

## Over and out for 2023

Investor sentiment remained somewhat mixed yesterday. The Euro Stoxx 50 fell by 0.2%, while on Wall Street, the S&P 500 rose by 1%. On bond markets, long-dated yields edged higher across the board in the US, UK and Eurozone. Elsewhere, Brent crude remained in and around the \$79 per barrel mark.

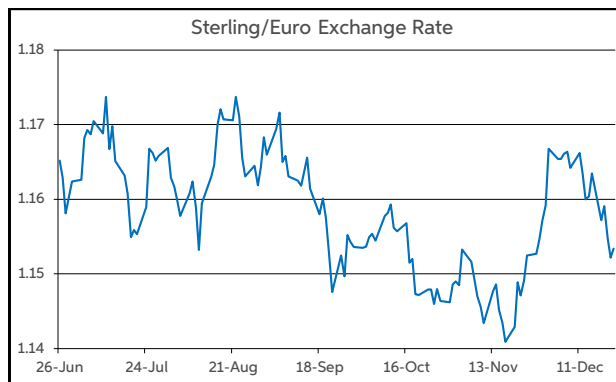
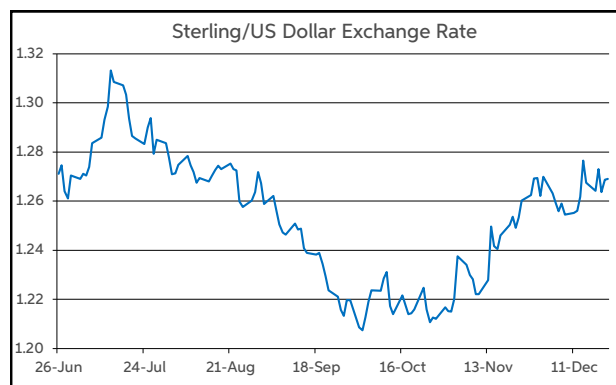
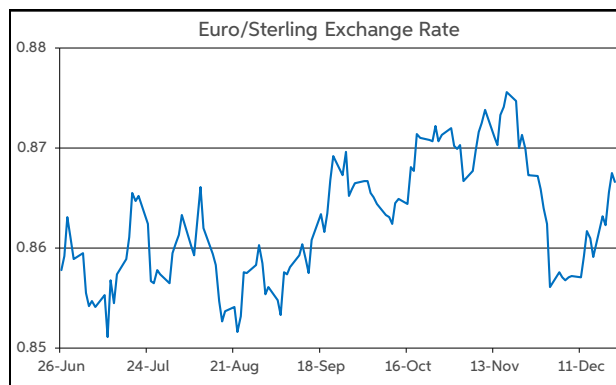
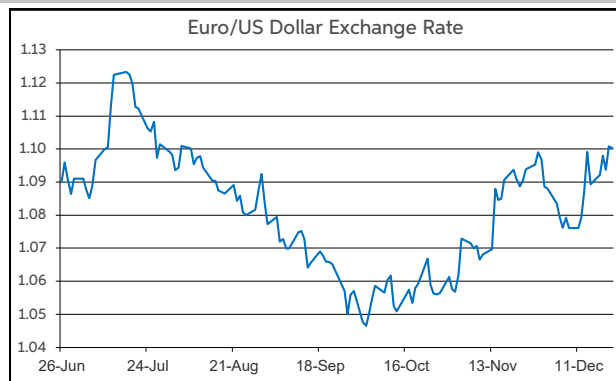
Data-wise, the final reading of US Q3 GDP was revised lower to 4.9% annualised, from 5.2%. Core-PCE inflation was also revised down to 2% annualised for the quarter, from 2.3% previously. Following the release, the dollar was under some modest downward pressure. Elsewhere on currency markets, the main pairs were confined to very narrow ranges.

In level terms, the softer tone to the dollar sees EUR/USD open this morning up at the \$1.10 threshold. At the same time, GBP/USD is operating up in the top half of the \$1.26-1.27 range. EUR/GBP remains just above the midpoint of 86-87p. USD/JPY is changing hands down in the bottom half of ¥142-143.

Already this morning, the second reading of UK Q3 GDP was revised down to -0.1% in the quarter (from 0% previously). Meanwhile, UK retail sales rose by 1.3% in November, well above expectations. However, the data have not impacted sterling so far in early trading. Later today, the focus will be on US core-PCE inflation, which is forecast to ease to 3.3% in November from 3.5%. US personal consumption and income are also due.

Finally, this is our last Morning Comment of 2023. Our next publication will be on Tuesday, 2nd January 2024. We would like to take this opportunity to wish all our readers a Merry Christmas, and a safe and prosperous 2024.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.1001	0.44	2.79
EUR/GBP	0.8666	0.09	-2.01
GBP/USD	1.2691	0.34	4.91
GBP/EUR	1.1534	-0.09	2.05
USD/JPY	142.19	-0.53	8.45
EUR/JPY	156.39	-0.12	11.47

\* v Previous Day's European Open

See Next Page for More Rates

Opening Interest Rates						
	Money Market			Swap Rates		
	Base Rate	1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	5.38	5.47	5.63	5.06	4.41	3.86
EUR	4.50	3.86	3.92	3.49	2.87	2.45
GBP	5.25	5.18	5.22	4.77	4.31	3.70

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 22 December 2023  
07:40 am



## Euro

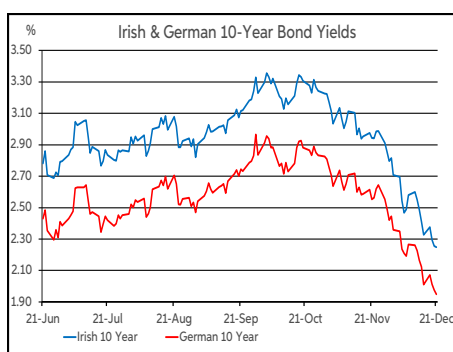
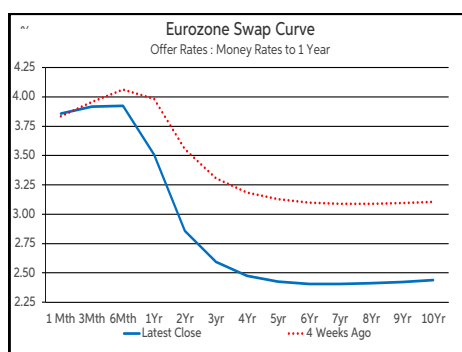
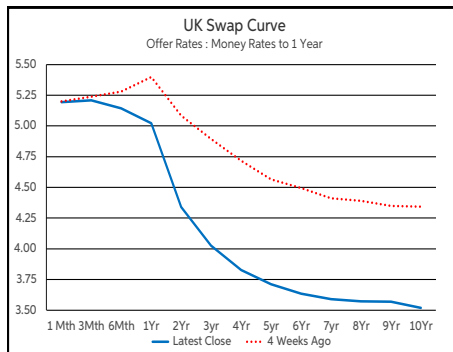
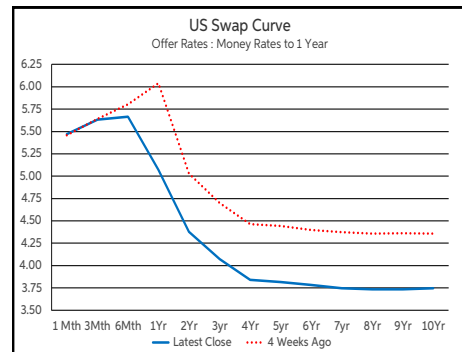
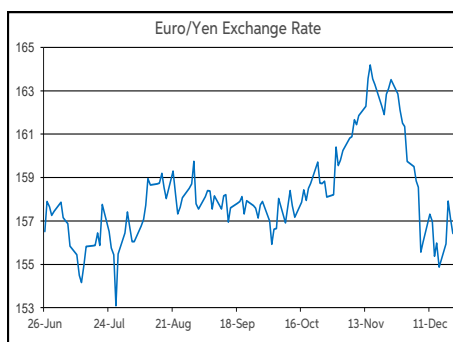
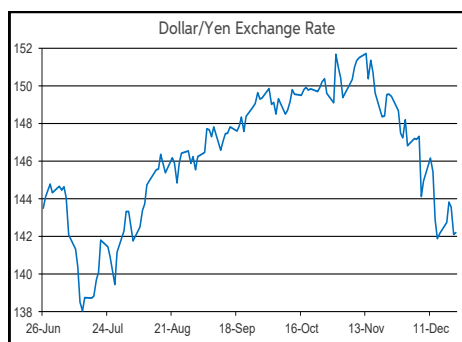
EUR/GBP	0.8666
EUR/USD	1.1001
EUR/JPY	156.39
EUR/SEK	11.1136
EUR/DKK	7.4555
EUR/NOK	11.3077
EUR/CHF	0.9423
EUR/AUD	1.6223
EUR/HKD	8.5967
EUR/CAD	1.461

## Sterling

GBP/EUR	1.1534
GBP/USD	1.2691
GBP/CAD	1.6856
GBP/NZD	2.0209
GBP/JPY	180.45
GBP/SEK	12.8205
GBP/DKK	8.5997
GBP/NOK	13.041
GBP/CHF	1.0873
GBP/AUD	1.8716

## Dollar

USD/JPY	142.19
USD/CAD	1.3282
USD/CHF	0.8566
USD/CNY	7.1443
USD/BRL	4.8844
USD/RUB	92.34
USD/INR	83.1775
AUD/USD	0.678
NZD/USD	0.6279



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 22
<b>10 Year Yield %</b>				
US	3.89	+4	-52	+1
Germany	1.95	-2	-67	-61
UK	3.53	+0	-72	-14
<b>5 Year Swap %</b>				
US	3.82	+0	-59	-18
Eurozone	2.42	-2	-69	-81
UK	3.71	-0	-80	-59
<b>2 Year Swap %</b>				
US	4.38	-2	-61	-30
Eurozone	2.86	-2	-68	-53
UK	4.34	+0	-74	-34
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	32	+2	-8	-27
Belgium	64	+1	+3	-0
France	51	+1	-5	-4
Italy	163	+1	-14	-51
Spain	94	+0	-6	-15
Portugal	71	+1	+5	-33
Greece	109	-2	-14	-94

Commodities				
	% Change			
	Close	Day	4 Weeks	End 22
Brent Oil	79.39	-0.39	-2.49	-7.59
West Texas Oil	69	+0.03	-9.61	-13.92
Gold \$	2045.5	+0.80	+2.70	+12.12

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