

Waiting for US payrolls

There was a generally subdued nature to the action across financial markets for much of yesterday. A contributing factor was the quiet data calendar on both sides of the Atlantic. Indeed, the only release of any note was the weekly US jobless claims data. At the same time, Friday's release of the all-important US non-farm payrolls report for September was looming on the market horizon.

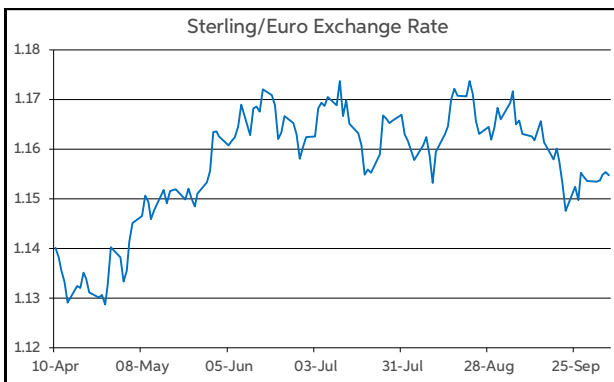
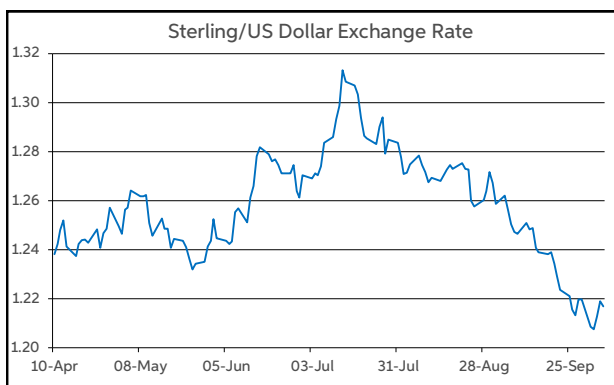
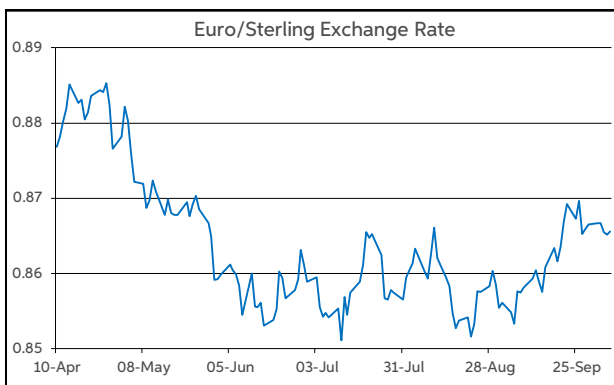
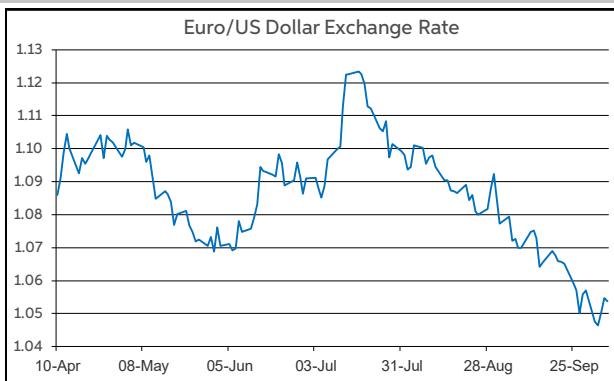
Investor sentiment was holding a cautious tone against the backdrop of still elevated bond yields. In Europe, the Euro Stoxx 50 was flat on the day. Meanwhile, at the closing bell on Wall Street last night, the S&P 500 index finished the US session 0.1% lower. On bond markets, the 10-year US Treasury yield was little changed on the day, remaining above the 4.7% level.

Currency-wise, the main pairs operated within very tight ranges yesterday. EUR/USD held onto its position above the \$1.05 mark. GBP/USD spent the day trading in and around the midpoint of \$1.21-1.22. Meanwhile, EUR/GBP continued to change hands within the upper half of the 86-87p band.

Ahead today, the focus is on the US macro diary, with the main point of interest being the aforementioned payrolls number for September. The consensus forecast is for a 170k increase. US unemployment and average earnings updates for September are also due.

From a currency viewpoint, a stronger than expected payroll number could see the dollar resume its uptrend which has paused over the last two days. In this regard, \$1.04 is a key support level to keep a close eye on for EUR/USD. Elsewhere, in the UK, newsflow in relation to Metro Bank may continue to garner some attention.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.0538	0.18	-1.53
EUR/GBP	0.8657	0.05	-2.11
GBP/USD	1.2172	0.15	0.62
GBP/EUR	1.1547	-0.05	2.16
USD/JPY	148.86	0.22	13.54
EUR/JPY	156.89	0.40	11.82

* 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	5.45	5.67	5.66	5.23	4.75
EUR	4.50	3.83	3.96	4.10	3.78	3.43
GBP	5.25	5.20	5.28	5.41	5.35	4.92

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
---------	----------------------------	------------	------------	------------------	---------------------------	-----------------	-----------------------------------

Opening Levels

Friday 06 October 2023
07:20 am



Euro

EUR/GBP	0.8657
EUR/USD	1.0538
EUR/JPY	156.89
EUR/SEK	11.6161
EUR/DKK	7.4574
EUR/NOK	11.5645
EUR/CHF	0.963
EUR/AUD	1.6565
EUR/HKD	8.2537
EUR/CAD	1.4455

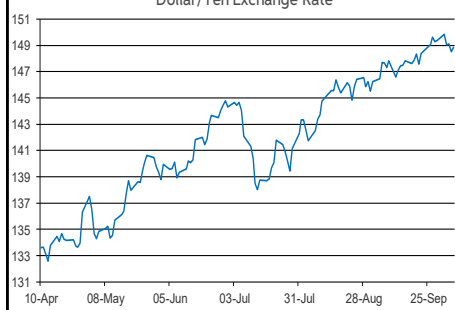
Sterling

GBP/EUR	1.1547
GBP/USD	1.2172
GBP/CAD	1.6697
GBP/NZD	2.0428
GBP/JPY	181.18
GBP/SEK	13.4167
GBP/DKK	8.6118
GBP/NOK	13.3614
GBP/CHF	1.1124
GBP/AUD	1.9133

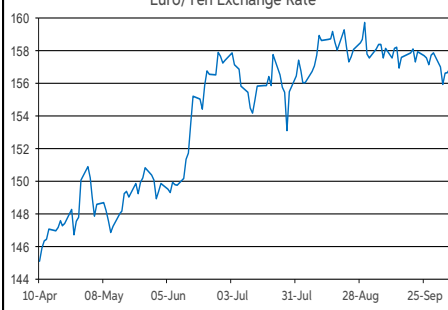
Dollar

USD/JPY	148.86
USD/CAD	1.3715
USD/CHF	0.9136
USD/CNY	7.301
USD/BRL	5.1658
USD/RUB	100.855
USD/INR	83.2325
AUD/USD	0.6361
NZD/USD	0.5956

Dollar/Yen Exchange Rate

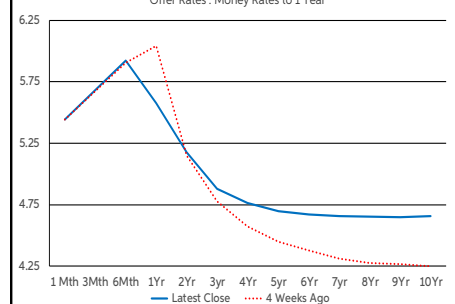


Euro/Yen Exchange Rate



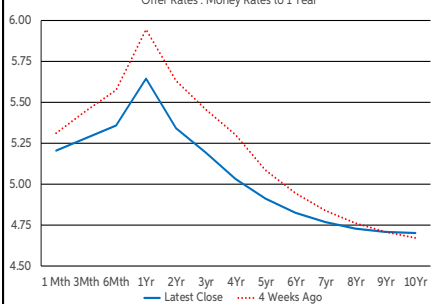
US Swap Curve

Offer Rates : Money Rates to 1 Year



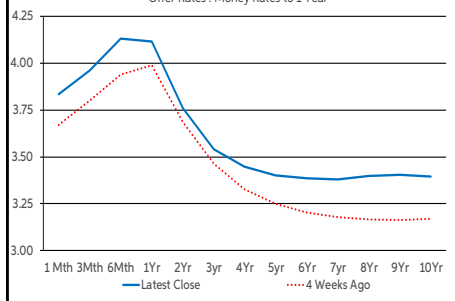
UK Swap Curve

Offer Rates : Money Rates to 1 Year

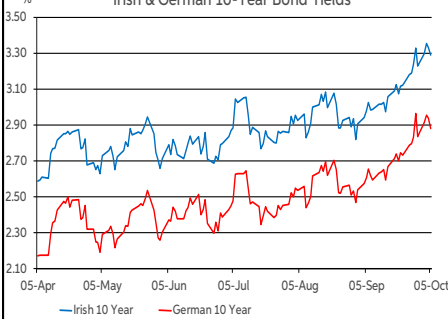


Eurozone Swap Curve

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	4.72	-1	+47	+84
Germany	2.88	-6	+26	+32
UK	4.55	-4	+9	+88
Ireland	3.32	-3	+32	+17
Belgium	3.58	-3	+33	+37
France	3.47	-3	+32	+36
Italy	4.90	+1	+55	+20
Spain	4.01	-3	+35	+35
Portugal	3.64	-3	+28	+4
Greece	4.36	-6	+37	-23
5 Year Swap %				
US	4.70	-5	+29	+70
Eurozone	3.40	-5	+16	+17
UK	4.91	+1	-17	+61
2 Year Swap %				
US	5.18	-7	+7	+50
Eurozone	3.76	-4	+8	+37
UK	5.34	-5	-29	+66
10 Year Government Bond Spreads to Benchmark bps				
Ireland	44	+3	+5	-15
Belgium	69	+3	+6	+6
France	59	+3	+6	+4
Italy	202	+7	+28	-12
Spain	113	+3	+9	+3
Portugal	76	+3	+2	-28
Greece	148	-0	+11	-55

Commodities

	% Change			
	Close	Day	4 Weeks	End 22
Brent Oil	84.07	-2.03	-6.51	-2.14
West Texas Oil	82.3	-2.40	-5.26	+2.67
Gold \$	1820.0	-0.06	-5.17	-0.24

This publication is for information purposes and is not an invitation to deal. The information is believed to be reliable but is not guaranteed. Any expressions of opinions are subject to change without notice. This publication is not to be reproduced in whole or in part without prior permission. In the Republic of Ireland it is distributed by Allied Irish Banks, p.l.c. In the UK it is distributed by Allied Irish Banks, p.l.c. and Allied Irish Bank (GB). In Northern Ireland it is distributed by Allied Irish Bank (NI). In the United States of America it is distributed by Allied Irish Banks, p.l.c. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland. Allied Irish Bank (GB) and AIB (NI) are trade marks used under licence by AIB Group (UK) p.l.c. (a wholly owned subsidiary of Allied Irish Banks, p.l.c.), incorporated in Northern Ireland. Registered Office 92 Ann Street, Belfast BT1 3HH. Registered Number NI018800. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In the United States of America, Allied Irish Banks, p.l.c., New York Branch, is a branch licensed by the New York State Department of Financial Services. Deposits and other investment products are not FDIC insured, they are not guaranteed by any bank and they may lose value. Please note that telephone calls may be recorded in line with market practice.