

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%.

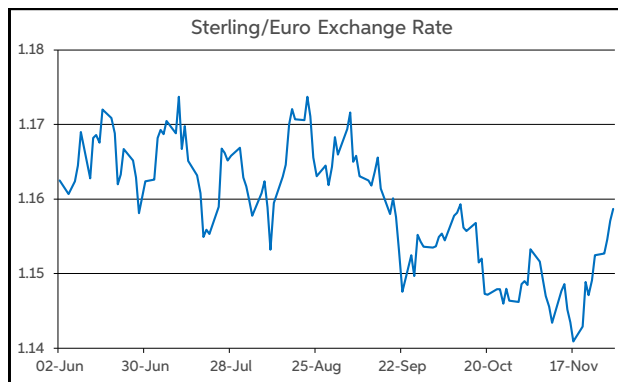
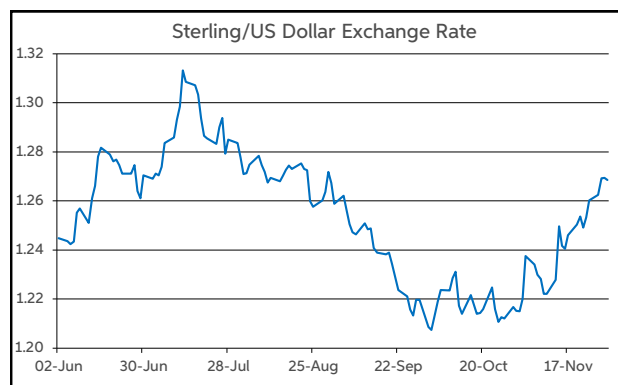
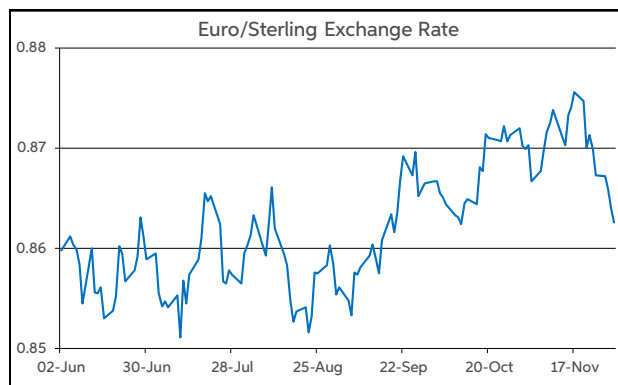
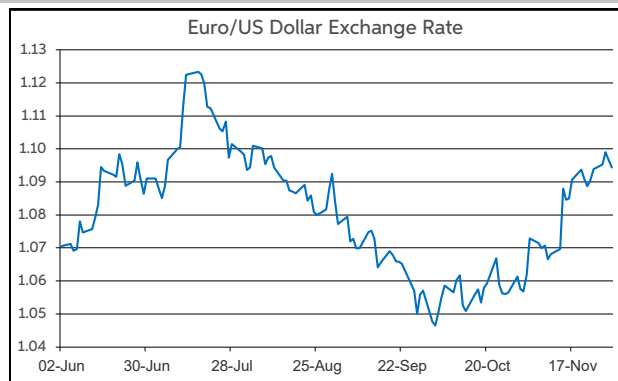
Data-wise, the flash estimate of German HICP showed inflation eased to 2.3% in November (vs. 2.6% f'cast). Meanwhile, US GDP was revised higher to 5.2% annualised in Q3 from 4.9% previously. Elsewhere, on the data front, the Eurozone EC sentiment indices printed broadly in-line with expectations, remaining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

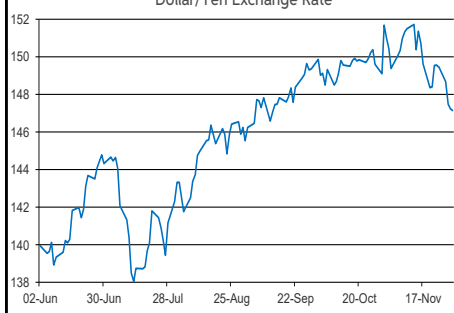
Sterling

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

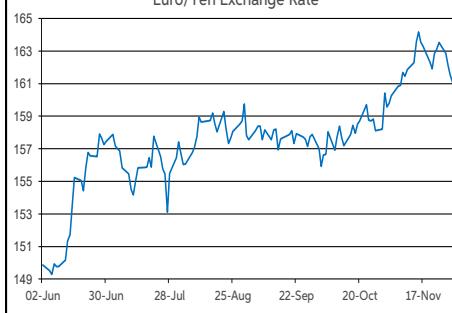
Dollar

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

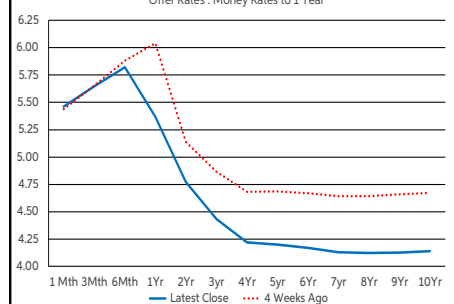


Euro/Yen Exchange Rate



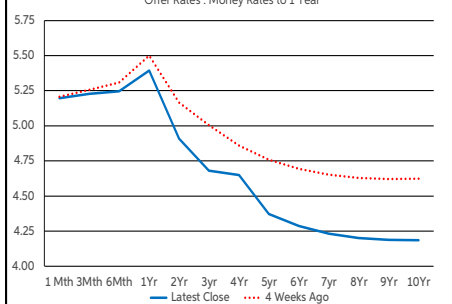
US Swap Curve

Offer Rates : Money Rates to 1 Year



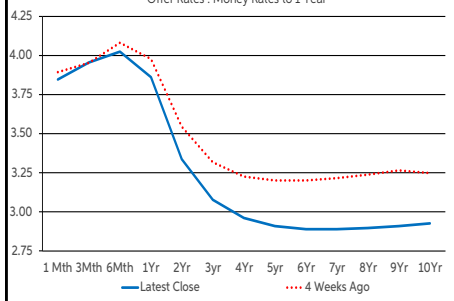
UK Swap Curve

Offer Rates : Money Rates to 1 Year

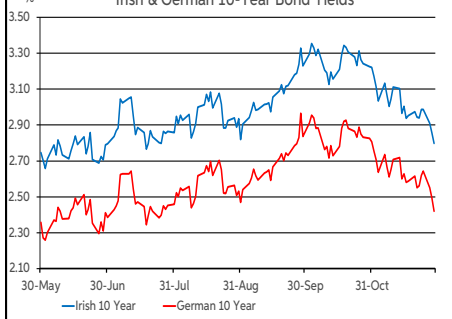


Eurozone Swap Curve

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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