

US CPI inflation due later today

Investor sentiment was somewhat cautious across financial markets yesterday. On equity markets, the Euro Stoxx 50 shed 0.6%. Meanwhile, at the closing bell on Wall Street, the S&P 500 finished the day down 0.7%. On bond markets, benchmark sovereign yields edged 2-4bps lower, but remained well within their recent ranges.

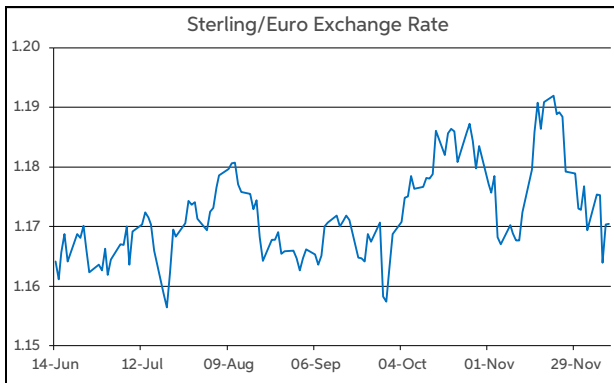
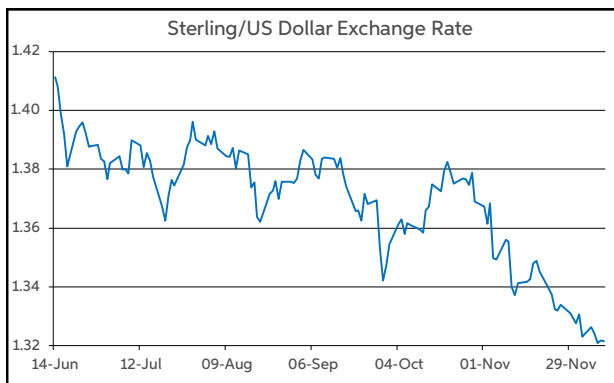
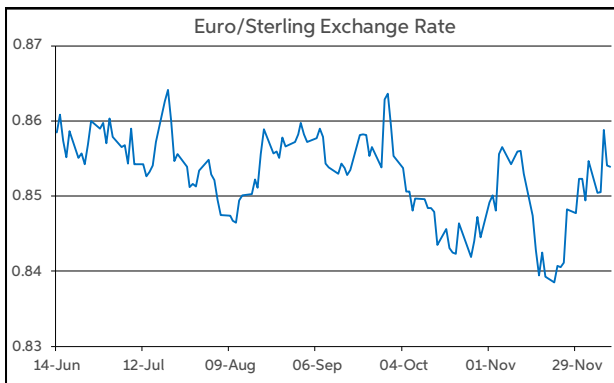
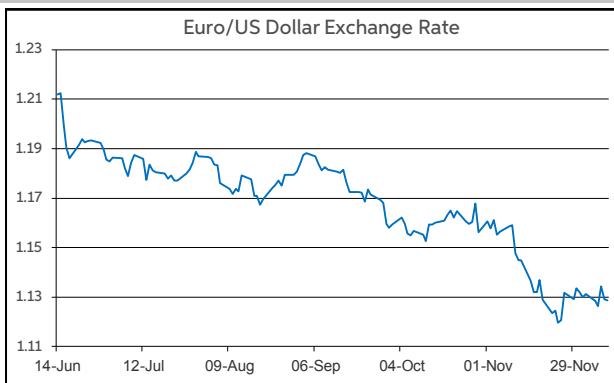
On the currency front, the main FX pairs were confined to narrow trading bands on the exchanges. A sparse data schedule on both sides of the Atlantic likely contributed to the muted action. Of the limited moves to register, the euro handed back some of its gains from earlier in the week amid the risk averse tone to investor sentiment yesterday.

Already this morning, data from the UK shows that GDP rose by just 0.1% in October, well below the consensus (+0.5% f'cast). Industrial production also printed below the forecast, falling by 0.6% (+0.1% f'cast). However, the release has not impacted sterling so far in early trading.

As the European session gets underway, the softer tone to the euro is evidenced by EUR/USD opening back below the \$1.13 threshold. Meantime, EUR/GBP is operating down below the midpoint of 85-86p. GBP/USD continues to change hands around the \$1.32 handle.

Later today, US CPI inflation data (November) are due. Both the headline and core rates are forecast to rise further from already elevated levels (both measures are at 30 year highs). Elsewhere in the US, consumer sentiment (December) is expected to remain subdued.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1287	-0.34	-7.58
EUR/GBP	0.8541	-0.38	-4.43
GBP/USD	1.3214	0.06	-3.36
GBP/EUR	1.1706	0.39	4.64
USD/JPY	113.58	-0.04	10.02
EUR/JPY	128.21	-0.37	1.62

* 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	0.125	0.10	0.20	0.45	0.94	1.41
EUR	0.00	-0.57	-0.57	-0.49	-0.35	-0.11
GBP	0.10	0.06	0.09	0.67	0.98	1.09

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

CONTACTS

AIB Customer Treasury Services
business.treasury@aib.ie
aib.corporate@treasury@aib.ie
aib.ie/fxcentre

Customer Treasury Services GB
treasury.gb@aib.ie
aibgb.co.uk/fxcentre

Customer Treasury Services NI
TreasuryNI@aib.ie
aibni.co.uk/fxcentre

Opening Levels

Friday 10 December 2021
07:45 am



Euro

EUR/GBP	0.8541
EUR/USD	1.1287
EUR/JPY	128.21
EUR/SEK	10.2423
EUR/DKK	7.436
EUR/NOK	10.1615
EUR/CHF	1.044
EUR/AUD	1.5791
EUR/HKD	8.8046
EUR/CAD	1.4356

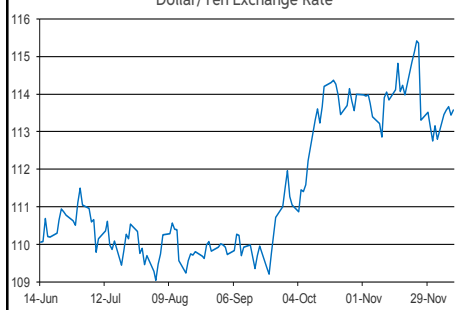
Sterling

GBP/EUR	1.1705
GBP/USD	1.3214
GBP/CAD	1.6808
GBP/NZD	1.9482
GBP/JPY	150.08
GBP/SEK	11.9896
GBP/DKK	8.7039
GBP/NOK	11.8986
GBP/CHF	1.2222
GBP/AUD	1.8488

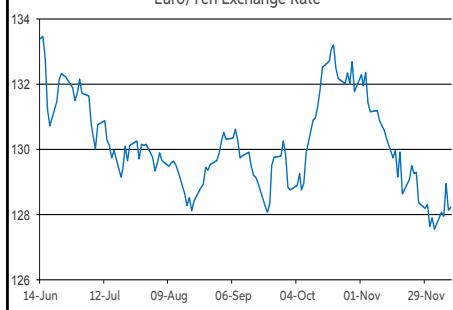
Dollar

USD/JPY	113.58
USD/CAD	1.2718
USD/CHF	0.9247
USD/CNY	6.3653
USD/BRL	5.5727
USD/RUB	73.6561
USD/INR	75.785
AUD/USD	0.7147
NZD/USD	0.678

Dollar/Yen Exchange Rate

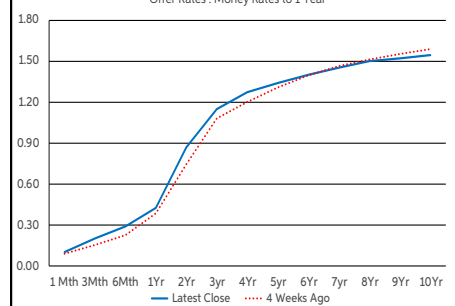


Euro/Yen Exchange Rate



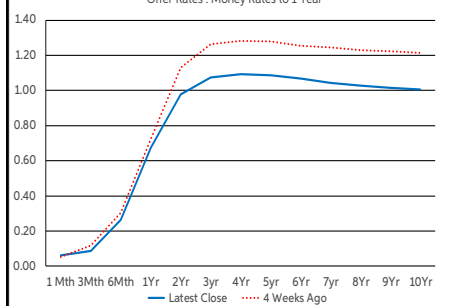
US Swap Curve

Offer Rates : Money Rates to 1 Year



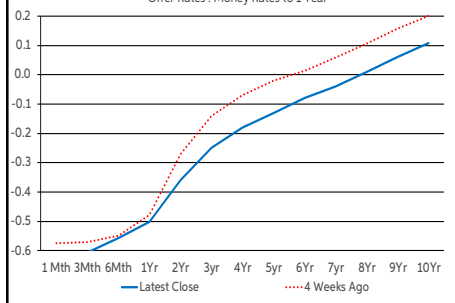
UK Swap Curve

Offer Rates : Money Rates to 1 Year

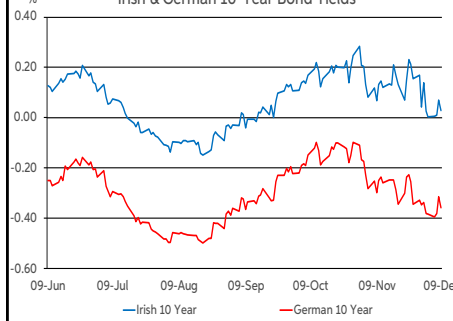


Eurozone Swap Curve

Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



Debt Markets

	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.50	-3	-7	+58
Germany	-0.35	-4	-13	+22
UK	0.76	-2	-17	+56
5 Year Swap %				
US	1.34	-1	+6	+92
Eurozone	-0.13	-4	-10	+33
UK	1.09	-2	-18	+90
2 Year Swap %				
US	0.87	-0	+15	+68
Eurozone	-0.36	-2	-8	+17
UK	0.98	-1	-14	+95
10 Year Government Bond Spreads to Benchmark bps				
Ireland	45	-0	+1	+18
Belgium	34	+0	+1	+14
France	35	+0	-0	+12
Italy	135	+1	+16	+26
Spain	73	+1	+3	+10
Portugal	67	+1	+5	+4
Greece	173	+5	+31	+53

Commodities

	Close	% Change		
		Day	4 Weeks	End 20
Brent Oil	74.42	-1.85	-10.20	+43.67
West Texas Oil	70.87	-2.15	-13.01	+46.58
Gold \$	1774.5	-0.43	-4.68	-6.43

This publication is for information purposes and is not an invitation to deal. The information is believed to be reliable but is not guaranteed. Any expressions of opinions are subject to change without notice. This publication is not to be reproduced in whole or in part without prior permission. In the Republic of Ireland it is distributed by Allied Irish Banks, p.l.c. In the UK it is distributed by Allied Irish Banks, p.l.c. and Allied Irish Bank (GB). In Northern Ireland it is distributed by Allied Irish Bank (NI). In the United States of America it is distributed by Allied Irish Banks, p.l.c. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland. Allied Irish Bank (GB) and AIB (NI) are trade marks used under licence by AIB Group (UK) p.l.c. (a wholly owned subsidiary of Allied Irish Banks, p.l.c.), incorporated in Northern Ireland. Registered Office 92 Ann Street, Belfast BT1 3HH. Registered Number NI018800. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In the United States of America, Allied Irish Banks, p.l.c., New York Branch, is a branch licensed by the New York State Department of Financial Services. Deposits and other investment products are not FDIC insured, they are not guaranteed by any bank and they may lose value. Please note that telephone calls may be recorded in line with market practice.