

US & Eurozone inflation data due today

The mixed mood on markets continued yesterday, despite German inflation falling by more than anticipated, and US GDP being revised higher in Q3. On equity markets, the Euro Stoxx 50 gained 0.5%. Meantime, on Wall Street, the S&P 500 inched down by 0.1%.

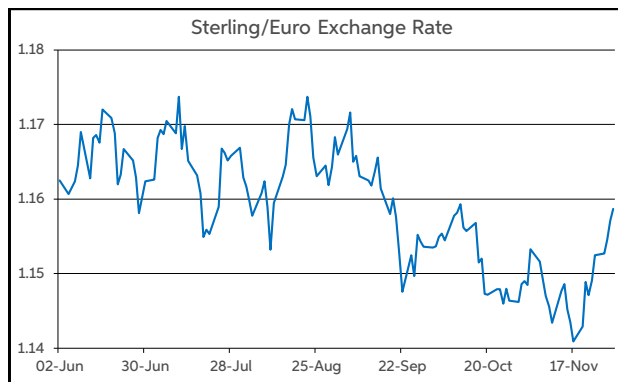
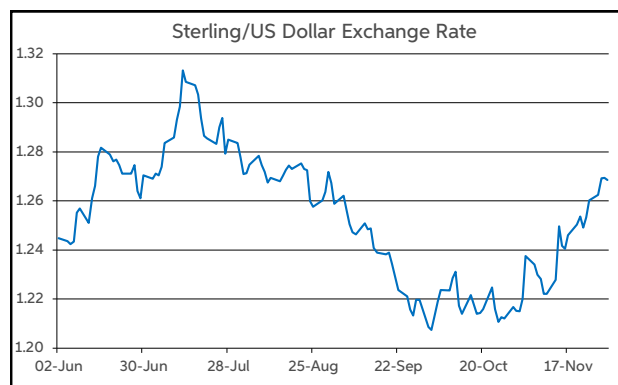
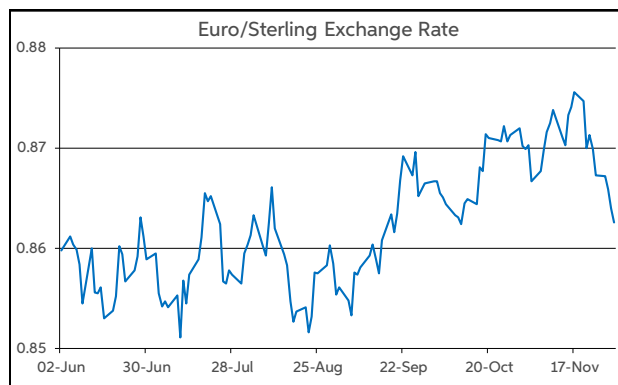
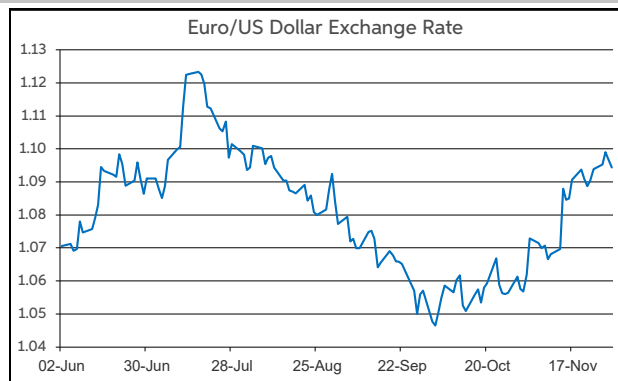
Data-wise, the flash estimate of German HICP showed inflation eased to 2.3% in November (vs. 2.6% f'cast). Meanwhile, US GDP was revised higher to 5.2% annualised in Q3 from 4.9% previously. Elsewhere, on the data front, the Eurozone EC sentiment indices printed broadly in-line with expectations, remaining at subdued levels in November.

On the currency front, the euro was under some downward pressure following the release of the German inflation data. At the same time, the dollar was holding a slightly firmer tone in the initial aftermath of the release of the revised reading of GDP. Overall the single currency lost between 0.3-0.5% versus the dollar and sterling yesterday.

As trading gets underway this morning, EUR/USD opens below the midpoint of the \$1.09-1.10 corridor. EUR/GBP is operating back in the lower half of 86-87p. Meantime, GBP/USD is changing hands in the top half of the \$1.26-1.27 band.

Turning to the day ahead, the main releases of note will be updates on inflation in the Eurozone and US. Eurozone flash HICP inflation is forecast to decline to 2.7% in November, while the core rate is projected to fall to 3.9%. Similarly, the consensus is for both headline and core-PCE inflation to ease to 3% and 3.5%, respectively, in the US. The data pose some event risk for the euro and the dollar.

Daniel Noonan, Economist, AIB



| Today's Opening FX Rates | | | |
|--------------------------|--------|----------|----------|
| | | % Change | |
| | | Day * | End 2022 |
| EUR/USD | 1.0944 | -0.53 | 2.26 |
| EUR/GBP | 0.8626 | -0.32 | -2.46 |
| GBP/USD | 1.2682 | -0.24 | 4.84 |
| GBP/EUR | 1.1589 | 0.32 | 2.53 |
| USD/JPY | 147.12 | 0.00 | 12.21 |
| EUR/JPY | 161.03 | -0.53 | 14.78 |

* 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 | 5.65 | 5.37 | 4.80 | 4.24 |
| EUR | 4.50 | 3.85 | 3.96 | 3.84 | 3.32 | 2.90 |
| GBP | 5.25 | 5.19 | 5.23 | 5.16 | 4.93 | 4.38 |

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 |
|---------|----------------------------|------------|------------|------------------|---------------------------|-----------------|-----------------------------------|

Opening Levels

Thursday 30 November 2023
07:52 am



Euro

| | |
|---------|---------|
| EUR/GBP | 0.8626 |
| EUR/USD | 1.0944 |
| EUR/JPY | 161.03 |
| EUR/SEK | 11.3604 |
| EUR/DKK | 7.4557 |
| EUR/NOK | 11.6962 |
| EUR/CHF | 0.9561 |
| EUR/AUD | 1.6496 |
| EUR/HKD | 8.5436 |
| EUR/CAD | 1.4877 |

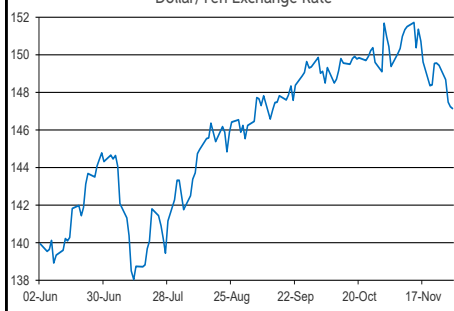
Sterling

| | |
|---------|---------|
| GBP/EUR | 1.1589 |
| GBP/USD | 1.2682 |
| GBP/CAD | 1.724 |
| GBP/NZD | 2.0558 |
| GBP/JPY | 186.59 |
| GBP/SEK | 13.1642 |
| GBP/DKK | 8.6381 |
| GBP/NOK | 13.5507 |
| GBP/CHF | 1.1079 |
| GBP/AUD | 1.9121 |

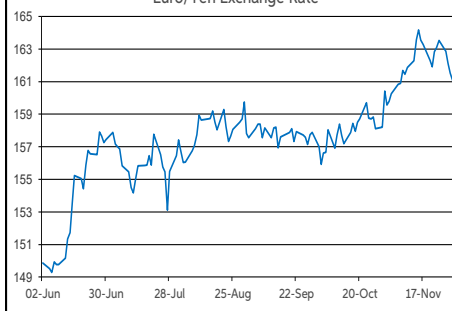
Dollar

| | |
|---------|--------|
| USD/JPY | 147.12 |
| USD/CAD | 1.3592 |
| USD/CHF | 0.8735 |
| USD/CNY | 7.1318 |
| USD/BRL | 4.9055 |
| USD/RUB | 88.485 |
| USD/INR | 83.341 |
| AUD/USD | 0.6632 |
| NZD/USD | 0.6168 |

Dollar/Yen Exchange Rate

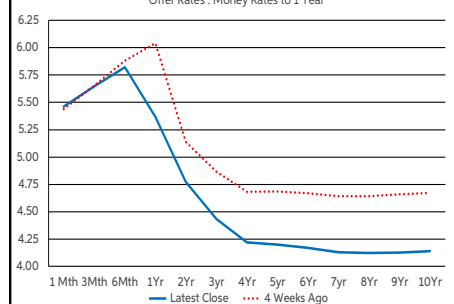


Euro/Yen Exchange Rate



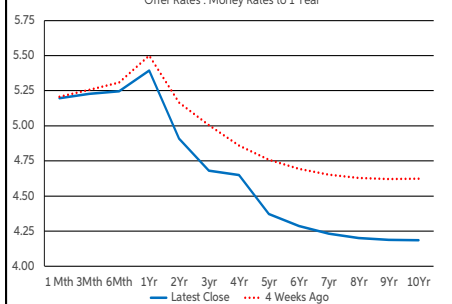
US Swap Curve

Offer Rates : Money Rates to 1 Year



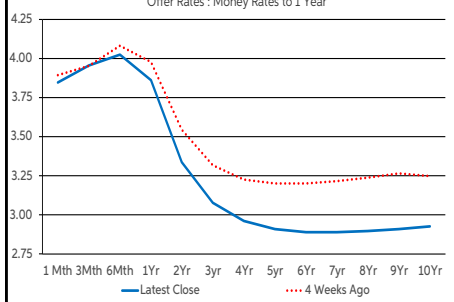
UK Swap Curve

Offer Rates : Money Rates to 1 Year

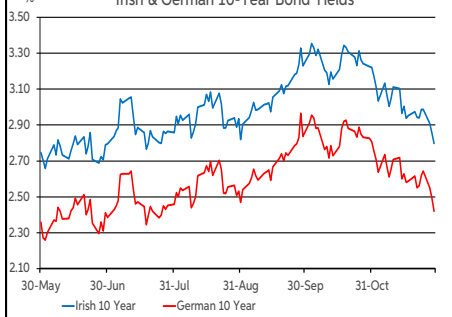


Eurozone Swap Curve

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 | 4.26 | -7 | -48 | +38 |
| Germany | 2.42 | -7 | -33 | -14 |
| UK | 4.10 | -7 | -40 | +43 |
| | | | | |
| Ireland | 2.83 | -6 | -38 | -32 |
| Belgium | 3.03 | -8 | -38 | -17 |
| France | 2.99 | -7 | -39 | -12 |
| Italy | 4.17 | -9 | -50 | -53 |
| Spain | 3.43 | -7 | -41 | -23 |
| | | | | |
| Portugal | 3.11 | -6 | -35 | -50 |
| Greece | 3.64 | -13 | -52 | -95 |
| ----- | | | | |
| 5 Year Swap % | | | | |
| US | 4.20 | -6 | -44 | +20 |
| Eurozone | 2.91 | -7 | -28 | -32 |
| UK | 4.37 | -9 | -38 | +7 |
| ----- | | | | |
| 2 Year Swap % | | | | |
| US | 4.77 | -7 | -33 | +9 |
| Eurozone | 3.34 | -7 | -20 | -5 |
| UK | 4.91 | -7 | -25 | +23 |
| ----- | | | | |
| 10 Year Government Bond Spreads to Benchmark bps | | | | |
| Ireland | 40 | +1 | -4 | -18 |
| | | | | |
| Belgium | 61 | -0 | -5 | -3 |
| France | 57 | +0 | -6 | +2 |
| Italy | 175 | -2 | -17 | -39 |
| Spain | 100 | -0 | -8 | -9 |
| | | | | |
| Portugal | 68 | +1 | -1 | -36 |
| Greece | 122 | -6 | -19 | -81 |

Commodities

| | % Change | | | |
|----------------|----------|-------|---------|--------|
| | Close | Day | 4 Weeks | End 22 |
| Brent Oil | 83.1 | +1.74 | -1.81 | -3.27 |
| West Texas Oil | 77.56 | +1.93 | -4.31 | -3.24 |
| Gold \$ | 2044.6 | +0.18 | +3.15 | +12.07 |

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