

## Quiet start to the week

There was a mixed tone to investor sentiment yesterday, amid a relatively quiet start to the week on financial markets. On equity markets, the Euro Stoxx 50 lost 0.4%. Meantime, at the closing bell on Wall Street, the S&P 500 was up 0.2%.

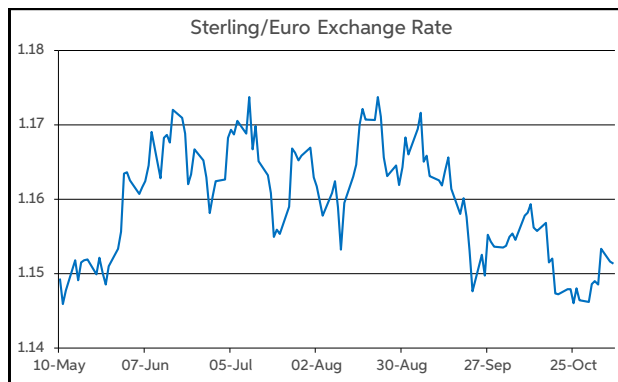
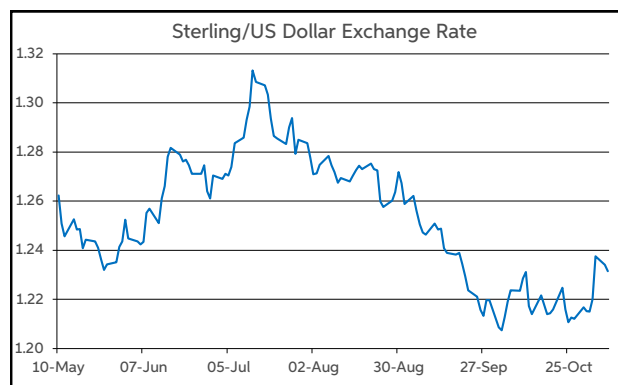
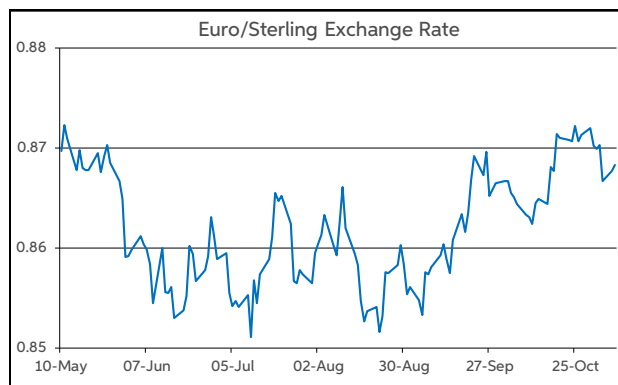
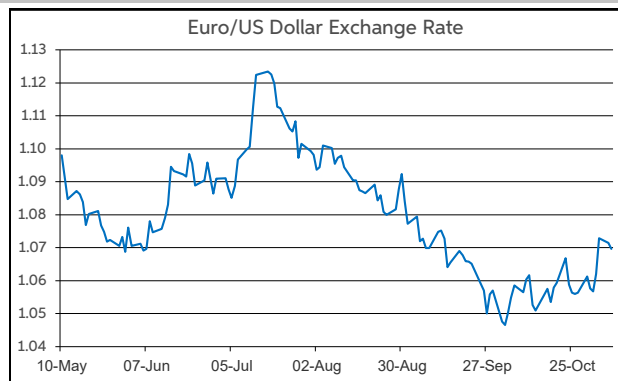
In terms of fixed income, sovereign yields moved higher across the board, reversing some of the significant declines seen last week. US Treasury yields rose by 4-6bps along the curve. However, the 10-year US yield is currently at 4.65%, well below its peak above 5% at the end of October. Elsewhere, German Bund and UK Gilt yields were 4-9bps higher, with the moves most pronounced at the long-end of the curve.

Currency-wise, the main FX pairs operated in narrow ranges. This was somewhat unsurprising given the lack of any top tier data releases yesterday. Of the limited moves to register, the dollar and the yen were slightly softer during the European session. However, overnight, the greenback recouped its losses, and gained the ascendancy, as markets reduced the amount of rate cuts priced-in for next year in the US by circa 10bps.

In level terms, EUR/USD opens this morning just below \$1.07. GBP/USD is operating in the bottom half of \$1.23-1.24. Elsewhere, EUR/GBP remains within the upper half of 86-87p. USD/JPY is above ¥150, while EUR/JPY is just below ¥161.

Turning to today, there is another sparse data schedule on both sides of the Atlantic. Eurozone producer price inflation for September will be the only release of note. However, barring any surprises, it is unlikely to impact the euro. Remarks from a number of Fed officials, though, could influence the dollar today.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.0695	-0.36	-0.07
EUR/GBP	0.8684	0.13	-1.81
GBP/USD	1.2315	-0.50	1.80
GBP/EUR	1.151	-0.13	1.84
USD/JPY	150.43	0.60	14.74
EUR/JPY	160.92	0.24	14.70

\* 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	5.52	5.07	4.61
EUR	4.50	3.88	3.96	3.97	3.54	3.18
GBP	5.25	5.18	5.23	5.24	5.09	4.62

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

Tuesday 07 November 2023  
07:17 am



## Euro

EUR/GBP	0.8684
EUR/USD	1.0695
EUR/JPY	160.92
EUR/SEK	11.7049
EUR/DKK	7.4577
EUR/NOK	11.8848
EUR/CHF	0.9636
EUR/AUD	1.663
EUR/HKD	8.3643
EUR/CAD	1.4689

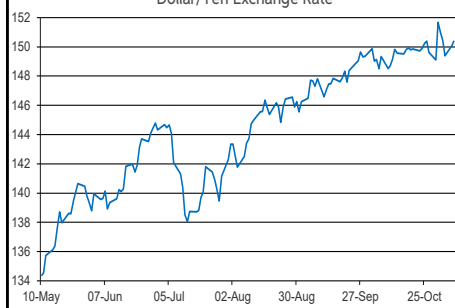
## Sterling

GBP/EUR	1.151
GBP/USD	1.2315
GBP/CAD	1.6914
GBP/NZD	2.0791
GBP/JPY	185.25
GBP/SEK	13.4721
GBP/DKK	8.5855
GBP/NOK	13.675
GBP/CHF	1.1095
GBP/AUD	1.9146

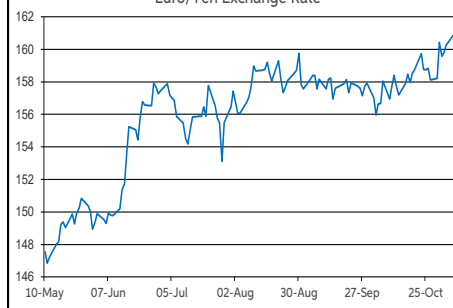
## Dollar

USD/JPY	150.43
USD/CAD	1.3734
USD/CHF	0.9008
USD/CNY	7.2823
USD/BRL	4.8853
USD/RUB	92.29
USD/INR	83.255
AUD/USD	0.643
NZD/USD	0.5921

Dollar/Yen Exchange Rate

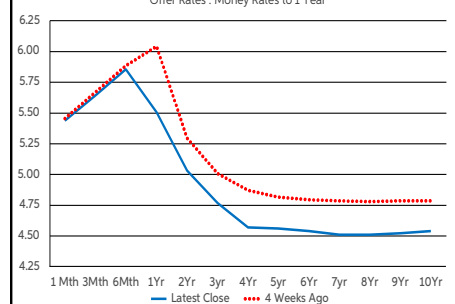


Euro/Yen Exchange Rate



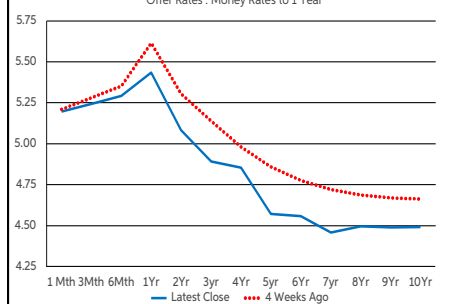
US Swap Curve

Offer Rates : Money Rates to 1 Year



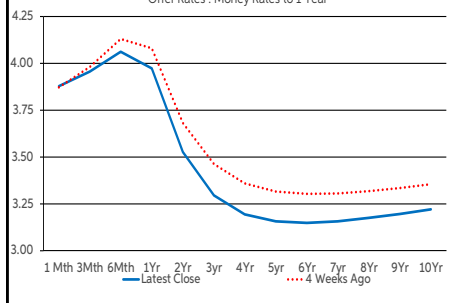
UK Swap Curve

Offer Rates : Money Rates to 1 Year

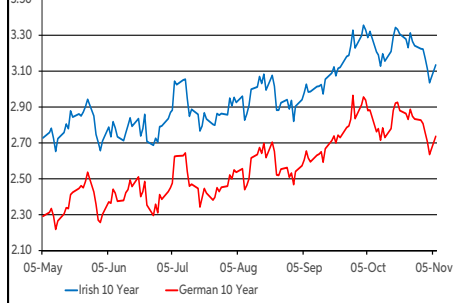


Eurozone Swap Curve

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	4.65	+7	-15	+77
Germany	2.74	+10	-2	+18
UK	4.38	+9	-10	+71
Ireland	3.18	+9	-6	+3
Belgium	3.37	+10	-9	+17
France	3.34	+10	-3	+22
Italy	4.58	+14	-25	-12
Spain	3.80	+12	-12	+14
Portugal	3.43	+12	-12	-18
Greece	4.03	+7	-34	-56
5 Year Swap %				
US	4.56	+7	-22	+56
Eurozone	3.16	+6	-15	-7
UK	4.57	+1	-28	+27
2 Year Swap %				
US	5.03	+6	-22	+35
Eurozone	3.53	+4	-15	+14
UK	5.08	+4	-22	+40
10 Year Government Bond Spreads to Benchmark bps				
Ireland	44	-1	-3	-14
Belgium	63	-0	-6	-1
France	60	+0	-0	+5
Italy	185	+4	-23	-30
Spain	106	+2	-10	-4
Portugal	69	+2	-9	-35
Greece	130	-3	-31	-73

## Commodities

	% Change			
	Close	Day	4 Weeks	End 22
Brent Oil	85.18	+0.34	-3.37	-0.85
West Texas Oil	81.54	+0.43	-1.56	+1.72
Gold \$	1977.7	-0.73	+6.28	+8.40

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