

Dollar maintains the upper hand

There was a cautious tone to market sentiment yesterday as investors continued to digest the escalation of the conflict in the Middle East. Having suffered losses the day prior, the Euro Stoxx 50 gained a modest 0.2%, while the S&P 500 finished flat for the day. Meantime, oil prices edged back from their recent peak, with Brent crude near \$74 per barrel.

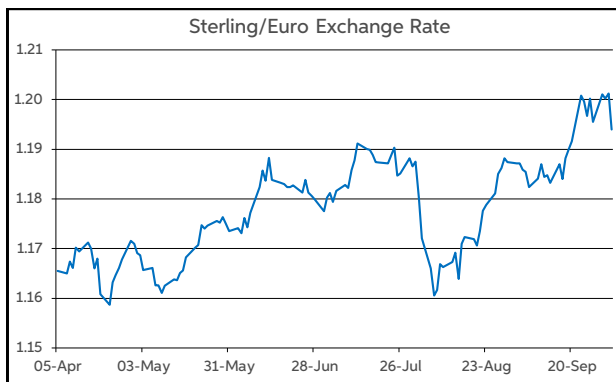
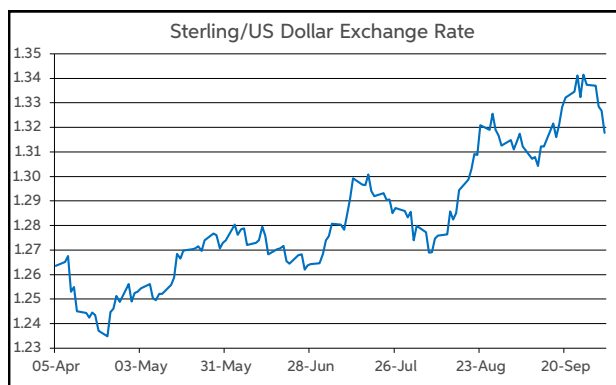
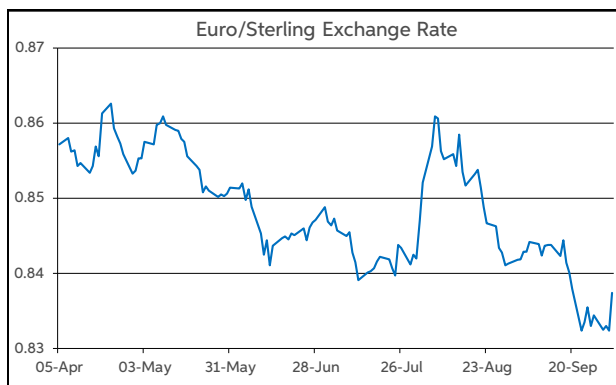
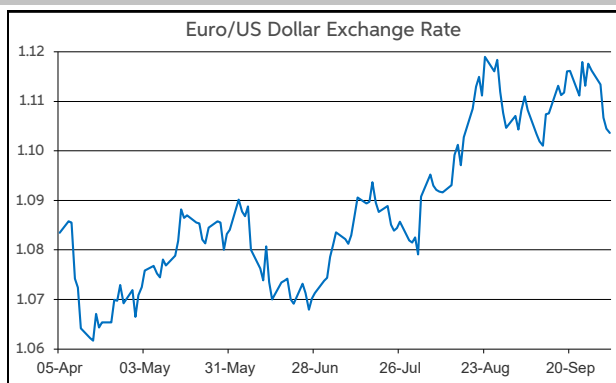
Data-wise, the macro calendar was relatively quiet. The main release of note, the Eurozone unemployment rate remained at 6.4% in August, in-line with expectations. In the US, ADP employment rose by 143k in September, printing above the consensus of +120k. However, the ADP report has proven to be a weak guide for the official payroll figure, which is due on Friday.

On the currency front, the dollar remained in the ascendancy amid the risk averse mood on markets. Elsewhere, the yen was on the defensive, following dovish remarks from new PM Ishiba. The yen shed between 1.8-2.0% against both the euro and the dollar. Overnight, sterling has been under some downward pressure, as UK futures contracts softened by circa 5bps. However, there was no obvious catalyst for the move.

As trading gets underway this morning, EUR/USD is operating down in the bottom half of \$1.10-1.11. GBP/USD is back below the \$1.32 handle. Meantime, EUR/GBP is changing hands in the top half of 83-84p. USD/JPY is above the halfway mark of ¥146-147.

Turning to the day ahead, the main data highlight will be the US non-manufacturing ISM for September. The consensus is for the index to be unchanged at 51.5 in the month. Barring any major surprises though, the data are unlikely to impact the dollar.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.1036	-0.24	0.00
EUR/GBP	0.8374	0.44	-3.39
GBP/USD	1.3176	-0.69	3.51
GBP/EUR	1.1938	-0.44	3.51
USD/JPY	146.64	2.02	3.96
EUR/JPY	161.84	1.79	3.99

* v Previous Day's European Open

See Next Page for More Rates

Opening Interest Rates						
	Money Market			Swap Rates		
	Base Rate	1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	4.88	4.84	4.59	3.84	3.74	3.55
EUR	3.65	3.33	3.25	2.65	2.29	2.22
GBP	5.00	4.95	4.78	4.23	4.12	3.89

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

Thursday 03 October 2024
07:38 am



Euro

EUR/GBP	0.8374
EUR/USD	1.1036
EUR/JPY	161.84
EUR/SEK	11.3565
EUR/DKK	7.4589
EUR/NOK	11.6715
EUR/CHF	0.94
EUR/AUD	1.6061
EUR/HKD	8.5691
EUR/CAD	1.4911

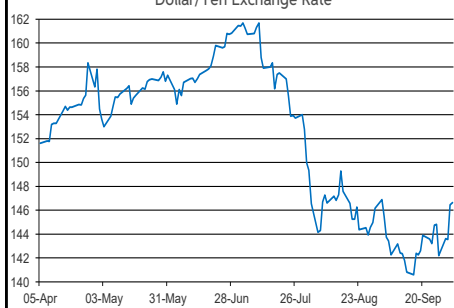
Sterling

GBP/EUR	1.1938
GBP/USD	1.3176
GBP/CAD	1.7805
GBP/NZD	2.111
GBP/JPY	193.21
GBP/SEK	13.5594
GBP/DKK	8.9066
GBP/NOK	13.9366
GBP/CHF	1.1225
GBP/AUD	1.9176

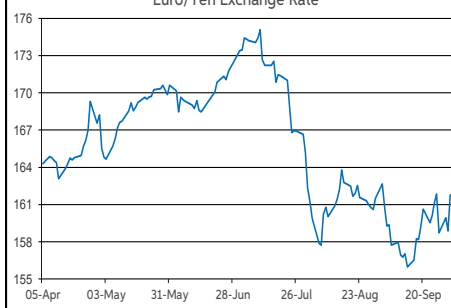
Dollar

USD/JPY	146.64
USD/CAD	1.3512
USD/CHF	0.8517
USD/CNY	7.0176
USD/BRL	5.4384
USD/RUB	94.8
USD/INR	83.918
AUD/USD	0.6869
NZD/USD	0.624

Dollar/Yen Exchange Rate

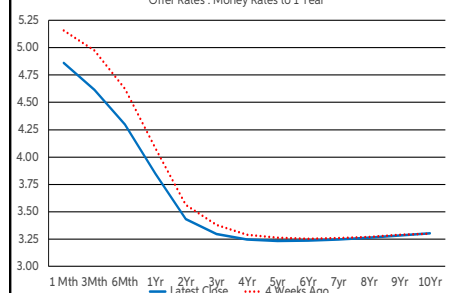


Euro/Yen Exchange Rate



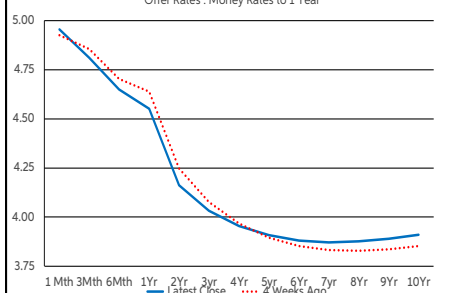
US Swap Curve

Offer Rates : Money Rates to 1 Year



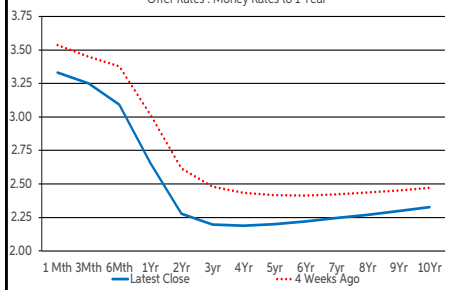
UK Swap Curve

Offer Rates : Money Rates to 1 Year

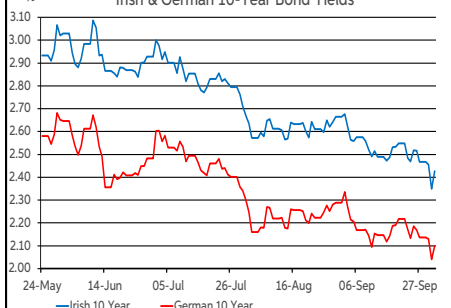


Eurozone Swap Curve

Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



Debt Markets

	Close	Day	4 Weeks	End 23
10 Year Yield %				
US	3.79	+4	+2	-7
Germany	2.10	+6	-12	+7
UK	4.03	+9	+9	+49
5 Year Swap %				
US	3.49	+4	-1	-30
Eurozone	2.20	+6	-20	-23
UK	3.91	+10	+2	+26
2 Year Swap %				
US	3.69	+6	-12	-64
Eurozone	2.28	+4	-33	-52
UK	4.16	+7	-8	-10
10 Year Government Bond Spreads to Benchmark bps				
Ireland	34	-1	-5	-0
Belgium	64	+2	+5	-3
France	76	-2	+5	+23
Italy	133	-1	-4	-35
Spain	79	-1	-3	-18
Portugal	57	-2	-3	-19
Greece	101	+1	-5	-3

Commodities

	Close	Day	4 Weeks	End 23
Brent Oil				
Brent Oil	73.9	+0.46	+1.65	-4.08
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2657.8	-0.19	+6.56	+28.86

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