

## Risk-off mood on markets supports the dollar

Investor sentiment was holding a risk-off tone yesterday, amid the ongoing escalation of tensions in the Middle East. Equity markets moved lower on both sides of the Atlantic, with the Euro Stoxx 50 and the S&P 500 down by 0.9%. Meantime, oil prices moved higher, with Brent crude rising by over 3% to near \$75 per barrel.

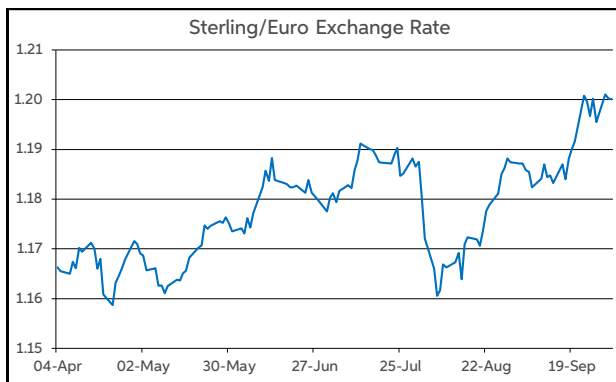
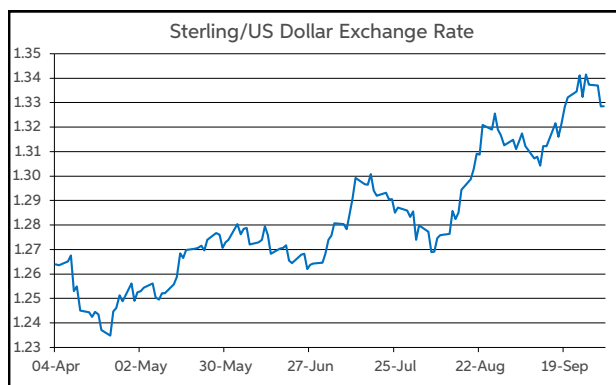
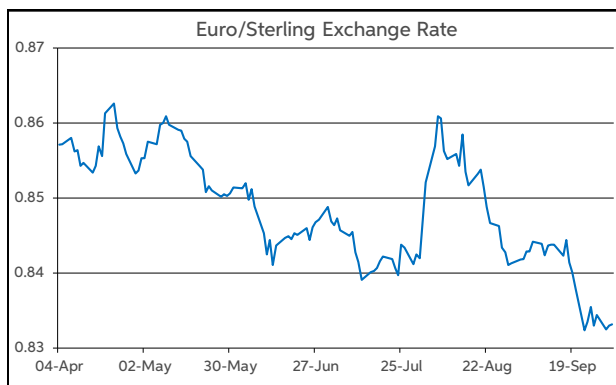
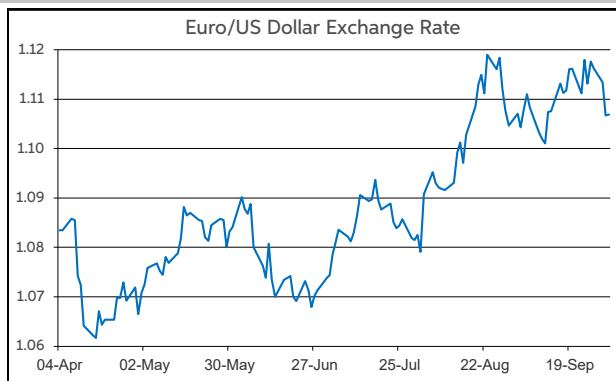
On the data front, the flash reading of Eurozone HICP inflation eased to 1.8% in September, in-line with expectations. Core-HICP edged lower to 2.7% from 2.8% also. However, services inflation remained elevated, at 4% in the month. Meanwhile, in the US the manufacturing ISM was unchanged at 47.2 in September. However, the data had little impact on market sentiment yesterday.

Currency-wise, amid the risk averse mood on markets, the dollar was firmly in the ascendancy. This saw the greenback gain circa 0.6% against the euro and sterling. Elsewhere, the yen was holding a firmer tone, benefitting also from safe haven demand.

In level terms, the stronger dollar is evidenced by EUR/USD opening this morning back near the midpoint of \$1.10-1.11. GBP/USD is operating back below the \$1.33 threshold. Meanwhile, EUR/GBP remains in the bottom half of the 83-84p range. Elsewhere, EUR/JPY is changing hands in the lower half of ¥159-160.

Turning to the day ahead, there is a relatively quiet look to the macro data calendar. The main release of note will be the Eurozone unemployment rate for August. It is forecast to remain at its all-time low of 6.4% in the month. On the monetary policy front, remarks from a number of ECB officials, including Vice-President de Guindos, Chief Economist Lane and the influential Schnabel will garner attention.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.1069	-0.62	0.30
EUR/GBP	0.8332	0.07	-3.88
GBP/USD	1.3285	-0.71	4.37
GBP/EUR	1.2001	-0.07	4.03
USD/JPY	143.95	-0.22	2.05
EUR/JPY	159.34	-0.86	2.38

\* 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	4.96	4.85	4.08	3.68	3.49
EUR	3.65	3.35	3.28	2.63	2.27	2.18
GBP	5.00	4.94	4.80	4.29	4.13	3.84

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 02 October 2024  
07:44 am



## Euro

EUR/GBP	0.8332
EUR/USD	1.1069
EUR/JPY	159.34
EUR/SEK	11.366
EUR/DKK	7.4585
EUR/NOK	11.7219
EUR/CHF	0.9359
EUR/AUD	1.6062
EUR/HKD	8.5962
EUR/CAD	1.4927

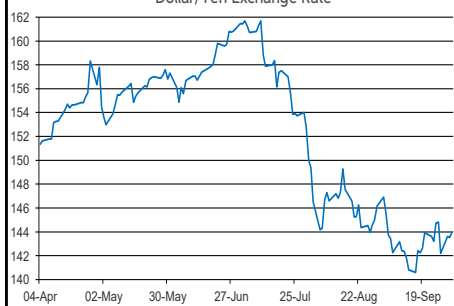
## Sterling

GBP/EUR	1.2001
GBP/USD	1.3285
GBP/CAD	1.7916
GBP/NZD	2.1116
GBP/JPY	191.24
GBP/SEK	13.641
GBP/DKK	8.9515
GBP/NOK	14.0681
GBP/CHF	1.1233
GBP/AUD	1.9277

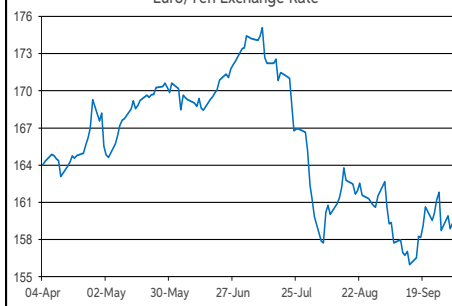
## Dollar

USD/JPY	143.95
USD/CAD	1.3486
USD/CHF	0.8455
USD/CNY	7.0176
USD/BRL	5.425
USD/RUB	94.7
USD/INR	83.939
AUD/USD	0.6891
NZD/USD	0.629

Dollar/Yen Exchange Rate

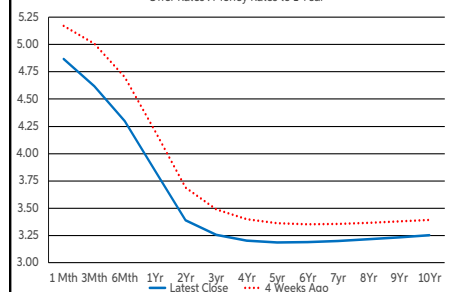


Euro/Yen Exchange Rate



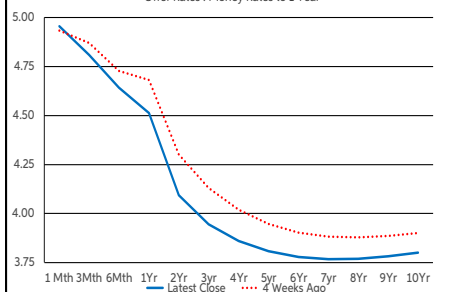
US Swap Curve

Offer Rates : Money Rates to 1 Year



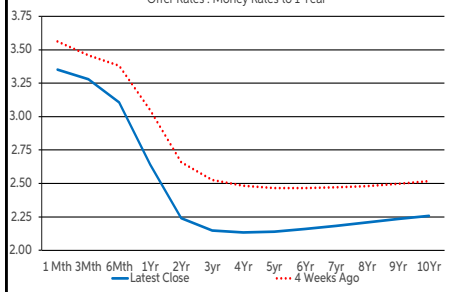
UK Swap Curve

Offer Rates : Money Rates to 1 Year

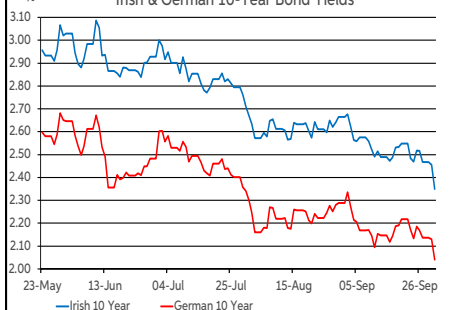


Eurozone Swap Curve

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	3.74	-6	-10	-12
Germany	2.04	-9	-23	+2
UK	3.94	-7	-5	+40
5 Year Swap %				
US	3.45	-5	-15	-35
Eurozone	2.14	-7	-32	-29
UK	3.81	-6	-13	+16
2 Year Swap %				
US	3.65	-4	-25	-69
Eurozone	2.24	-5	-41	-56
UK	4.09	-4	-20	-17
10 Year Government Bond Spreads to Benchmark bps				
Ireland	34	-1	-4	+0
Belgium	62	-1	+3	-4
France	78	-1	+5	+25
Italy	133	+0	-7	-34
Spain	80	-1	-3	-17
Portugal	59	+1	-4	-17
Greece	100	+1	-8	-5

## Commodities

	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	74.21	+3.90	-0.26	-4.52
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2662.8	+1.08	+6.82	+29.10

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