

Positive mood on markets to start the week

There was a positive tone to investor sentiment yesterday, amid a relatively quiet start to the week on financial markets. The Euro Stoxx 50 rose by 0.3%. Meantime, on Wall Street, the S&P 500 gained 1.1%, ahead of a busy week of earnings data.

In terms of fixed income, sovereign yields moved higher across the board yesterday. Most notably, US Treasury and UK Gilt yields rose by 7-11bps. German Bund yields edged up by a more modest 2-6bps. Elsewhere on markets, oil prices inched lower, with Brent crude falling back below \$90 per barrel.

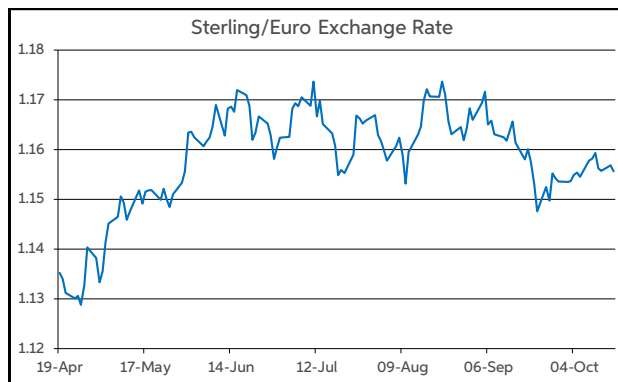
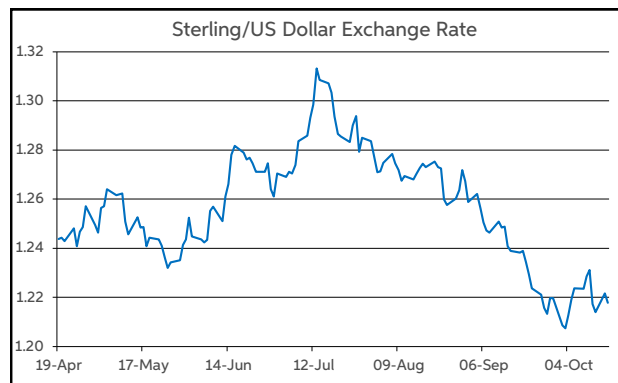
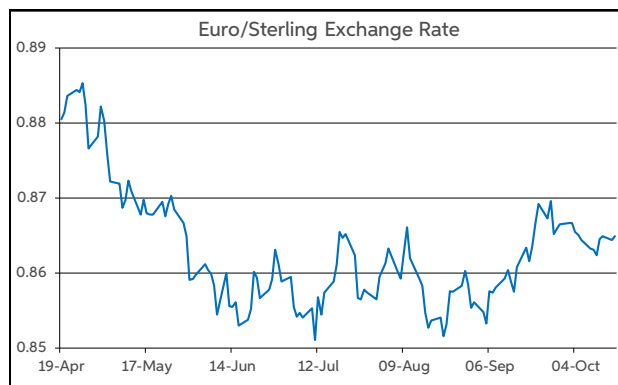
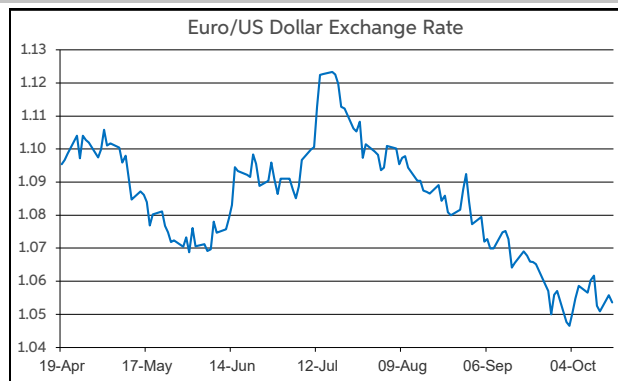
Currency-wise, the main pairs remained tightly range bound. A sparse data schedule likely contributed to the lacklustre price action on the exchanges. Of the limited moves to note, the dollar was very marginally lower.

As trading gets underway this morning, EUR/USD opens up near the midpoint of the \$1.05-1.06 range. GBP/USD is operating higher in the top half of the \$1.22-1.23 trading band also. Meanwhile, EUR/GBP remains at the halfway mark of the 86-87p corridor.

Already today, UK average earnings data have printed below the consensus. Wages rose by 8.1% y/y in the three months to August (vs. +8.3% y/y f'cast). UK rate hike expectations have softened somewhat following the release. Meantime, the ONS has pushed back the publication of other labour market data, such as the unemployment rate, to next week.

Later today, US industrial production and retail sales (both September) and the German ZEW survey (October) are due. Remarks from a host of Fed officials will also garner attention.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.0537	0.12	-1.54
EUR/GBP	0.8651	-0.03	-2.18
GBP/USD	1.218	0.16	0.69
GBP/EUR	1.1555	0.03	2.23
USD/JPY	149.61	0.12	14.11
EUR/JPY	157.66	0.24	12.37

* 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	5.65	5.29	4.79
EUR	4.50	3.86	3.99	4.09	3.77	3.40
GBP	5.25	5.22	5.29	5.40	5.34	4.84

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

Tuesday 17 October 2023
07:31 am



Euro

EUR/GBP	0.8651
EUR/USD	1.0537
EUR/JPY	157.66
EUR/SEK	11.5308
EUR/DKK	7.4591
EUR/NOK	11.5329
EUR/CHF	0.95
EUR/AUD	1.6585
EUR/HKD	8.2388
EUR/CAD	1.4356

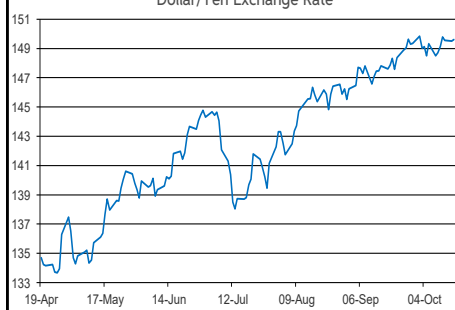
Sterling

GBP/EUR	1.1555
GBP/USD	1.218
GBP/CAD	1.6593
GBP/NZD	2.0643
GBP/JPY	182.22
GBP/SEK	13.332
GBP/DKK	8.6205
GBP/NOK	13.323
GBP/CHF	1.0981
GBP/AUD	1.9169

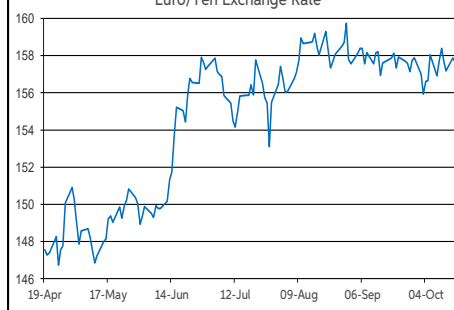
Dollar

USD/JPY	149.61
USD/CAD	1.3622
USD/CHF	0.9015
USD/CNY	7.3142
USD/BRL	5.0386
USD/RUB	97.29
USD/INR	83.2525
AUD/USD	0.6353
NZD/USD	0.5898

Dollar/Yen Exchange Rate

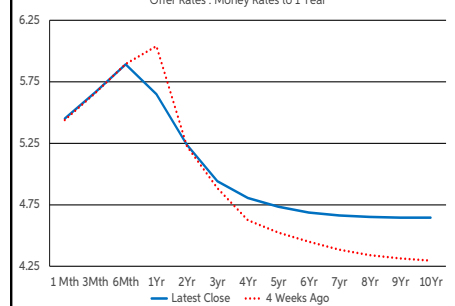


Euro/Yen Exchange Rate



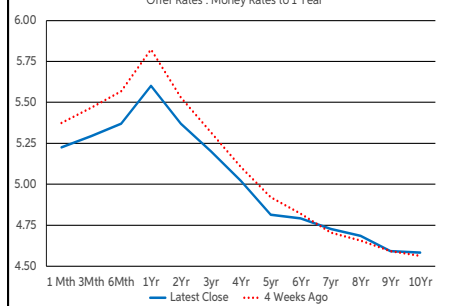
US Swap Curve

Offer Rates : Money Rates to 1 Year



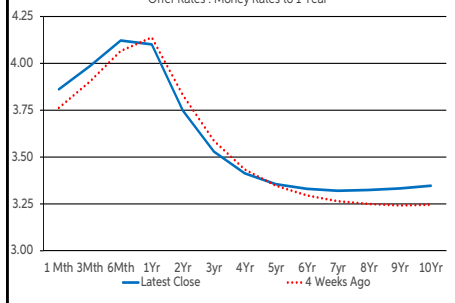
UK Swap Curve

Offer Rates : Money Rates to 1 Year

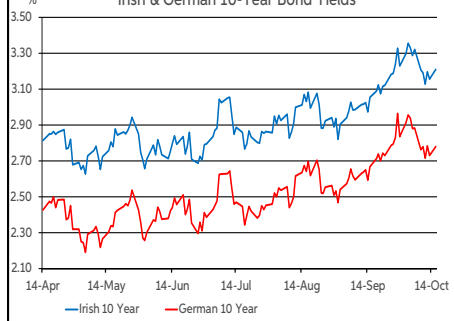


Eurozone Swap Curve

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	4.70	+8	+40	+82
Germany	2.78	+5	+6	+22
UK	4.48	+9	+9	+81
Ireland	3.23	+4	+11	+8
Belgium	3.46	+4	+11	+26
France	3.41	+9	+15	+30
Italy	4.78	+0	+26	+7
Spain	3.91	+3	+12	+26
Portugal	3.51	+3	+5	-9
Greece	4.33	+5	+15	-26
5 Year Swap %				
US	4.73	+7	+25	+74
Eurozone	3.36	+2	+2	+13
UK	4.81	+8	-6	+51
2 Year Swap %				
US	5.24	+5	+5	+56
Eurozone	3.75	-0	-7	+36
UK	5.37	+7	-15	+69
10 Year Government Bond Spreads to Benchmark bps				
Ireland	45	-1	+5	-14
Belgium	68	-1	+4	+4
France	63	+4	+8	+8
Italy	200	-5	+19	-15
Spain	113	-2	+6	+4
Portugal	73	-2	-1	-31
Greece	155	+0	+9	-48

Commodities

	% Change			
	Close	Day	4 Weeks	End 22
Brent Oil	89.65	-1.36	-5.06	+4.35
West Texas Oil	86.65	-1.16	-5.27	+8.10
Gold \$	1919.4	-0.63	-0.71	+5.21

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