

## EUR/USD opens above \$1.07

Last week was a hectic one on markets, as a number of key central bank meetings, significant data releases, and continued volatility on bond markets, impacted investor sentiment. Overall though, risk appetite was quite firm, with the Euro Stoxx 50 gaining 4.0% and the S&P rising by 5.9% on the week.

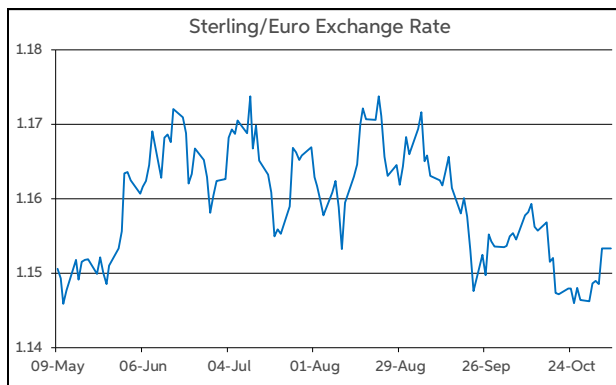
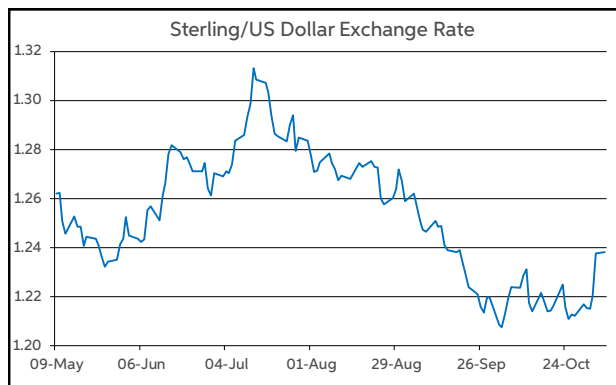
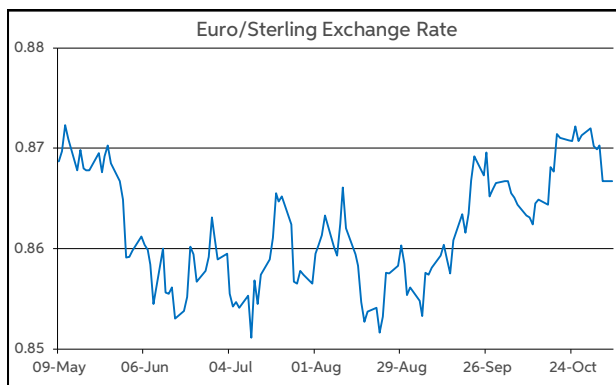
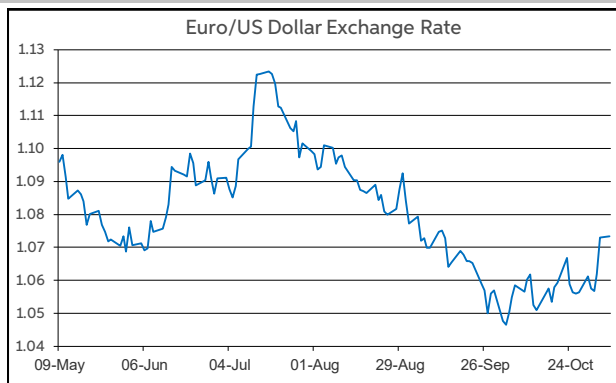
In terms of monetary policy, the BoJ tweaked yield curve control, by removing a pledge to defend the 1% upper bound on 10-year JGB's unconditionally. Elsewhere, as expected, the Fed and BoE kept interest rates unchanged. However, both left the door open to hiking rates again if required. Data-wise, Eurozone GDP contracted by 0.1% in Q3, and inflation eased in October. In the US, labour market figures for October showed conditions in the jobs sector moderated, with payrolls printing below the consensus.

Against this backdrop, futures contracts softened across the board. Current pricing indicates that markets have considerably reduced bets that either the Fed or BoE will raise rates again. Meanwhile, a greater magnitude of rate cuts are priced-in for 2024, especially in the US. The softening in rates coincided with sharp falls in bond yields, particularly at the long-end of the curves. 10-30 year benchmark yields finished the week down by 15-30bps.

On the currency front, both the yen and dollar were on the defensive. Elsewhere, sterling was holding a firmer tone. EUR/USD opens this morning up above \$1.07. EUR/GBP is below 87p. Meantime, GBP/USD is in the top half of \$1.23-1.24 also. EUR/JPY is operating above ¥160, having been below ¥158 last Monday.

This week, there is a quieter macro calendar. However, UK Q3 GDP, and remarks from a plethora of central bankers will be of interest.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.0734	1.00	0.30
EUR/GBP	0.8666	-0.45	-2.01
GBP/USD	1.2382	1.43	2.36
GBP/EUR	1.1531	0.45	2.05
USD/JPY	149.59	-0.43	14.10
EUR/JPY	160.59	0.54	14.46
* 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	5.44	5.64	5.50	5.02	4.56
EUR	4.50	3.88	3.96	3.96	3.51	3.14
GBP	5.25	5.18	5.23	5.22	5.07	4.57

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 06 November 2023  
07:16 am



## Euro

EUR/GBP	0.8666
EUR/USD	1.0734
EUR/JPY	160.59
EUR/SEK	11.6772
EUR/DKK	7.4608
EUR/NOK	11.8494
EUR/CHF	0.9629
EUR/AUD	1.6493
EUR/HKD	8.3943
EUR/CAD	1.4658

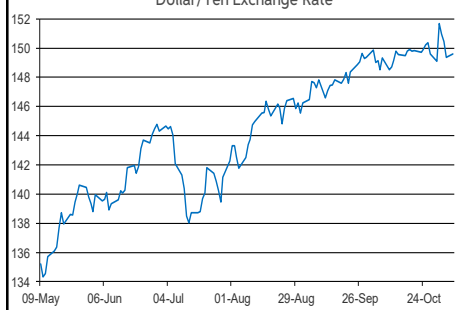
## Sterling

GBP/EUR	1.1531
GBP/USD	1.2382
GBP/CAD	1.6909
GBP/NZD	2.0663
GBP/JPY	185.22
GBP/SEK	13.4622
GBP/DKK	8.6063
GBP/NOK	13.662
GBP/CHF	1.1108
GBP/AUD	1.9029

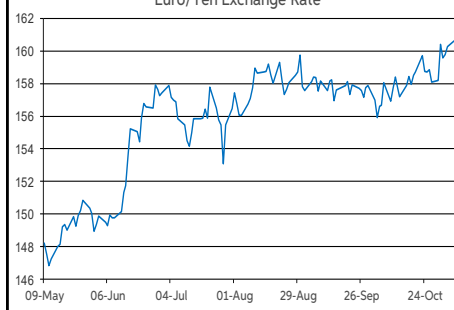
## Dollar

USD/JPY	149.59
USD/CAD	1.3655
USD/CHF	0.897
USD/CNY	7.283
USD/BRL	4.9007
USD/RUB	92.52
USD/INR	83.201
AUD/USD	0.6507
NZD/USD	0.5991

Dollar/Yen Exchange Rate

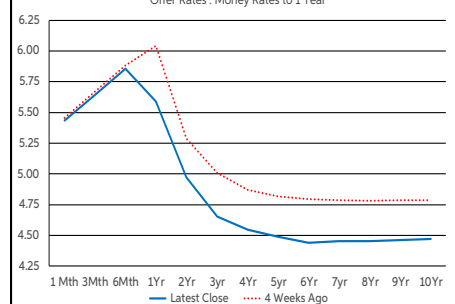


Euro/Yen Exchange Rate



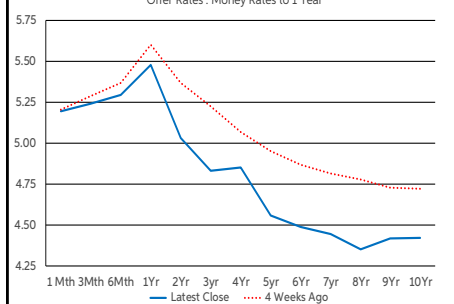
US Swap Curve

Offer Rates : Money Rates to 1 Year



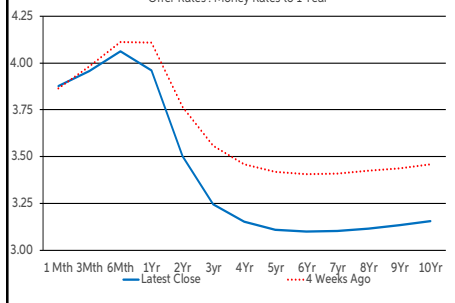
UK Swap Curve

Offer Rates : Money Rates to 1 Year

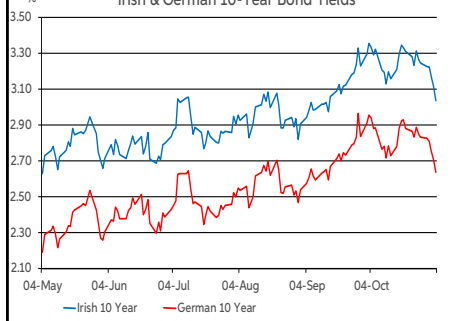


Eurozone Swap Curve

Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



## Debt Markets

	Close	Change bps		
		Day	4 Weeks	End 22
<b>10 Year Yield %</b>				
US	4.58	-8	-22	+70
Germany	2.64	-7	-25	+7
UK	4.29	-10	-29	+62
Ireland	3.09	-6	-27	-6
Belgium	3.27	-7	-31	+7
France	3.23	-7	-25	+12
Italy	4.45	-11	-48	-26
Spain	3.68	-8	-34	+2
Portugal	3.31	-9	-33	-29
Greece	3.97	-11	-47	-63
<b>5 Year Swap %</b>				
US	4.49	-14	-29	+49
Eurozone	3.11	-5	-30	-12
UK	4.56	-9	-39	+26
<b>2 Year Swap %</b>				
US	4.97	-12	-28	+30
Eurozone	3.50	-3	-25	+11
UK	5.03	-8	-33	+35
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	45	+1	-2	-13
Belgium	63	-0	-6	-1
France	60	-0	-0	+5
Italy	181	-4	-23	-33
Spain	104	-1	-9	-5
Portugal	67	-2	-8	-37
Greece	133	-4	-22	-70

## Commodities

	Close	% Change		
		Day	4 Weeks	End 22
Brent Oil	84.89	-2.26	+0.37	-1.19
West Texas Oil	81.19	-2.23	-1.98	+1.28
Gold \$	1992.3	+0.34	+8.73	+9.20

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