

Flash PMIs due today

Trading conditions remained relatively calm across financial markets yesterday. A sparse data schedule has contributed to the limited price action over the past 24 hours. Against this backdrop, the Euro Stoxx 50 gained 0.6%. Meantime on Wall Street, the S&P rose by 0.4%.

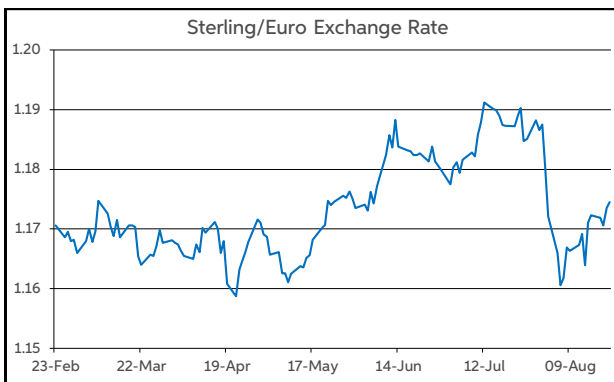
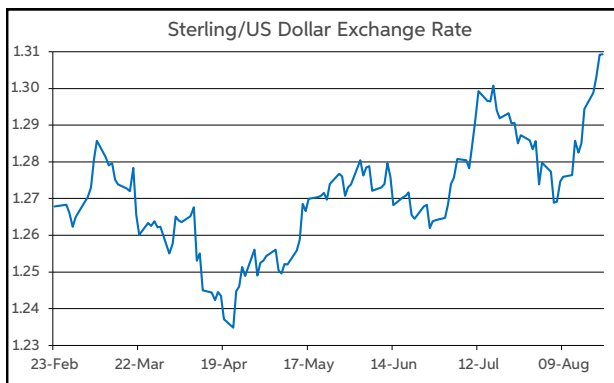
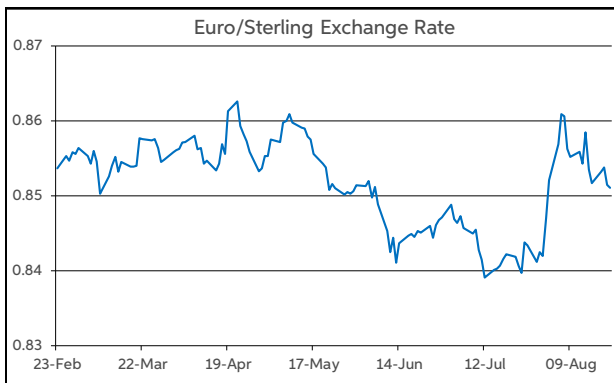
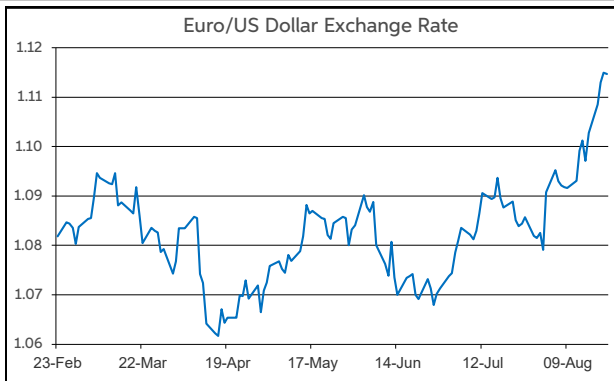
Overnight, the Fed released its latest FOMC meeting minutes from July. The minutes struck a dovish tone, highlighting that the “vast majority” of officials think “it would likely be appropriate to ease policy at the next meeting”. Thus, the minutes appear to have validated market expectations for a rate cut in September.

On the currency front, there was a firmer tone to sterling yesterday. Meantime, the dollar was under some downward pressure overnight, following the release of the dovish FOMC meeting minutes. Against this backdrop, both EUR/USD and GBP/USD registered fresh year-to-date highs, of \$1.1174 and \$1.3119, respectively.

As trading gets underway this morning, EUR/USD opens at the midpoint of the \$1.11-1.12 corridor. Elsewhere, GBP/USD is operating just below the \$1.31 threshold. Meanwhile, EUR/GBP is in the bottom half of the 85-86p range.

Turning to the day ahead, the main releases of note will be the flash PMIs for August in the Eurozone, UK and US. Across the board, the services sector is expected to outperform manufacturing in the month. Crucially though, the former is set to remain in contraction mood in the Eurozone and US, but in expansion territory in the UK. On the monetary policy front, the ECB meeting account from July will also garner some attention.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.1147	0.25	1.01
EUR/GBP	0.8511	-0.27	-1.81
GBP/USD	1.3093	0.51	2.86
GBP/EUR	1.1745	0.27	1.84
USD/JPY	145.23	-0.30	2.96
EUR/JPY	161.89	-0.05	4.02

* 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	5.43	5.38	4.52	3.99	3.65
EUR	4.25	3.59	3.54	3.05	2.66	2.44
GBP	5.00	4.94	4.87	4.46	4.30	3.91

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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Euro

EUR/GBP	0.8511
EUR/USD	1.1147
EUR/JPY	161.89
EUR/SEK	11.3651
EUR/DKK	7.4631
EUR/NOK	11.7113
EUR/CHF	0.9483
EUR/AUD	1.6523
EUR/HKD	8.6862
EUR/CAD	1.5136

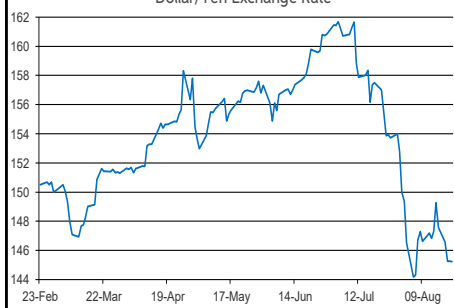
Sterling

GBP/EUR	1.1745
GBP/USD	1.3093
GBP/CAD	1.7778
GBP/NZD	2.1255
GBP/JPY	190.15
GBP/SEK	13.345
GBP/DKK	8.7634
GBP/NOK	13.7556
GBP/CHF	1.1135
GBP/AUD	1.9411

Dollar

USD/JPY	145.23
USD/CAD	1.3579
USD/CHF	0.8507
USD/CNY	7.1317
USD/BRL	5.4831
USD/RUB	91.85
USD/INR	83.927
AUD/USD	0.6743
NZD/USD	0.6158

Dollar/Yen Exchange Rate

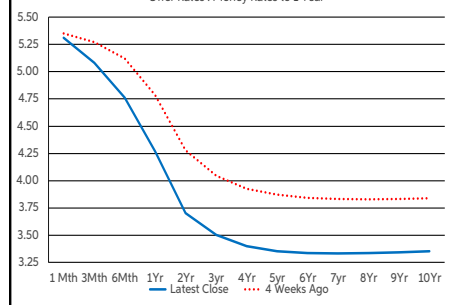


Euro/Yen Exchange Rate



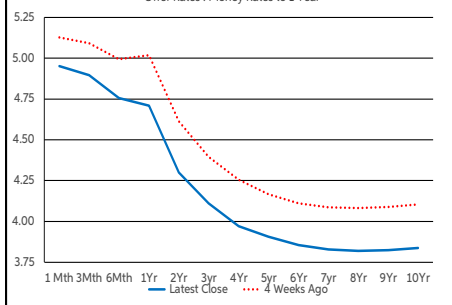
US Swap Curve

Offer Rates : Money Rates to 1 Year



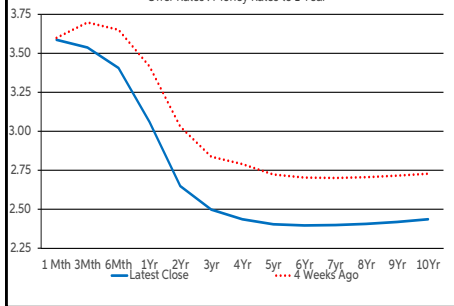
UK Swap Curve

Offer Rates : Money Rates to 1 Year

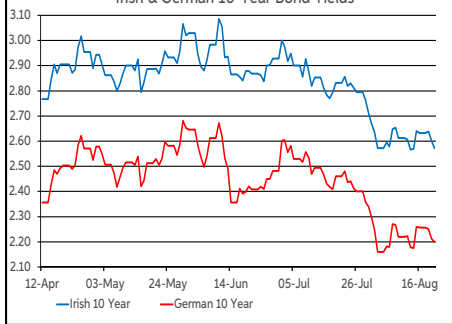


Eurozone Swap Curve

Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



Debt Markets

	Close	Change bps		
		Day	4 Weeks	End 23
10 Year Yield %				
US	3.78	-4	-51	-8
Germany	2.20	-1	-24	+17
UK	3.89	-3	-27	+35
Ireland	2.60	-4	-25	+23
Belgium	2.79	-2	-22	+10
France	2.91	-4	-24	+35
Italy	3.57	-3	-23	-13
Spain	3.01	-3	-25	+2
Portugal	2.80	-3	-29	+1
Greece	3.28	-2	-20	+21
5 Year Swap %				
US	3.61	-3	-51	-18
Eurozone	2.41	-4	-31	-2
UK	3.91	-3	-26	+26
2 Year Swap %				
US	3.97	-6	-57	-36
Eurozone	2.65	-5	-38	-15
UK	4.30	-4	-31	+4
10 Year Government Bond Spreads to Benchmark bps				
Ireland	40	-2	-1	+6
Belgium	59	-0	+2	-7
France	71	-2	+0	+18
Italy	136	-2	+1	-31
Spain	81	-2	-1	-16
Portugal	60	-2	-5	-16
Greece	108	-1	+4	+3

Commodities

	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	76.05	-1.49	-6.93	-1.29
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2511.9	-0.07	+4.77	+21.79

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