

Eurozone inflation sends EUR/USD back near \$1.09

Investor sentiment was holding a slightly positive tone yesterday. Encouraging inflation data, mixed labour market updates, and remarks from a number of central bankers impacted sentiment throughout the day. On equity markets, the Euro Stoxx 50 was a modest 0.3% higher, while the S&P 500 gained 0.4%.

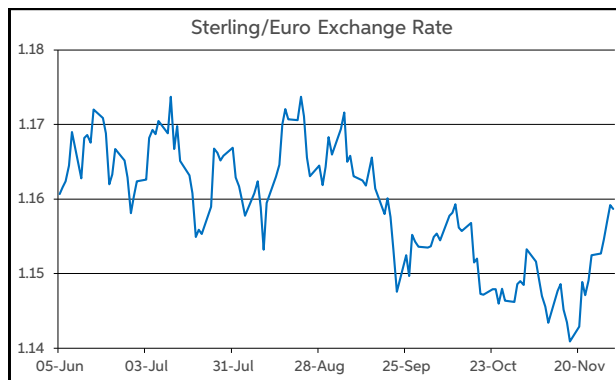
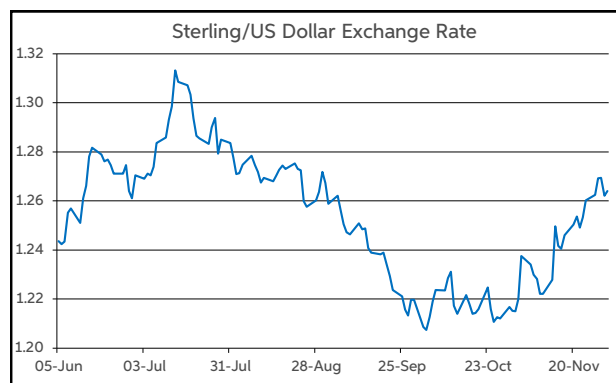
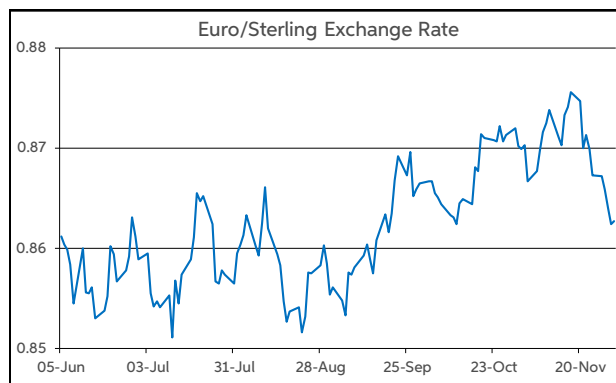
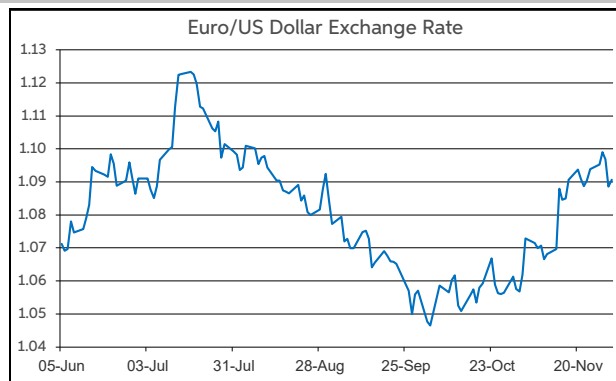
Data-wise, the flash estimate of Eurozone HICP inflation eased to 2.4% in November (vs. 2.7% f'cast). The core rate declined to 3.6% (vs. 3.9% f'cast). Meantime, US core-PCE inflation fell to 3.5% in October, as expected. Elsewhere on the data front, the Eurozone unemployment rate remained at 6.5% in October, despite the Italian jobless rate rising to 7.8% from 7.6%. At the same time, US initial jobless claims printed broadly in-line with expectations, but continuous claims rose to their highest level since November 2021.

Amid the lower than anticipated Eurozone inflation data, the euro was under downward pressure. Meanwhile, the dollar was holding a firmer tone, as comments from a number of Fed officials left the door open to hiking rates further. Elsewhere, hawkish remarks from BoE MPC member Greene provided some support for sterling.

As trading gets underway this morning, EUR/USD opens down near \$1.09. EUR/GBP is operating back in the lower half of 86-87p. Elsewhere, GBP/USD is changing hands close to the midpoint of \$1.26-1.27, having traded down near the \$1.26 threshold yesterday.

Later today, the main release will be the US manufacturing ISM for November. The consensus is for a slight improvement, although, the index is set to remain in contraction mode. Remarks from a plethora of central bankers, including from ECB President Lagarde and Fed Chair Powell, will also garner attention.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.0906	-0.60	1.91
EUR/GBP	0.8626	-0.15	-2.46
GBP/USD	1.264	-0.46	4.49
GBP/EUR	1.1586	0.15	2.53
USD/JPY	148.16	0.77	13.00
EUR/JPY	161.63	0.19	15.20

* 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	5.46	5.64	5.36	4.78	4.28
EUR	4.50	3.85	3.98	3.80	3.31	2.92
GBP	5.25	5.19	5.23	5.17	4.96	4.43

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
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Opening Levels

Friday 01 December 2023
07:30 am



Euro

EUR/GBP	0.8626
EUR/USD	1.0906
EUR/JPY	161.63
EUR/SEK	11.4026
EUR/DKK	7.4556
EUR/NOK	11.7538
EUR/CHF	0.9533
EUR/AUD	1.6525
EUR/HKD	8.5202
EUR/CAD	1.4777

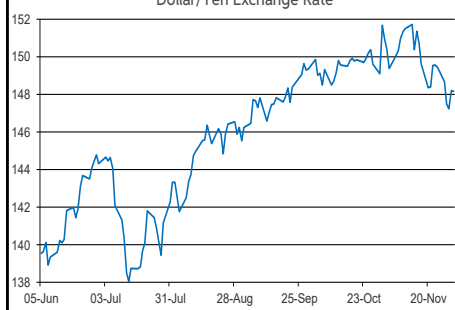
Sterling

GBP/EUR	1.1586
GBP/USD	1.264
GBP/CAD	1.7126
GBP/NZD	2.0542
GBP/JPY	187.27
GBP/SEK	13.2142
GBP/DKK	8.6393
GBP/NOK	13.6211
GBP/CHF	1.1049
GBP/AUD	1.9151

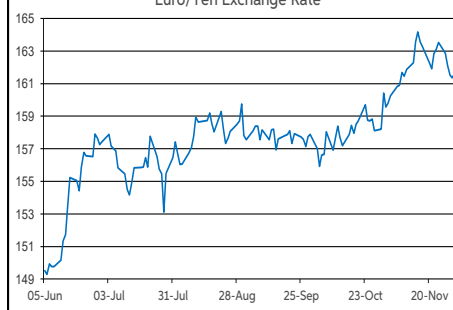
Dollar

USD/JPY	148.16
USD/CAD	1.3548
USD/CHF	0.874
USD/CNY	7.1457
USD/BRL	4.9263
USD/RUB	89.25
USD/INR	83.3325
AUD/USD	0.66
NZD/USD	0.6149

Dollar/Yen Exchange Rate

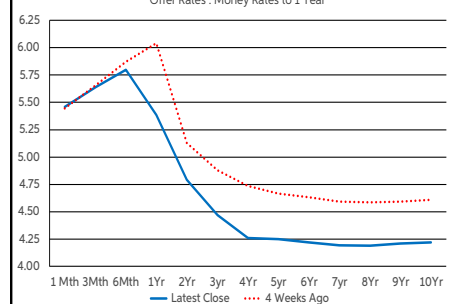


Euro/Yen Exchange Rate



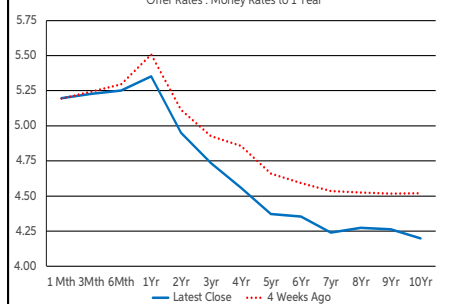
US Swap Curve

Offer Rates : Money Rates to 1 Year



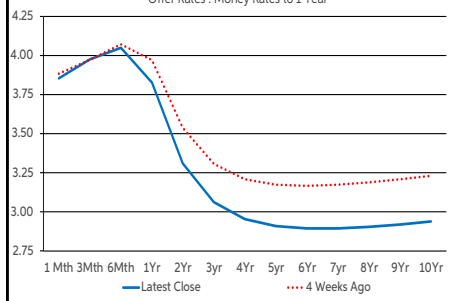
UK Swap Curve

Offer Rates : Money Rates to 1 Year

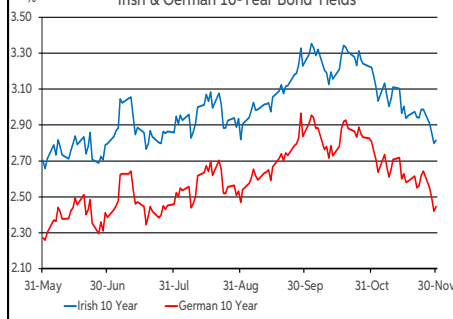


Eurozone Swap Curve

Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



Debt Markets

	Close	Day	4 Weeks	End 22
10 Year Yield %				
US	4.33	+7	-33	+45
Germany	2.45	+2	-26	-11
UK	4.18	+7	-21	+51
Ireland	2.85	+2	-30	-30
Belgium	3.07	+3	-27	-13
France	3.03	+4	-28	-9
Italy	4.24	+6	-32	-47
Spain	3.48	+5	-28	-18
Portugal	3.12	+2	-27	-48
Greece	3.71	+6	-37	-89
5 Year Swap %				
US	4.25	+6	-38	+25
Eurozone	2.91	-0	-26	-32
UK	4.37	+0	-28	+7
2 Year Swap %				
US	4.79	+3	-30	+12
Eurozone	3.31	-3	-22	-8
UK	4.95	+4	-16	+27
10 Year Government Bond Spreads to Benchmark bps				
Ireland	40	-0	-4	-19
Belgium	62	+1	-1	-2
France	58	+1	-2	+3
Italy	179	+4	-6	-35
Spain	103	+2	-2	-7
Portugal	67	-1	-1	-37
Greece	126	+4	-11	-77

Commodities

	Close	Day	4 Weeks	End 22
% Change				
Brent Oil	82.83	-0.32	-4.63	-3.59
West Texas Oil	75.66	-2.45	-8.89	-5.61
Gold \$	2035.8	-0.43	+2.53	+11.58

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