

## The dollar has the last laugh

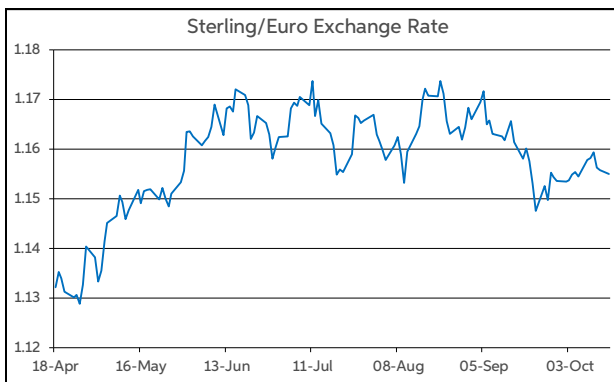
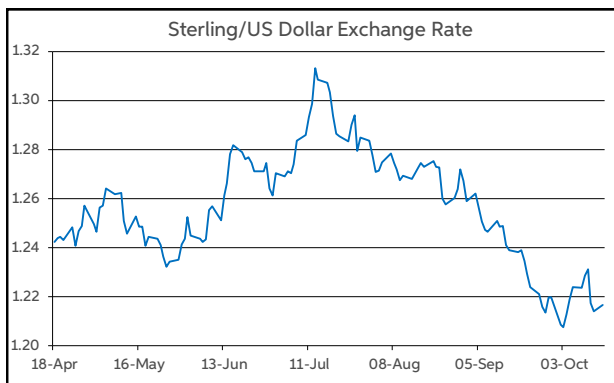
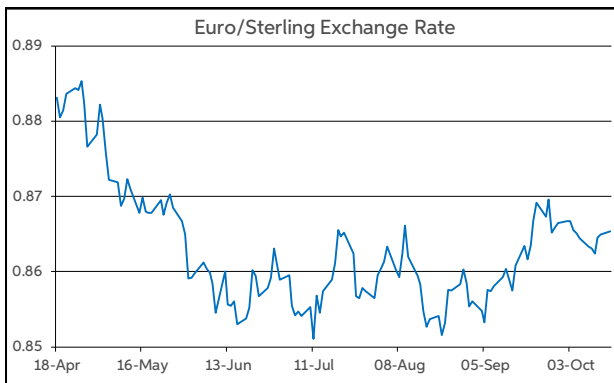
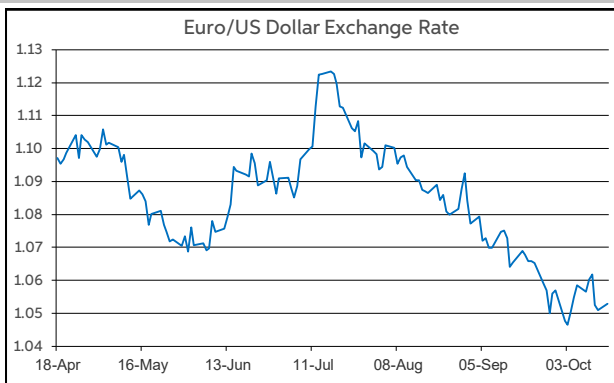
There was a mixed mood on markets last week, as remarks from Fed officials and US inflation data impacted sentiment throughout. Overall, the Euro Stoxx 50 finished down by 0.2% for the week, while the S&P 500 gained 0.4%. Meantime, oil prices rose sharply, with Brent crude climbing above \$90 per barrel.

In the early part of last week, dovish comments from a number of Fed officials and general risk aversion on markets, saw US Treasury yields move sharply lower. However, some above consensus US CPI inflation data for September, resulted in Treasury yields rising up from their troughs near the end of the week. Overall though, US Treasury yields fell by 4-15bps last week. However, the volatility in the US Treasury market spilled over to European bonds, with German Bund and UK Gilt yields declining by circa 4-20bps also.

Similarly, fluctuating US sovereign yields continued to heavily influence the dollar. EUR/USD traded to a high of \$1.064, before edging all the way back below \$1.05 on Friday. Meantime, GBP/USD rose to a peak of \$1.234, only to end the week down in the lower half of \$1.21-1.22. Elsewhere, EUR/GBP remained tightly range bound between 86-87p. As trading gets underway this morning, EUR/USD opens above \$1.05, GBP/USD is up in the top half of \$1.21-1.22, and EUR/GBP is at the midpoint of 86-87p.

This week, a busy UK macro calendar, which includes the CPI (Sep) and wage (Aug) inflation releases, will garner close attention. Other UK labour market and retail sales data will also feature. In the US, retail sales and industrial production for September, as well as a number of housing market updates are due. However, remarks from a number of Fed speakers may have a greater impact on the dollar. In the Eurozone, the data calendar is relatively sparse.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.0533	-0.14	-1.58
EUR/GBP	0.8653	0.12	-2.16
GBP/USD	1.2167	-0.30	0.58
GBP/EUR	1.1549	-0.12	2.21
USD/JPY	149.47	-0.12	14.00
EUR/JPY	157.43	-0.28	12.21

\* 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	5.38	5.45	5.66	5.66	5.25	4.73
EUR	4.50	3.86	3.99	4.09	3.76	3.38
GBP	5.25	5.21	5.28	5.38	5.34	4.79

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 16 October 2023  
07:16 am



## Euro

EUR/GBP	0.8653
EUR/USD	1.0533
EUR/JPY	157.43
EUR/SEK	11.565
EUR/DKK	7.458
EUR/NOK	11.492
EUR/CHF	0.9492
EUR/AUD	1.664
EUR/HKD	8.2366
EUR/CAD	1.4361

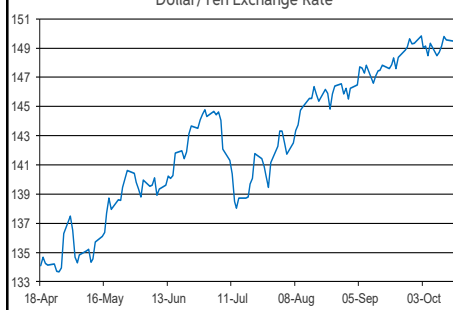
## Sterling

GBP/EUR	1.1549
GBP/USD	1.2167
GBP/CAD	1.6591
GBP/NZD	2.0536
GBP/JPY	181.86
GBP/SEK	13.3611
GBP/DKK	8.6166
GBP/NOK	13.273
GBP/CHF	1.0967
GBP/AUD	1.9225

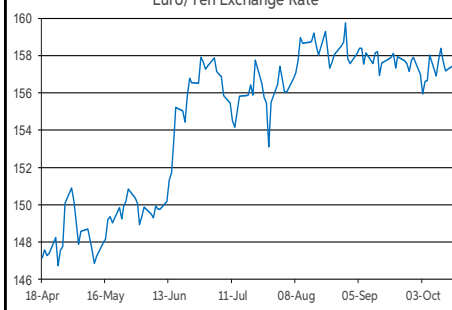
## Dollar

USD/JPY	149.47
USD/CAD	1.3634
USD/CHF	0.9013
USD/CNY	7.3092
USD/BRL	5.0812
USD/RUB	97.435
USD/INR	83.26
AUD/USD	0.6328
NZD/USD	0.5923

Dollar/Yen Exchange Rate

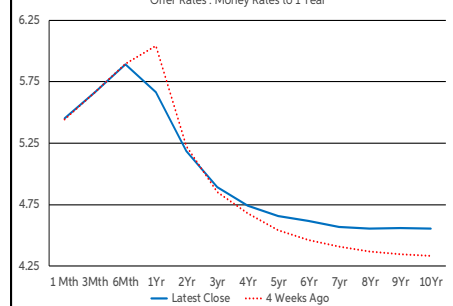


Euro/Yen Exchange Rate



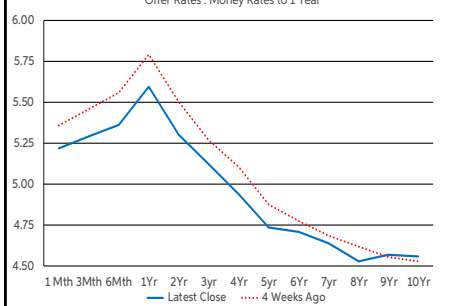
US Swap Curve

Offer Rates : Money Rates to 1 Year



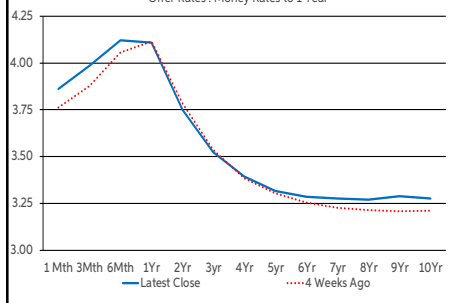
UK Swap Curve

Offer Rates : Money Rates to 1 Year

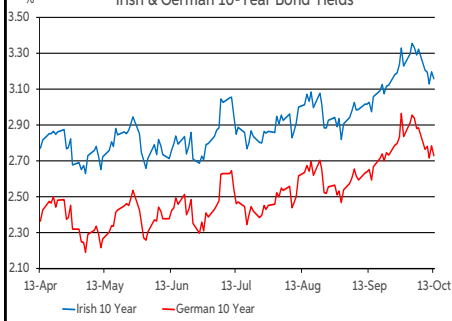


Eurozone Swap Curve

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	4.62	-8	+28	+74
Germany	2.73	-5	+6	+17
UK	4.39	-3	+3	+72
Ireland	3.19	-3	+9	+4
Belgium	3.42	-2	+10	+22
France	3.32	-2	+10	+21
Italy	4.78	+2	+31	+7
Spain	3.88	-1	+14	+23
Portugal	3.48	-2	+6	-12
Greece	4.28	+3	+17	-31
-----				
5 Year Swap %				
US	4.66	-6	+15	+66
Eurozone	3.32	-5	+2	+9
UK	4.74	-4	-9	+43
-----				
2 Year Swap %				
US	5.19	-3	+0	+51
Eurozone	3.75	-2	-2	+36
UK	5.30	-1	-20	+62
-----				
10 Year Government Bond Spreads to Benchmark bps				
Ireland	45	+2	+3	-13
Belgium	69	+3	+4	+5
France	59	+3	+4	+4
Italy	204	+7	+25	-10
Spain	115	+4	+8	+6
Portugal	75	+3	-0	-29
Greece	155	+8	+11	-48

## Commodities

	% Change			
	Close	Day	4 Weeks	End 22
Brent Oil	90.89	+5.69	-3.24	+5.80
West Texas Oil	87.67	+5.79	-3.48	+9.37
Gold \$	1931.7	+3.37	+0.42	+5.88

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.