

ECB monetary policy meeting today

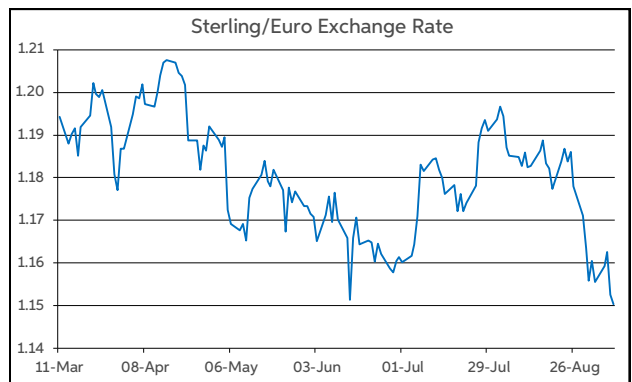
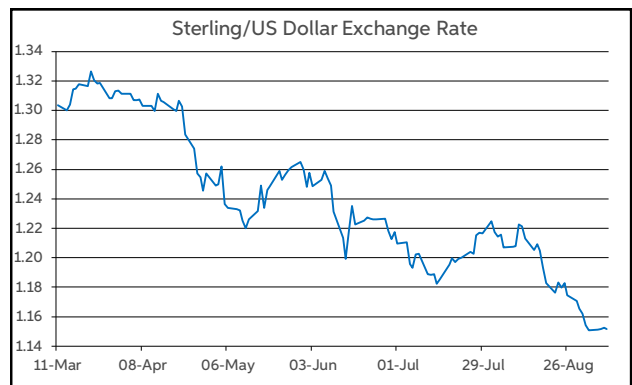
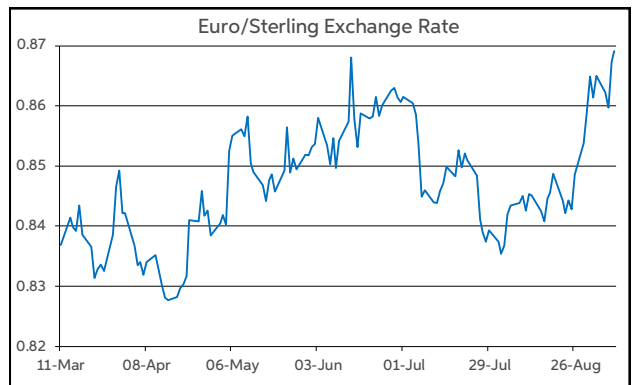
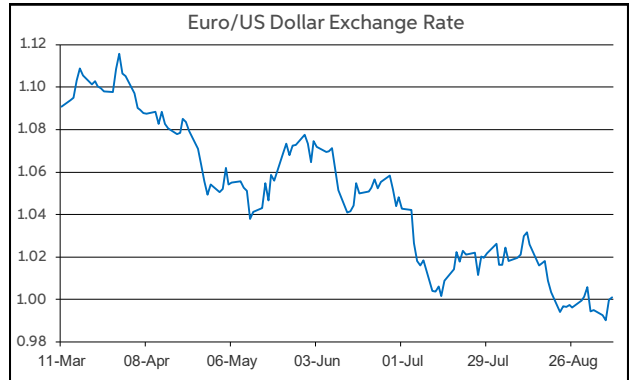
Equity markets moved higher on both sides of the Atlantic yesterday, having recorded a string of losses recently. The Euro Stoxx 50 rose by 0.1%, while the S&P 500 rallied late on to finish up 1.8%. However, concerns regarding the global growth outlook remain, as evidenced by Brent crude oil falling back below \$90 per barrel, its lowest level since February. On bond markets, sovereign yields moved lower across the board, most notably in the US and UK, following comments from Fed and BoE officials.

On the currency front, the euro was holding a firmer tone on the exchanges. The move coincided with an upward revision in Eurozone Q2 GDP to 0.8% from 0.6%. Elsewhere, the dollar remained to the fore throughout the European session, with USD/JPY reaching a new 24-year high just shy of ¥145, and GBP/USD falling to its lowest level since 1985, near \$1.14 yesterday. However, overnight the greenback experienced a reversal, as US Treasury yields fell by 8-13bps.

In level terms, EUR/USD opens this morning up at parity. EUR/GBP is changing hands in the top half of 86-87p. Meanwhile, the overnight pause in the dollar rally is evidenced by GBP/USD operating above \$1.15. USD/JPY is back in the ¥143-144 range.

Today, all eyes will be on the interest rate decision from the ECB. The central bank will hike rates - the uncertainty is over whether it will be by 50 or 75bps. Current pricing indicates the market is leaning towards a 75bps increase. However, recent comments from ECB officials suggests the Governing Council is somewhat split on the magnitude of the rate hike. The meeting poses some event risk for the euro. From a dollar viewpoint, a number of Fed officials are due out today, including Chair Powell.

Daniel Noonan Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.0011	1.21	-11.94
EUR/GBP	0.8689	0.85	3.44
GBP/USD	1.1518	0.35	-14.86
GBP/EUR	1.1504	-0.84	-3.33
USD/JPY	143.55	-0.29	24.74
EUR/JPY	143.72	0.90	9.82

* 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	2.68	3.17	3.89	3.79	3.39
EUR	0.50	0.37	0.82	1.84	2.15	2.26
GBP	1.75	2.20	2.68	3.94	4.13	3.77

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

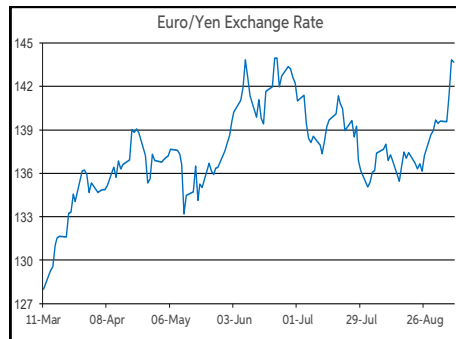
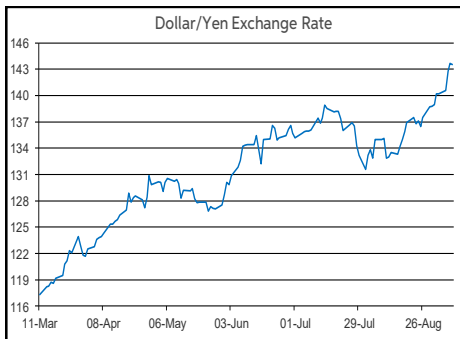
FX Spot	Karl Cooke Shane Gargan Ian Burke	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

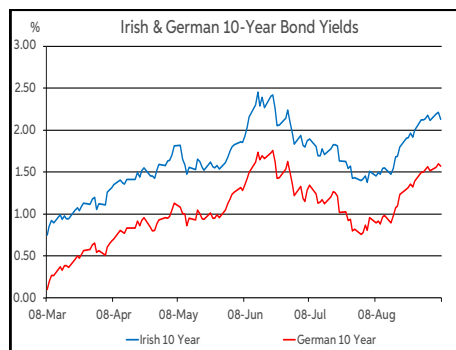
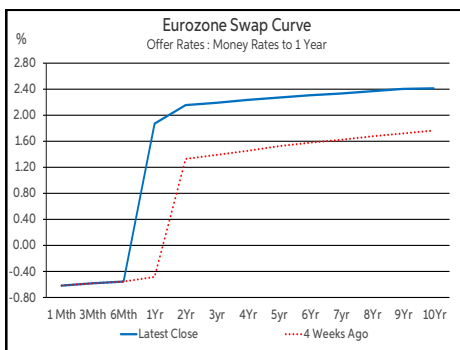
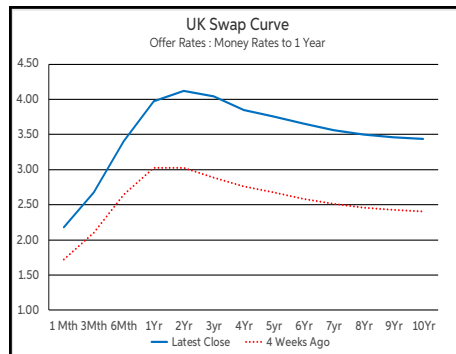
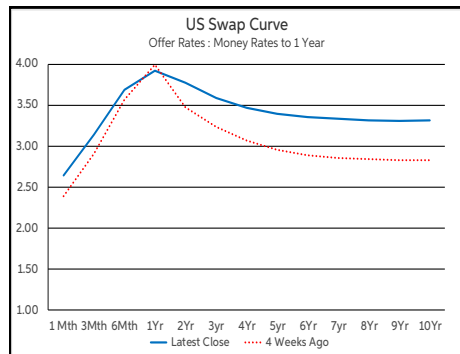
Thursday 08 September 2022
07:20 am



Euro		Sterling		Dollar	
EUR/GBP	0.8689	GBP/EUR	1.1504	USD/JPY	143.55
EUR/USD	1.0011	GBP/USD	1.1518	USD/CAD	1.3107
EUR/JPY	143.72	GBP/CAD	1.5098	USD/CHF	0.9752
EUR/SEK	10.696	GBP/NZD	1.8983	USD/CNY	6.9603
EUR/DKK	7.4364	GBP/JPY	165.34	USD/BRL	5.248
EUR/NOK	9.9951	GBP/SEK	12.3022	USD/RUB	60.75
EUR/CHF	0.9765	GBP/DKK	8.5546	USD/INR	79.678
EUR/AUD	1.4817	GBP/NOK	11.4933	AUD/USD	0.6755
EUR/HKD	7.8583	GBP/CHF	1.1233	NZD/USD	0.6066
EUR/CAD	1.3123	GBP/AUD	1.7048		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	3.27	-8	+48	+176
Germany	1.58	-3	+69	+175
UK	3.03	-7	+108	+206
Ireland				
Ireland	2.17	-9	+66	+192
Belgium	2.20	-6	+71	+202
France	2.15	-5	+70	+196
Italy	3.87	-10	+88	+268
Spain	2.75	-6	+74	+215
Portugal	2.65	-5	+74	+217
Greece	4.14	-3	+95	+283
5 Year Swap %				
US	3.39	-10	+48	+206
Eurozone	2.27	-8	+76	+226
UK	3.76	-11	+109	+249
2 Year Swap %				
US	3.78	-6	+34	+283
Eurozone	2.15	-5	+83	+245
UK	4.12	-12	+110	+293
10 Year Government Bond Spreads to Benchmark bps				
Ireland	60	-6	-2	+17
Belgium	63	-3	+2	+27
France	58	-2	+1	+21
Italy	229	-7	+19	+93
Spain	117	-3	+6	+40
Portugal	108	-2	+5	+41
Greece	257	+0	+26	+108



Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	88	-5.20	-9.65	+13.14
West Texas Oil	82.5	-5.55	-12.86	+9.52
Gold \$	1717.7	+0.97	-4.15	-6.05

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