

Subdued mood on markets

There was a subdued mood on markets yesterday, amid a relatively sparse data schedule. On the monetary policy front, some hawkish remarks from a number of BoE officials, including Governor Bailey, did not influence proceedings on UK markets. Similarly, the release of the latest Fed meeting minutes overnight caused only a muted market reaction.

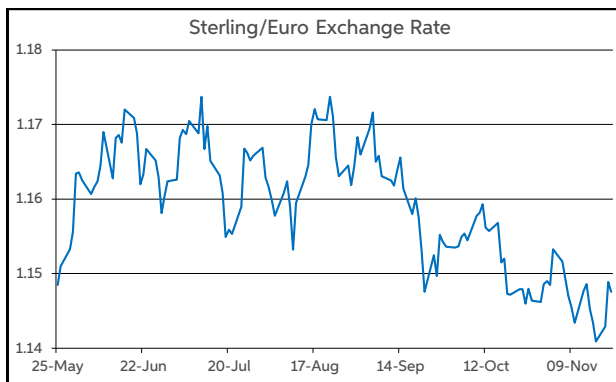
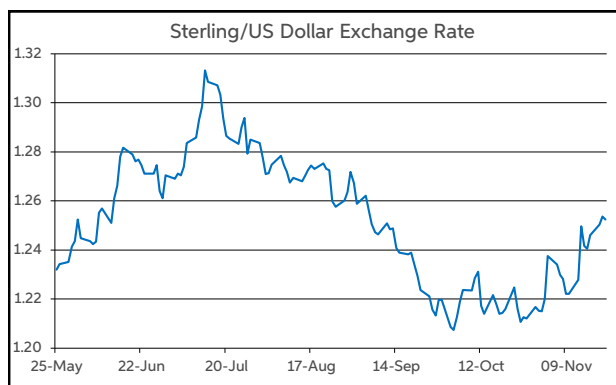
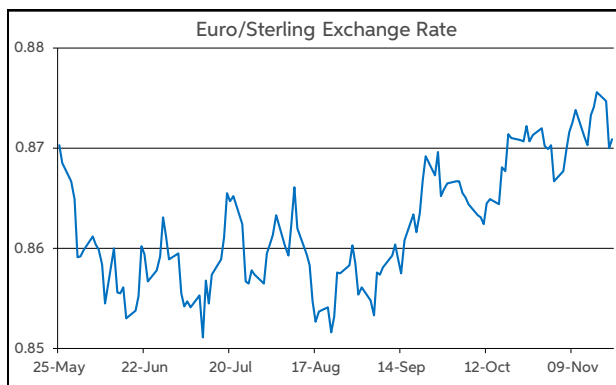
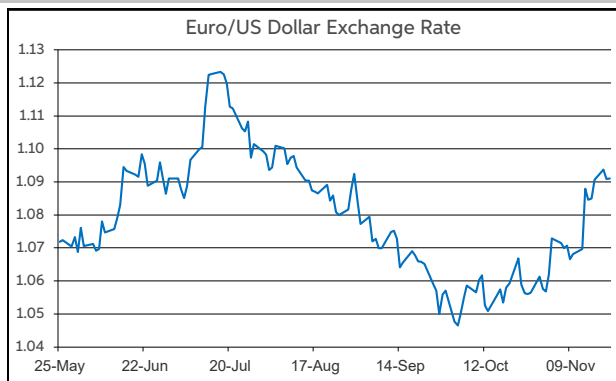
Against this backdrop, both the Euro Stoxx 50 and the S&P 500 declined by a modest 0.2%. In terms of fixed income, sovereign yields moved lower in Europe. German Bund and UK Gilt yields fell by 2-6bps along the curve. In the US, short-dated Treasury yields edged down by 1-3bps, although, longer-dated yields were flat to slightly higher yesterday.

Currency-wise, the main FX pairs were also confined to narrow trading bands. Of the limited price action to register, the yen was on the defensive, while the euro was holding a softer tone. The single currency lost circa 0.4% against the dollar and sterling.

In level terms, the softer euro tone is evidenced by EUR/USD opening this morning back in the lower half of \$1.09-1.10. EUR/GBP is operating down near the 87p mark. Meanwhile, GBP/USD continues to change hands between \$1.25-1.26. USD/JPY is trading up close to the ¥149 handle.

Today, the flash reading of Eurozone consumer confidence for November is due. A slight improvement, albeit from a low level is anticipated. In the US, there are a number of releases including the latest weekly jobless claims figures. However, barring any major surprises, the data are unlikely to impact on currency markets. In the UK, the focus will be on the Autumn Statement.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.0911	-0.41	1.95
EUR/GBP	0.8708	-0.42	-1.54
GBP/USD	1.2526	0.00	3.55
GBP/EUR	1.1476	0.42	1.56
USD/JPY	148.85	0.72	13.53
EUR/JPY	162.46	0.35	15.79

* 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	5.45	5.63	5.51	5.01	4.42
EUR	4.50	3.82	3.96	3.96	3.50	3.07
GBP	5.25	5.19	5.23	5.17	4.98	4.45

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

Wednesday 22 November 2023
07:49 am



Euro

EUR/GBP	0.8708
EUR/USD	1.0911
EUR/JPY	162.46
EUR/SEK	11.4261
EUR/DKK	7.4547
EUR/NOK	11.6756
EUR/CHF	0.9642
EUR/AUD	1.6676
EUR/HKD	8.5066
EUR/CAD	1.4965

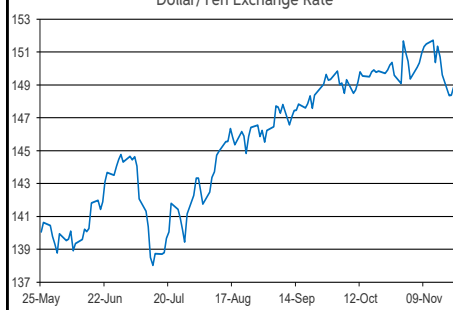
Sterling

GBP/EUR	1.1476
GBP/USD	1.2526
GBP/CAD	1.718
GBP/NZD	2.077
GBP/JPY	186.45
GBP/SEK	13.1138
GBP/DKK	8.556
GBP/NOK	13.4041
GBP/CHF	1.1069
GBP/AUD	1.9148

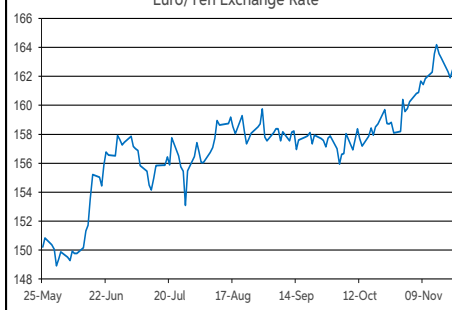
Dollar

USD/JPY	148.85
USD/CAD	1.3712
USD/CHF	0.8837
USD/CNY	7.1438
USD/BRL	4.9006
USD/RUB	87.94
USD/INR	83.32
AUD/USD	0.6541
NZD/USD	0.6029

Dollar/Yen Exchange Rate

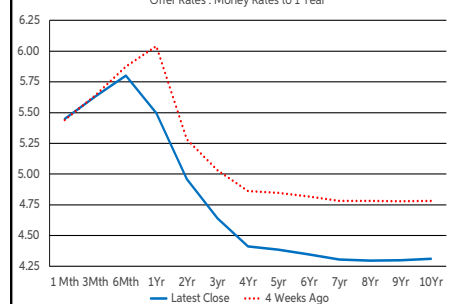


Euro/Yen Exchange Rate



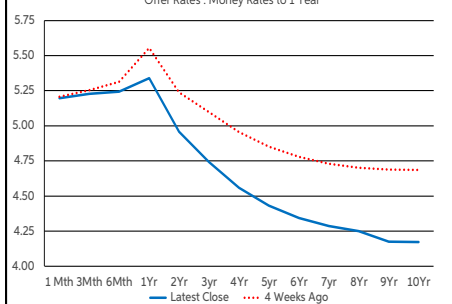
US Swap Curve

Offer Rates : Money Rates to 1 Year



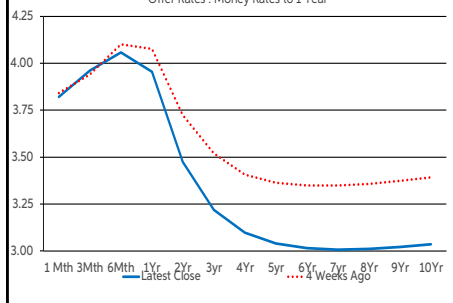
UK Swap Curve

Offer Rates : Money Rates to 1 Year

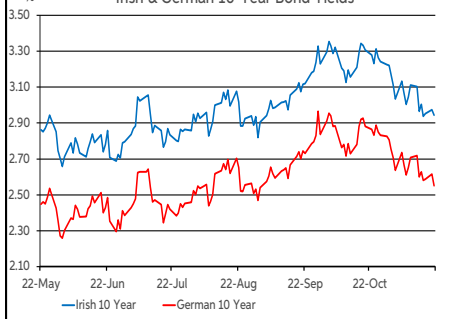


Eurozone Swap Curve

Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



Debt Markets

	Close	Change bps		
		Day	4 Weeks	End 22
10 Year Yield %				
US	4.40	-3	-42	+52
Germany	2.56	-6	-28	-1
UK	4.11	-2	-43	+44
Ireland	2.96	-4	-30	-18
Belgium	3.17	-5	-36	-4
France	3.13	-5	-34	+1
Italy	4.32	-4	-53	-38
Spain	3.56	-5	-39	-10
Portugal	3.22	-3	-32	-38
Greece	3.78	-8	-47	-81
5 Year Swap %				
US	4.39	-2	-42	+39
Eurozone	3.04	-4	-31	-19
UK	4.43	+8	-42	+13
2 Year Swap %				
US	4.96	+0	-28	+28
Eurozone	3.47	-2	-24	+9
UK	4.96	+3	-27	+28
10 Year Government Bond Spreads to Benchmark bps				
Ireland	41	+2	-2	-18
Belgium	61	+1	-8	-3
France	57	+1	-6	+2
Italy	177	+2	-25	-38
Spain	101	+1	-11	-9
Portugal	67	+3	-5	-37
Greece	122	-2	-19	-81

Commodities

	% Change			
	Close	Day	4 Weeks	End 22
Brent Oil	82.45	+0.16	-6.38	-4.03
West Texas Oil	78.35	+0.32	-7.37	-2.26
Gold \$	1998.4	+1.07	+1.43	+9.54

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