

## Dollar slightly weaker

The more positive tone to investor sentiment continued on financial markets yesterday, as three separate reports suggested that the Omicron variant may result in less severe illness than previous variants of the virus. Equity markets on both sides of the Atlantic rallied late on to finish up by 1%.

Meanwhile, on bond markets, yields were confined to very narrow ranges, but finished the day 1-3bps higher across the board. Oil prices continued to edge higher also, closing around \$75bbl yesterday, following some heavy losses earlier in the week.

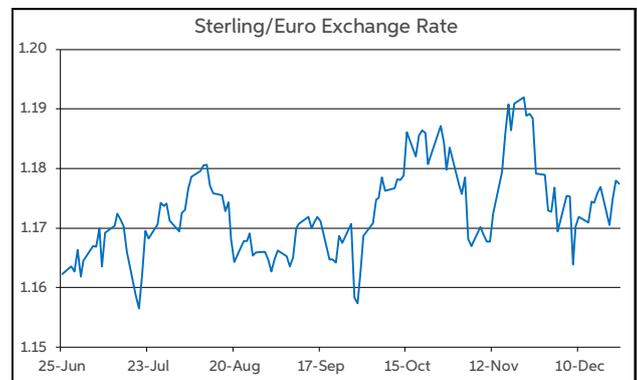
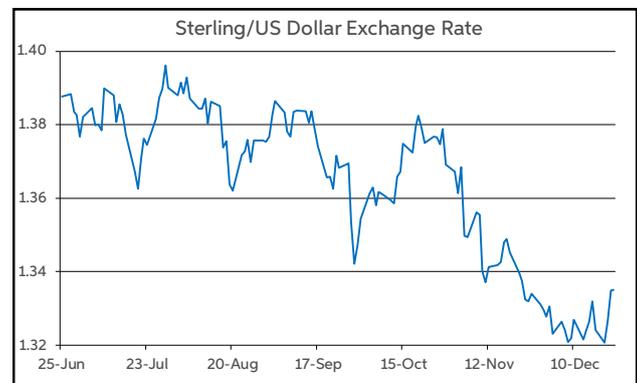
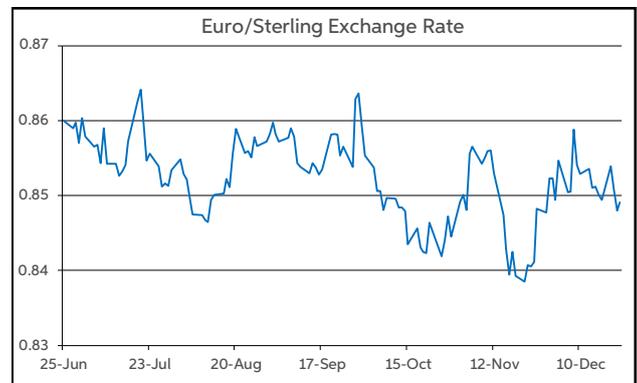
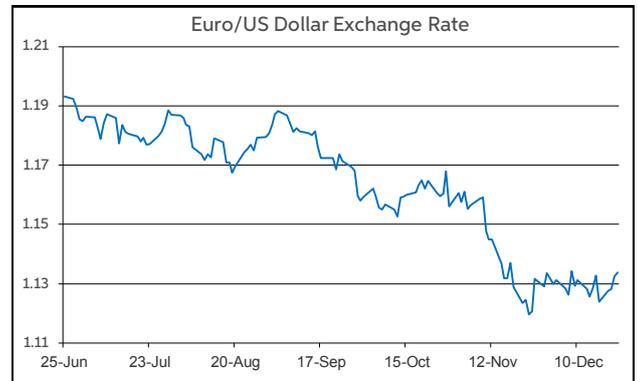
Currency-wise, the dollar was under some modest pressure amid thin trading volumes in the run-up to Christmas. The greenback fell by 0.6% against the euro, and by 0.8% versus sterling. Elsewhere, sterling was holding a slightly firmer tone against the euro also.

In level terms, the weaker dollar tone sees EUR/USD changing hands up above \$1.13, towards the halfway mark of \$1.13-1.14. Meantime, GBP/USD is operating up at the midpoint of the \$1.33-1.34 range. EUR/GBP is trading just below the 85p threshold.

Ahead today, the only releases of interest are from the US once again. Core-PCE inflation is forecast to rise to 4.5% in November from 4.1% in October. Meantime, the latest consumption and income data are projected to show another month of solid growth in personal income (+0.4%) and spending (+0.6%) in November.

Finally, this is our last Morning Comment of 2021. Our next publication will be on Tuesday 4th of January 2022. We would like to take this opportunity to wish all our readers a Merry Christmas, and a safe and prosperous 2022.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1335	0.57	-7.19
EUR/GBP	0.849	-0.18	-5.00
GBP/USD	1.3352	0.78	-2.35
GBP/EUR	1.1775	0.18	5.27
USD/JPY	114.2	0.07	10.62
EUR/JPY	129.46	0.65	2.62

\* 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	0.22	0.51	0.92	1.34
EUR	0.00	-0.61	-0.59	-0.50	-0.33	-0.05
GBP	0.10	0.18	0.23	0.87	1.20	1.27

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

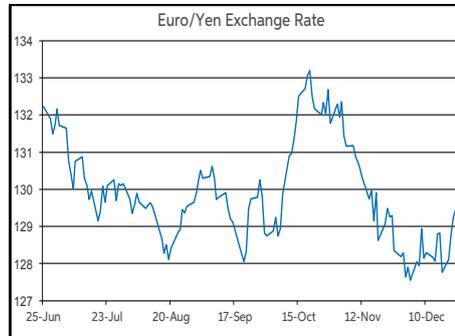
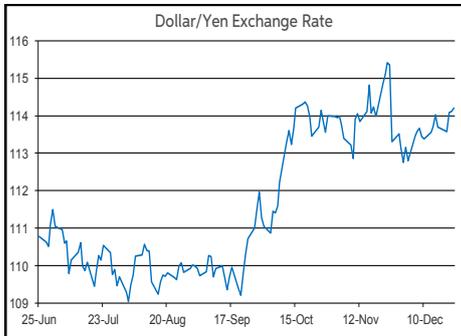
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# Opening Levels

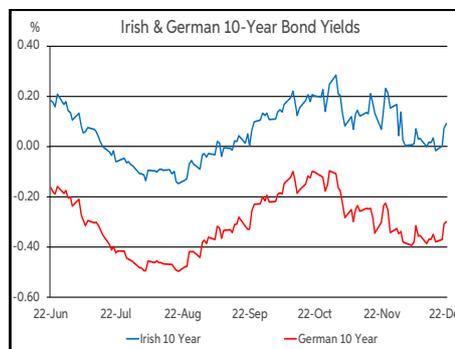
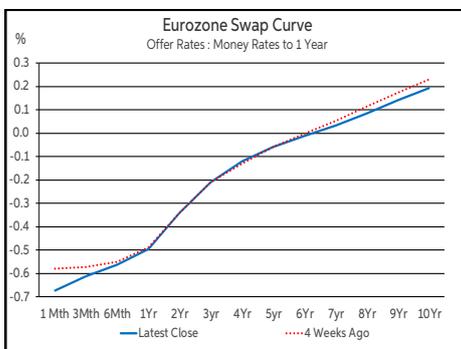
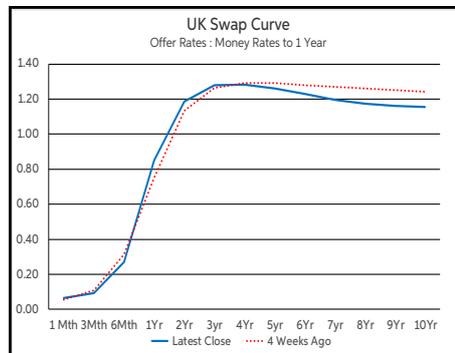
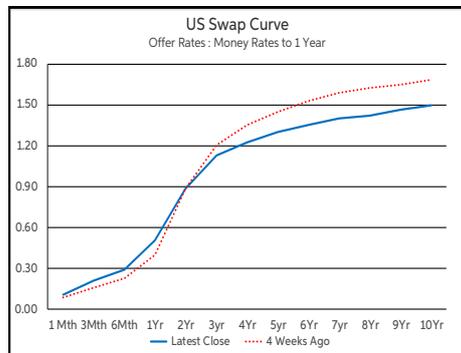
Thursday 23 December 2021  
07:20 am



Euro		Sterling		Dollar	
EUR/GBP	0.849	GBP/EUR	1.1775	USD/JPY	114.2
EUR/USD	1.1335	GBP/USD	1.3352	USD/CAD	1.2832
EUR/JPY	129.46	GBP/CAD	1.7134	USD/CHF	0.9192
EUR/SEK	10.2928	GBP/NZD	1.9585	USD/CNY	6.3705
EUR/DKK	7.4361	GBP/JPY	152.48	USD/BRL	5.654
EUR/NOK	10.0554	GBP/SEK	12.122	USD/RUB	73.4086
EUR/CHF	1.0419	GBP/DKK	8.7562	USD/INR	75.313
EUR/AUD	1.5706	GBP/NOK	11.843	AUD/USD	0.7215
EUR/HKD	8.8411	GBP/CHF	1.2273	NZD/USD	0.6815
EUR/CAD	1.4549	GBP/AUD	1.8497		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
<b>10 Year Yield %</b>				
US	1.45	-1	-19	+54
Germany	-0.29	+1	-7	+28
UK	0.89	+1	-11	+69
<b>5 Year Swap %</b>				
US	1.30	+0	-12	+88
Eurozone	-0.06	+3	+1	+40
UK	1.26	+3	-2	+107
<b>2 Year Swap %</b>				
US	0.89	+1	+3	+69
Eurozone	-0.34	+1	+1	+19
UK	1.19	+2	+6	+116
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	45	+1	-4	+18
Belgium	36	+0	+1	+17
France	37	+1	+1	+14
Italy	135	+3	+5	+25
Spain	77	+0	+1	+14
Portugal	66	+1	-1	+2
Greece	160	+2	+1	+40



Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	75.29	+1.77	-8.46	+45.35
West Texas Oil	72.82	+2.42	-7.02	+50.61
Gold \$	1803.4	+0.84	+0.83	-4.91

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