

Euro and sterling edge higher versus dollar

There was a subdued tone to investor sentiment for much of yesterday. A quiet data calendar meant there was no major macro releases to influence markets. The only release of note was US producer price inflation for September. The headline rate of 'factory gate' inflation rose unexpectedly to 2.2% from 1.6%.

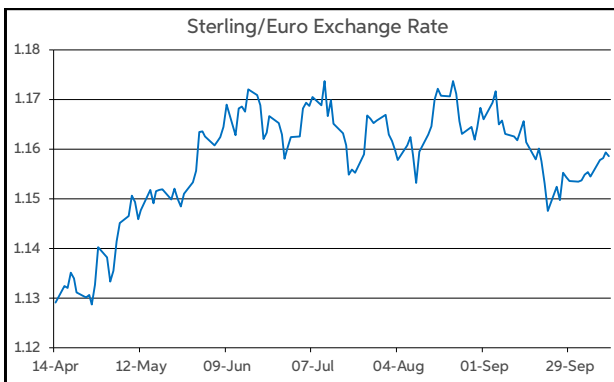
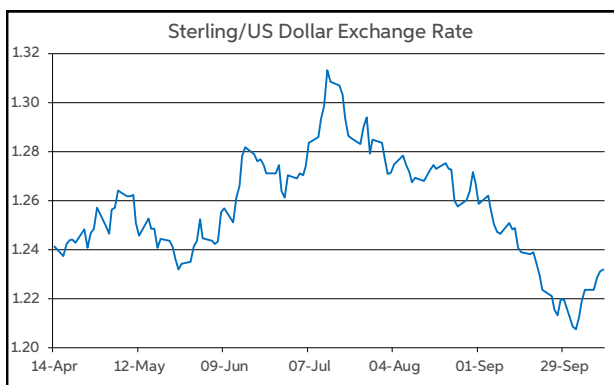
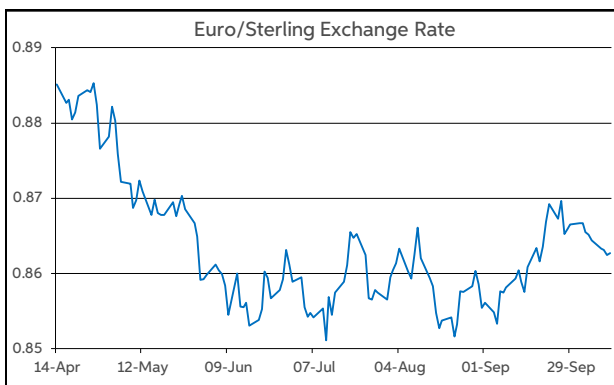
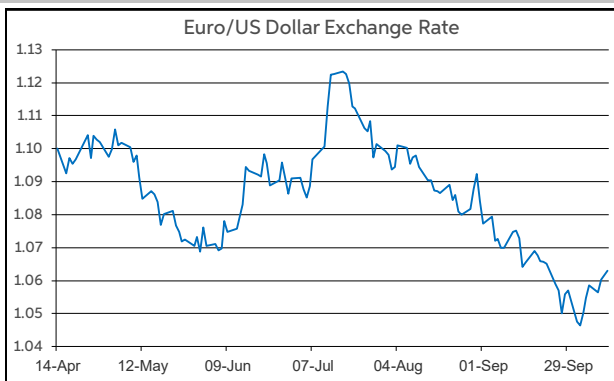
Meanwhile, in terms of monetary policy newsflow, there was no major new insight to glean from the release of the Fed September minutes. At the meeting, the Fed left rates unchanged, in a target range of 5.25-5.50%, whilst maintaining a hawkish tone. However, in recent days, a number of FOMC members have been sounding less hawkish on the need for additional rate hikes.

The muted mood to risk appetite was evident in the main European equity indices being in side-ways mode yesterday. At the closing bell on Wall Street last night, the S&P 500 was up by a modest 0.4%. In contrast, there was a bit more activity on bond markets, with yields declining. The 10-year US Treasury yield fell by 10bps, moving back down below the 4.6% threshold.

Currency-wise, the main pairs remained within confined ranges. Of the limited action to register, the euro and sterling continued to eke out some slight gains versus the dollar. EUR/USD edged marginally higher within the lower half of \$1.06-1.07, while GBP/USD moved back above \$1.23. Elsewhere, EUR/GBP continued to trade just below the midpoint of 86-87p.

Today's macro calendar is busier. Already this morning we have got UK GDP for August. Its rose by 0.2% m/m, which was in line with expectations. Later today, we get US CPI figures for September. The ECB meeting account from September is also due.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.063	0.25	-0.67
EUR/GBP	0.8627	0.05	-2.45
GBP/USD	1.2318	0.22	1.83
GBP/EUR	1.1585	-0.05	2.52
USD/JPY	149.11	0.17	13.73
EUR/JPY	158.51	0.43	12.98
* 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	5.66	5.62	5.19	4.64
EUR	4.50	3.86	3.99	4.10	3.73	3.31
GBP	5.25	5.21	5.27	5.36	5.29	4.78

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 12 October 2023
07:21 am



Euro

EUR/GBP	0.8627
EUR/USD	1.063
EUR/JPY	158.51
EUR/SEK	11.5895
EUR/DKK	7.4571
EUR/NOK	11.536
EUR/CHF	0.956
EUR/AUD	1.6569
EUR/HKD	8.314
EUR/CAD	1.4439

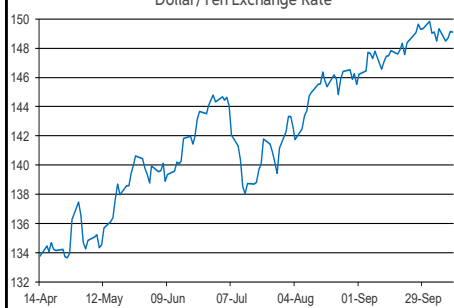
Sterling

GBP/EUR	1.1585
GBP/USD	1.2318
GBP/CAD	1.6732
GBP/NZD	2.05
GBP/JPY	183.7
GBP/SEK	13.4309
GBP/DKK	8.6395
GBP/NOK	13.3689
GBP/CHF	1.1079
GBP/AUD	1.9199

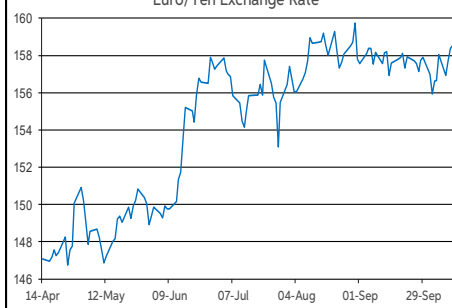
Dollar

USD/JPY	149.11
USD/CAD	1.3582
USD/CHF	0.8991
USD/CNY	7.2998
USD/BRL	5.0496
USD/RUB	96.9925
USD/INR	83.19
AUD/USD	0.6415
NZD/USD	0.6006

Dollar/Yen Exchange Rate

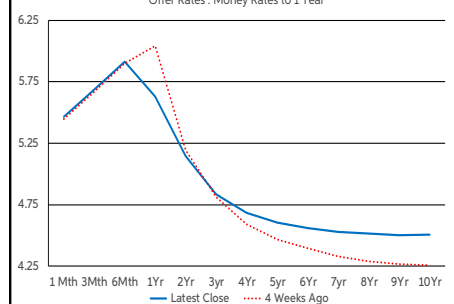


Euro/Yen Exchange Rate



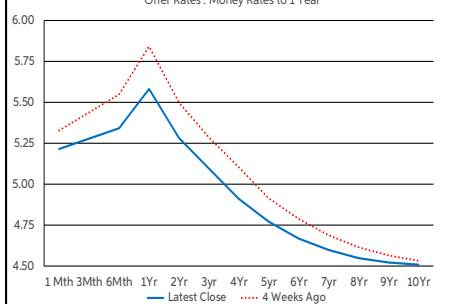
US Swap Curve

Offer Rates : Money Rates to 1 Year



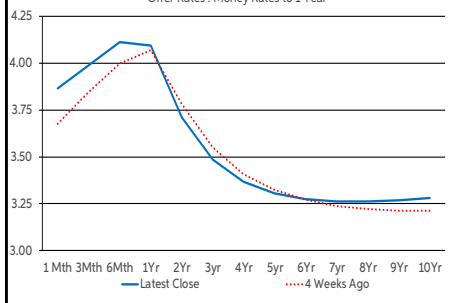
UK Swap Curve

Offer Rates : Money Rates to 1 Year

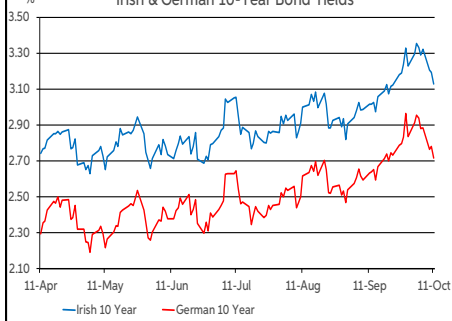


Eurozone Swap Curve

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	4.56	-10	+30	+68
Germany	2.72	-6	+6	+15
UK	4.34	-10	-1	+67
5 Year Swap %				
US	4.61	-3	+18	+61
Eurozone	3.31	-1	-1	+8
UK	4.77	-4	-14	+47
2 Year Swap %				
US	5.15	+0	-1	+47
Eurozone	3.71	+3	-6	+32
UK	5.28	-0	-21	+60
10 Year Government Bond Spreads to Benchmark bps				
Ireland	44	+1	+5	-14
Belgium	66	-0	+1	+2
France	56	+0	+1	+1
Italy	195	-0	+14	-19
Spain	110	-0	+2	+0
Portugal	71	-2	-5	-33
Greece	152	-6	+10	-51

Commodities

	% Change			
	Close	Day	4 Weeks	End 22
Brent Oil	85.82	-2.09	-6.60	-0.10
West Texas Oil	83.7	-2.55	-5.52	+4.42
Gold \$	1873.6	+0.73	-1.72	+2.70

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