

Fed meeting decision due after the close in Europe

Equity markets moved higher on both sides of the Atlantic, despite choppy trading conditions yesterday. The Euro Stoxx 50 gained 0.8%, while the S&P 500 rose by 0.6%. Throughout the day, a number of key Eurozone and US data releases impacted sentiment. Investors also continued to digest the BoJ decision to tweak its yield curve control policy.

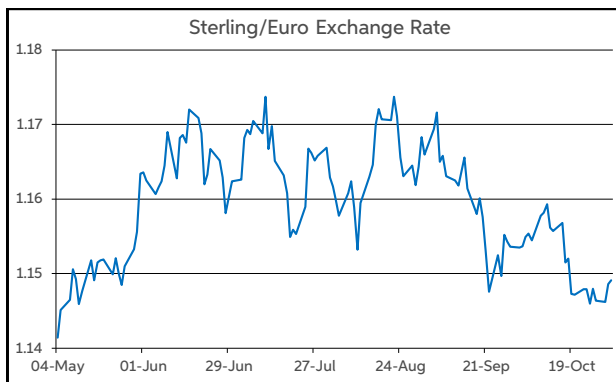
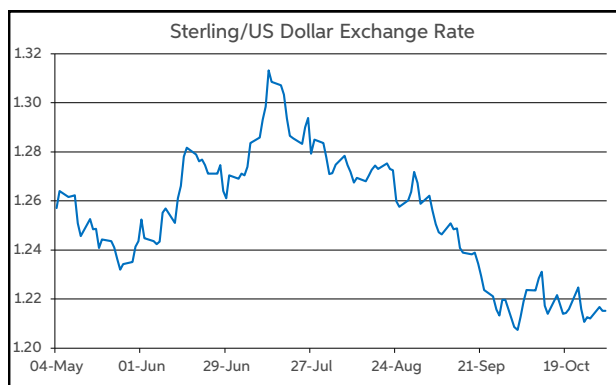
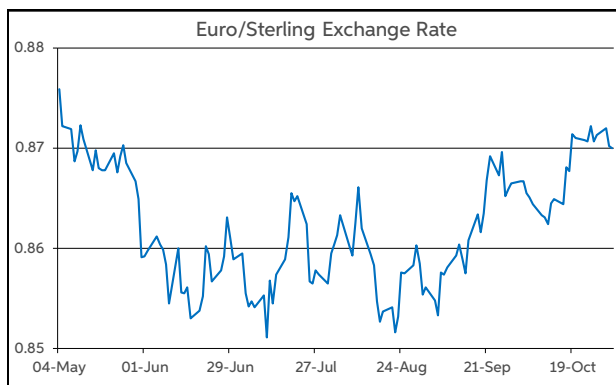
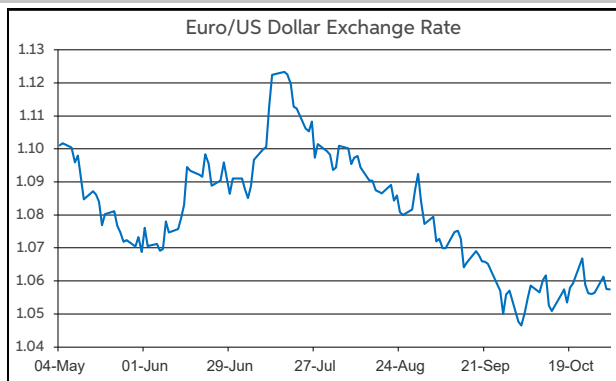
Data-wise, the first reading of Eurozone Q3 GDP showed the economy contracted by 0.1% q/q. Meantime, flash HICP inflation eased to 2.9% in October (vs. 3.1% f'cast). The core rate declined to 4.2% from 4.5% also, in-line with expectations. In the US, the wages component of the employment cost index rose by 1.2% in Q3, up from 1% in Q2. At the same time, the conference board measure of consumer confidence printed at 102.6 in October (vs. 100 f'cast).

Against the backdrop of negative growth and cooling inflation the euro was under some downward pressure yesterday. Elsewhere, the yen remained on the defensive, with USD/JPY trading to a fresh YTD high of ¥151.7.

In level terms, EUR/USD opens this morning down in the \$1.05-1.06 range, having briefly traded up near \$1.068 yesterday. EUR/GBP is back at the 87p mark also. GBP/USD continues to operate at the midpoint of \$1.21-1.22. Meanwhile, USD/JPY remains above ¥151.

Today, the macro calendar is very much US centric, with JOLTS job openings (Sep) and the manufacturing ISM (October) due for release. However, the Fed policy announcement (after the close in Europe) will be the highlight. The Fed is widely expected to leave interest rates unchanged, but remarks from Chair Powell at the press conference will garner close attention.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.0573	-0.23	-1.21
EUR/GBP	0.8698	-0.30	-1.65
GBP/USD	1.2151	0.02	0.45
GBP/EUR	1.149	0.30	1.68
USD/JPY	151.27	0.70	15.38
EUR/JPY	159.98	0.48	14.03

* 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	5.64	5.66	5.27	4.84
EUR	4.50	3.89	3.97	4.01	3.61	3.29
GBP	5.25	5.19	5.24	5.28	5.18	4.79

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

Wednesday 01 November 2023
07:16 am



Euro

EUR/GBP	0.87
EUR/USD	1.0574
EUR/JPY	159.98
EUR/SEK	11.8157
EUR/DKK	7.4642
EUR/NOK	11.8128
EUR/CHF	0.9606
EUR/AUD	1.6666
EUR/HKD	8.2729
EUR/CAD	1.4662

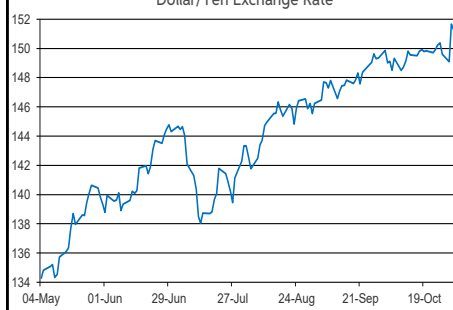
Sterling

GBP/EUR	1.1491
GBP/USD	1.2152
GBP/CAD	1.6851
GBP/NZD	2.0876
GBP/JPY	183.82
GBP/SEK	13.5766
GBP/DKK	8.577
GBP/NOK	13.5816
GBP/CHF	1.104
GBP/AUD	1.916

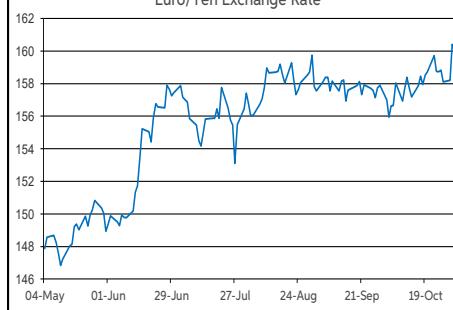
Dollar

USD/JPY	151.27
USD/CAD	1.3865
USD/CHF	0.9084
USD/CNY	7.319
USD/BRL	5.0354
USD/RUB	93.52
USD/INR	83.27
AUD/USD	0.6342
NZD/USD	0.5821

Dollar/Yen Exchange Rate

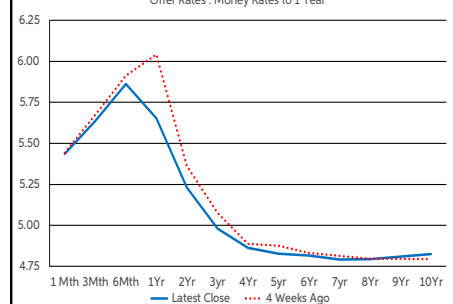


Euro/Yen Exchange Rate



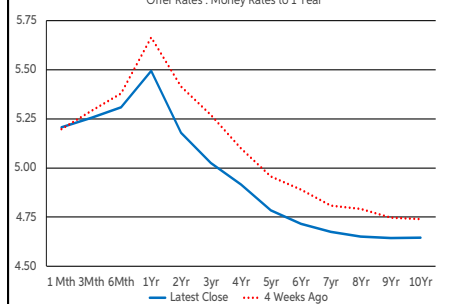
US Swap Curve

Offer Rates : Money Rates to 1 Year



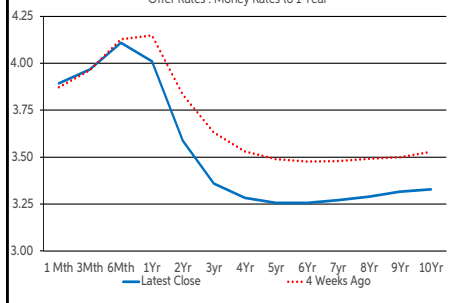
UK Swap Curve

Offer Rates : Money Rates to 1 Year

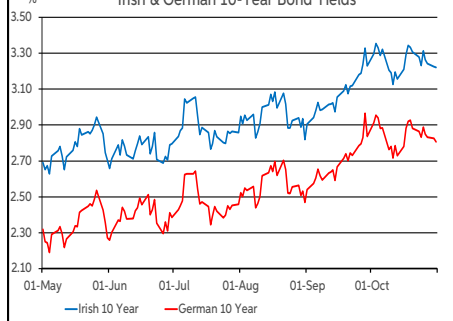


Eurozone Swap Curve

Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



Debt Markets

	Close	Day	4 Weeks	End 22
10 Year Yield %				
US	4.93	+4	+13	+105
Germany	2.81	-2	-15	+25
UK	4.52	-5	-8	+85
Ireland	3.25	+0	-12	+11
Belgium	3.46	-4	-17	+26
France	3.43	-1	-10	+32
Italy	4.73	-1	-21	+2
Spain	3.89	-1	-18	+23
Portugal	3.51	-1	-18	-9
Greece	4.16	+1	-27	-43
5 Year Swap %				
US	4.83	+3	-1	+83
Eurozone	3.26	-2	-22	+3
UK	4.78	-3	-12	+48
2 Year Swap %				
US	5.23	+5	-9	+56
Eurozone	3.59	-2	-24	+20
UK	5.18	-0	-23	+50
10 Year Government Bond Spreads to Benchmark bps				
Ireland	45	+2	+2	-14
Belgium	65	-2	-2	+1
France	62	+1	+4	+7
Italy	192	+0	-6	-22
Spain	108	+0	-3	-2
Portugal	70	+1	-3	-34
Greece	135	+3	-12	-68

Commodities

	Close	Day	4 Weeks	End 22
% Change				
Brent Oil	87.41	-0.05	-3.86	+1.75
West Texas Oil	81.64	-1.67	-8.54	+1.85
Gold \$	1982.7	-0.66	+8.77	+8.68

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