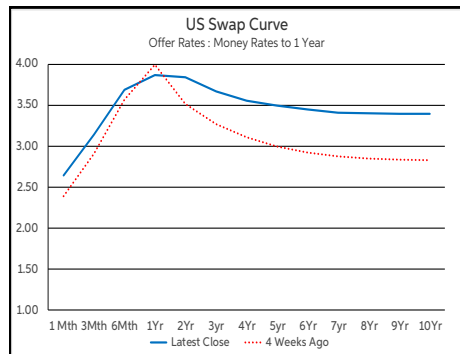
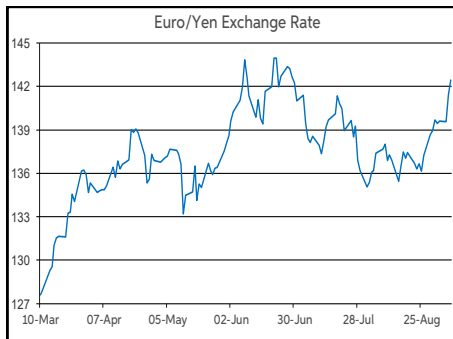
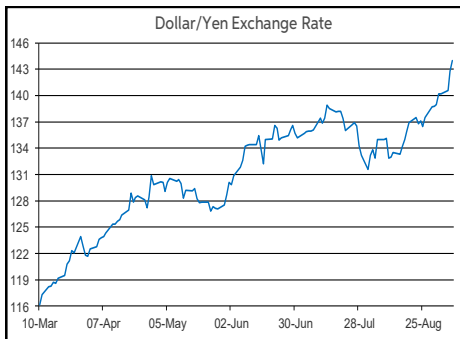
FX Spot	Karl Cooke Shane Gargan Ian Burke	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

Wednesday 07 September 2022
07:25 am



Euro		Sterling		Dollar	
EUR/GBP	0.8614	GBP/EUR	1.1605	USD/JPY	143.96
EUR/USD	0.9895	GBP/USD	1.1484	USD/CAD	1.3177
EUR/JPY	142.46	GBP/CAD	1.5134	USD/CHF	0.9846
EUR/SEK	10.6924	GBP/NZD	1.9088	USD/CNY	6.9674
EUR/DKK	7.4364	GBP/JPY	165.32	USD/BRL	5.248
EUR/NOK	9.9369	GBP/SEK	12.4094	USD/RUB	61.15
EUR/CHF	0.9742	GBP/DKK	8.6288	USD/INR	79.915
EUR/AUD	1.473	GBP/NOK	11.5332	AUD/USD	0.6717
EUR/HKD	7.7673	GBP/CHF	1.1307	NZD/USD	0.6014
EUR/CAD	1.304	GBP/AUD	1.7095		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	3.35	+16	+57	+184
Germany	1.61	+4	+68	+178
UK	3.10	+16	+112	+213
5 Year Swap %				
US	3.49	+6	+53	+216
Eurozone	2.35	+6	+82	+234
UK	3.87	+14	+116	+259
2 Year Swap %				
US	3.84	+6	+36	+290
Eurozone	2.20	+3	+86	+250
UK	4.24	-1	+117	+304
10 Year Government Bond Spreads to Benchmark bps				
Ireland	66	-0	+5	+23
Belgium	66	-2	+7	+30
France	60	-2	+5	+23
Italy	236	-1	+23	+100
Spain	120	-1	+9	+42
Portugal	109	-2	+6	+43
Greece	257	-15	+27	+108

Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	92.83	-3.04	-3.61	+19.35
West Texas Oil	87.35	+0.07	-6.26	+15.96
Gold \$	1701.2	-0.53	-5.18	-6.96

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