

## Dollar regains some ground

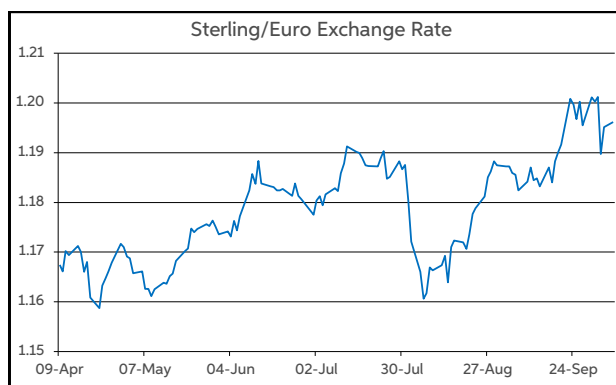
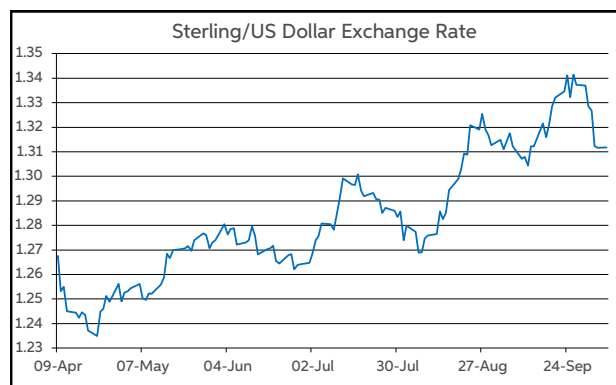
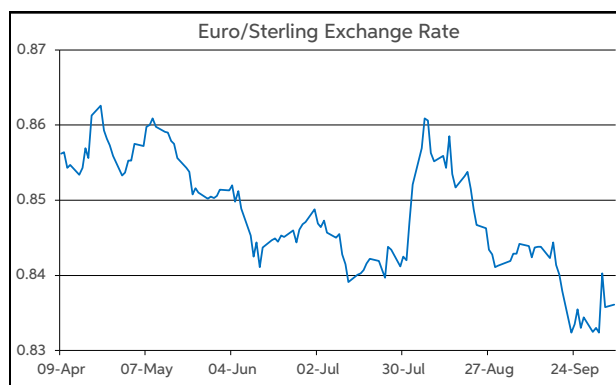
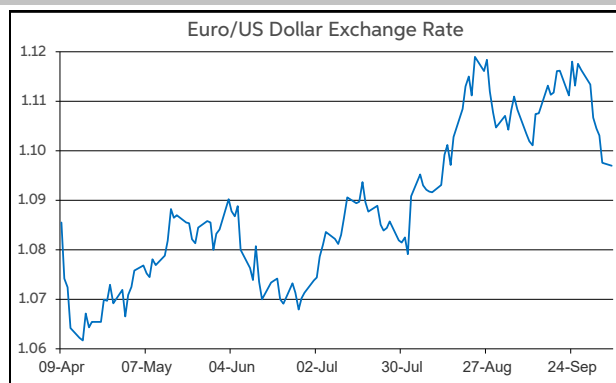
A key feature of markets for much of last week was the risk averse mood. This was against the backdrop of the escalation of the conflict in the Middle East. The nervousness was evident on equity markets, especially on the European indices. The Euro Stoxx 50 declined by 2.2% over the period. Concerns over the potential impact on supply from developments in the Middle East pushed oil prices higher. Brent crude rose by around 9%, to above \$78 per barrel.

On the currency front, the dollar benefitted from the risk averse environment. The greenback got a further leg-up on Friday after the much stronger than expected US payroll data for September. The consensus beating data saw a firming in US futures contracts. The market is now expecting a 25bps cut from the Fed in November rather than 50bps. Elsewhere, sterling's recent ascent was paused by dovish comments from BoE Governor Bailey.

In level terms, EUR/USD fell back from the \$1.12 mark at the start of the week to below the \$1.10 threshold, reaching a trough of \$1.095. Meanwhile, the combination of the firmer dollar and softer sterling saw GBP/USD trade down from near \$1.34 to a low of \$1.307, before settling in the lower half of \$1.31-1.32. The weaker tone to sterling was also reflected in EUR/GBP moving up from the 83p handle, to trade in the upper half of the 83-84p band.

This week, from a dollar perspective, CPI inflation (Sept) will be the key release of note. The Fed meeting minutes will also receive attention from dollar watchers. For the euro, the ECB meeting account is the main agenda item, as market participants look for insight on the near term path for Eurozone rates. From a sterling viewpoint, the data highlight will be GDP figures for August.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.097	-0.51	-0.60
EUR/GBP	0.8361	-0.46	-3.54
GBP/USD	1.3118	-0.07	3.06
GBP/EUR	1.1957	0.47	3.67
USD/JPY	148.36	1.46	5.18
EUR/JPY	162.75	0.92	4.57

\* 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	4.81	4.65	4.11	4.04	3.80
EUR	3.65	3.27	3.25	2.68	2.43	2.35
GBP	5.00	4.95	4.78	4.34	4.32	4.06

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

Monday 07 October 2024  
07:22 am



## Euro

EUR/GBP	0.8361
EUR/USD	1.097
EUR/JPY	162.75
EUR/SEK	11.3755
EUR/DKK	7.4545
EUR/NOK	11.6748
EUR/CHF	0.9408
EUR/AUD	1.6119
EUR/HKD	8.518
EUR/CAD	1.4895

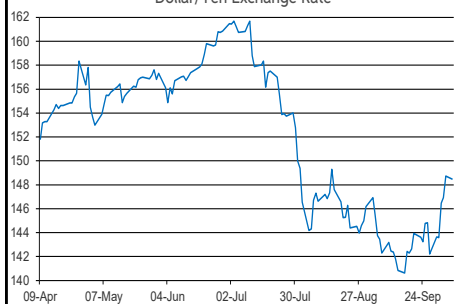
## Sterling

GBP/EUR	1.1957
GBP/USD	1.3118
GBP/CAD	1.7814
GBP/NZD	2.1293
GBP/JPY	194.62
GBP/SEK	13.5993
GBP/DKK	8.915
GBP/NOK	13.968
GBP/CHF	1.1252
GBP/AUD	1.9276

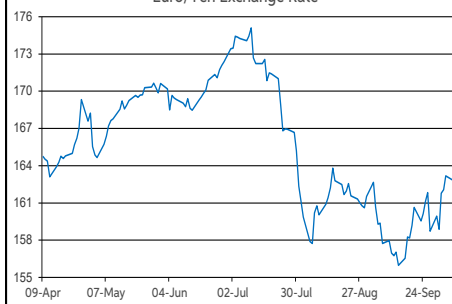
## Dollar

USD/JPY	148.36
USD/CAD	1.3579
USD/CHF	0.8575
USD/CNY	7.0176
USD/BRL	5.4551
USD/RUB	95.55
USD/INR	83.97
AUD/USD	0.6805
NZD/USD	0.616

Dollar/Yen Exchange Rate

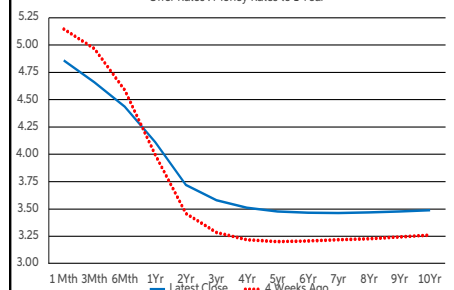


Euro/Yen Exchange Rate



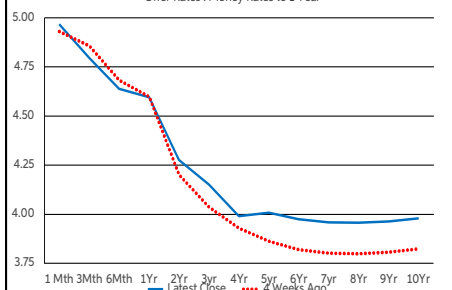
US Swap Curve

Offer Rates : Money Rates to 1 Year



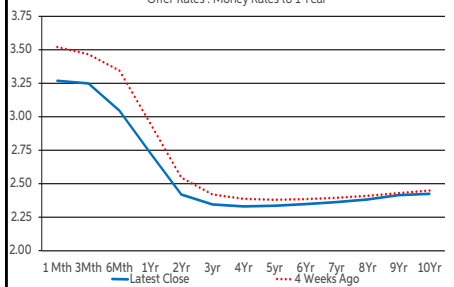
UK Swap Curve

Offer Rates : Money Rates to 1 Year

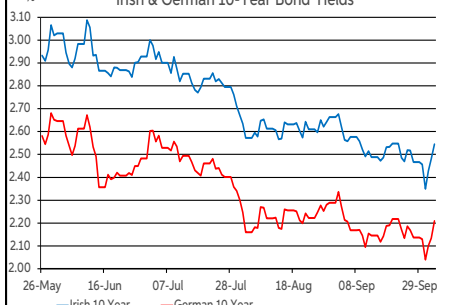


Eurozone Swap Curve

Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



## Debt Markets

	Close	Day	4 Weeks	End 23
<b>10 Year Yield %</b>				
US	3.98	+13	+27	+12
Germany	2.21	+8	+4	+18
UK	4.13	+12	+24	+59
Ireland	2.56	+7	-2	+20
Belgium	2.83	+6	+6	+14
France	2.99	+5	+10	+43
Italy	3.51	+4	-4	-19
Spain	2.97	+4	-3	-2
Portugal	2.74	+4	-6	-4
Greece	3.18	+3	-6	+10
<b>5 Year Swap %</b>				
US	3.74	+19	+31	-5
Eurozone	2.34	+9	-4	-9
UK	4.01	+13	+15	+36
<b>2 Year Swap %</b>				
US	3.98	+24	+32	-35
Eurozone	2.42	+11	-11	-37
UK	4.28	+17	+8	+1
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	35	-1	-6	+1
Belgium	62	-1	+2	-4
France	78	-2	+6	+25
Italy	130	-4	-8	-37
Spain	76	-3	-7	-20
Portugal	53	-4	-10	-23
Greece	97	-4	-10	-8

## Commodities

	Close	Day	4 Weeks	End 23
Brent Oil	78.05	+0.55	+9.84	+1.31
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2652.2	-0.14	+6.22	+28.59

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.