

US elections and Fed/BoE decisions in focus

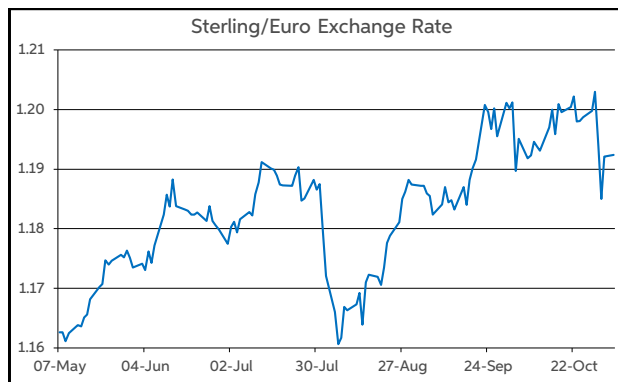
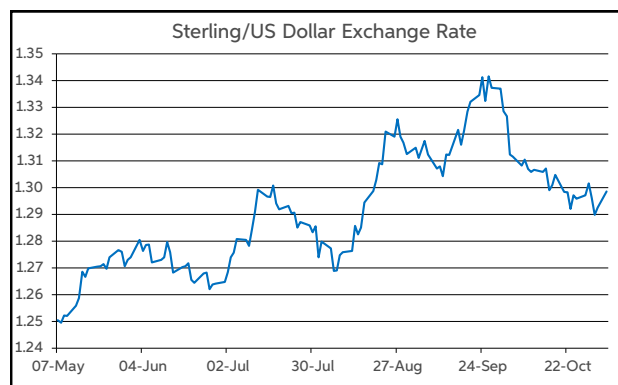
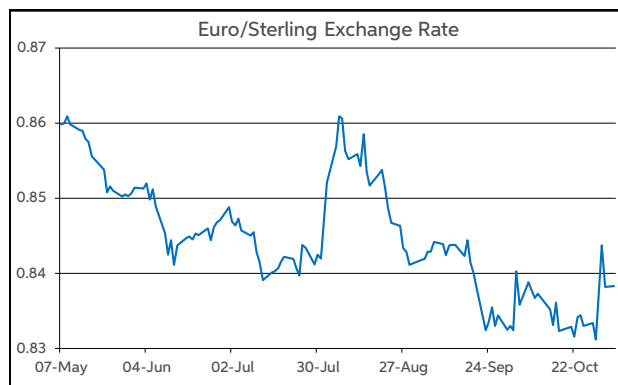
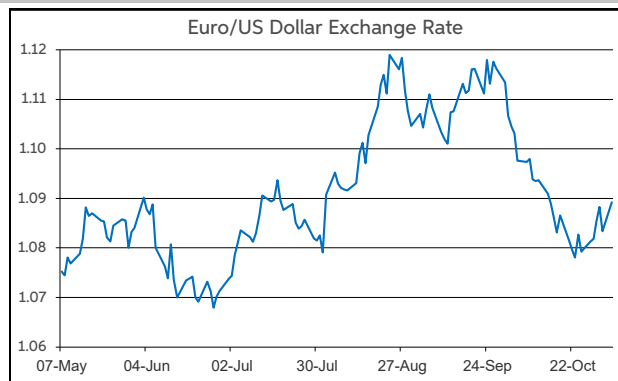
Last week was very busy on financial markets. A jam-packed data calendar included updates on inflation and GDP in the Eurozone and US. Inflation printed a touch above the consensus in both regions. At the same time, growth in Q3 accelerated but remained modest in the Eurozone, while it slowed slightly but stayed robust in the US. Meanwhile, payrolls expanded by just 12k in October, although this figure was distorted by hurricanes and strikes. Nevertheless, US futures contracts softened somewhat in the aftermath of the labour market data.

In the UK, the main focus was on the Budget. The announcement included a number of tax hikes, spending increases and plans for higher borrowing. The Budget coincided with some volatility on markets. UK futures contracts firmed, with fewer rate cuts now priced-in between now and end-2025. Meantime, UK Gilt yields rose by 20-30bps last week, compared to more modest moves higher in German Bund and US Treasury yields of 5-15bps. Elsewhere, equity markets fell by over 1% on both sides of the Atlantic, following a number of disappointing Q3 earnings reports.

Against this backdrop, the euro moved 0.8% higher versus sterling and the dollar last week. As trading gets underway this morning, EUR/USD is up near the \$1.09 threshold. EUR/GBP is in the top half of 83-84p, while GBP/USD is in the top half of \$1.29-1.30.

This week, the US elections results may cause some volatility on markets. Given the Presidential race is still too close to call, the final result may not be known for some time after the polls have closed. On the monetary policy front, both the Fed and BoE are expected to cut rates by 25bps. The post-meeting press conferences with Chair Powell and Governor Bailey will also be in the spotlight.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0892	0.19	-1.30
EUR/GBP	0.8383	-0.58	-3.29
GBP/USD	1.2985	0.74	2.01
GBP/EUR	1.192	0.58	3.40
USD/JPY	152.21	-0.22	7.90
EUR/JPY	165.79	-0.03	6.53

* 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	4.88	4.62	4.52	4.17	4.23	4.07
EUR	3.40	3.12	3.09	2.58	2.40	2.37
GBP	5.00	4.75	4.71	4.42	4.49	4.29

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

Monday 04 November 2024
07:21 am



Euro

EUR/GBP	0.8383
EUR/USD	1.0892
EUR/JPY	165.79
EUR/SEK	11.6406
EUR/DKK	7.4579
EUR/NOK	11.977
EUR/CHF	0.9427
EUR/AUD	1.6515
EUR/HKD	8.4665
EUR/CAD	1.515

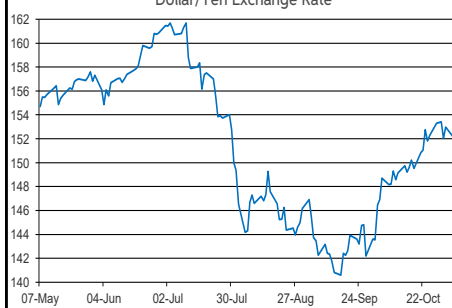
Sterling

GBP/EUR	1.192
GBP/USD	1.2985
GBP/CAD	1.8065
GBP/NZD	2.1672
GBP/JPY	197.64
GBP/SEK	13.8757
GBP/DKK	8.8931
GBP/NOK	14.2797
GBP/CHF	1.1238
GBP/AUD	1.9692

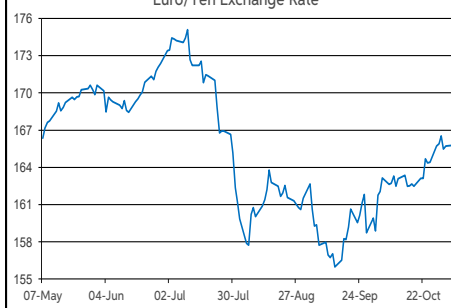
Dollar

USD/JPY	152.21
USD/CAD	1.3909
USD/CHF	0.8654
USD/CNY	7.0965
USD/BRL	5.8677
USD/RUB	97.7
USD/INR	84.111
AUD/USD	0.6594
NZD/USD	0.599

Dollar/Yen Exchange Rate

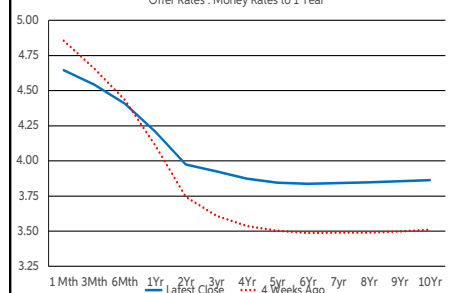


Euro/Yen Exchange Rate



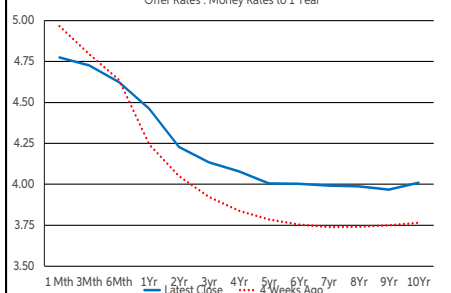
US Swap Curve

Offer Rates : Money Rates to 1 Year



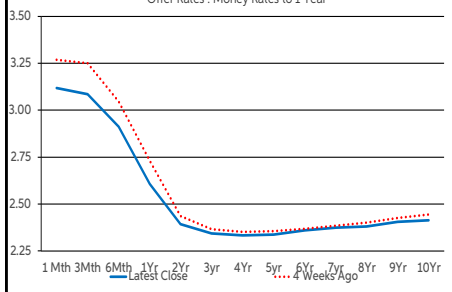
UK Swap Curve

Offer Rates : Money Rates to 1 Year

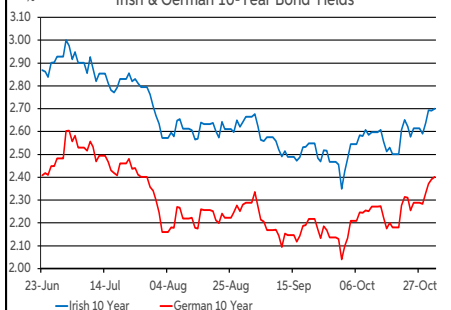


Eurozone Swap Curve

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	4.36	+8	+38	+50
Germany	2.41	+1	+19	+38
UK	4.45	-0	+31	+91
Ireland	2.74	+2	+18	+38
Belgium	3.01	+2	+17	+32
France	3.16	+3	+17	+60
Italy	3.69	+2	+17	-1
Spain	3.12	+1	+15	+13
Portugal	2.86	+4	+12	+7
Greece	3.30	-5	+12	+22
5 Year Swap %				
US	4.08	+4	+35	+29
Eurozone	2.34	-2	-1	-9
UK	4.27	-1	+25	+62
2 Year Swap %				
US	4.25	+5	+28	-8
Eurozone	2.39	+1	-3	-40
UK	4.46	-2	+20	+20
10 Year Government Bond Spreads to Benchmark bps				
Ireland	34	+1	-1	+0
Belgium	60	+1	-2	-6
France	76	+1	-2	+23
Italy	128	+1	-2	-39
Spain	71	+0	-4	-25
Portugal	46	+3	-7	-30
Greece	89	-6	-8	-16

Commodities

	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	73.1	-0.08	-6.34	-5.11
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2735.2	-0.32	+3.13	+32.61

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