

FX majors remain in tight ranges

Yesterday's macro calendar was very much US centric. Data-wise, there were some mixed results. The weekly jobless claims number came in slightly better than expected. Meantime, the regional Philly Fed survey for October missed to the downside of expectations. Lastly, existing home sales for September, fell by less than had been anticipated.

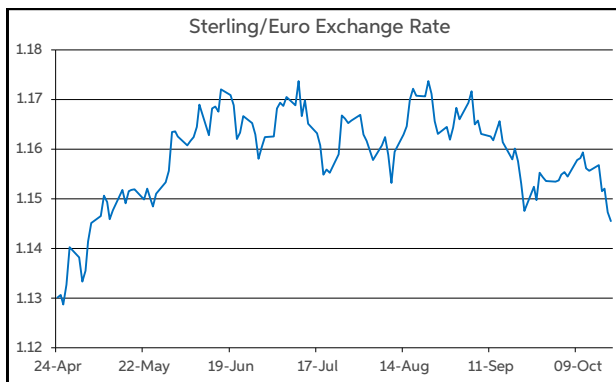
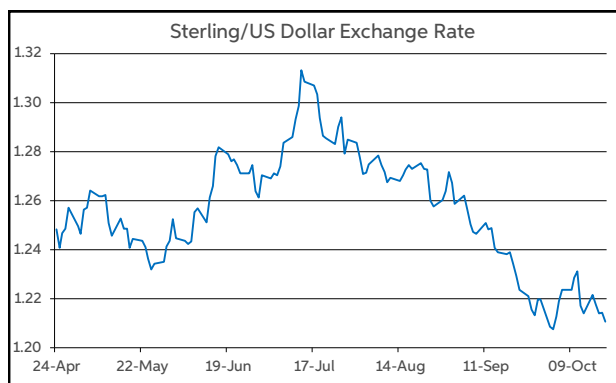
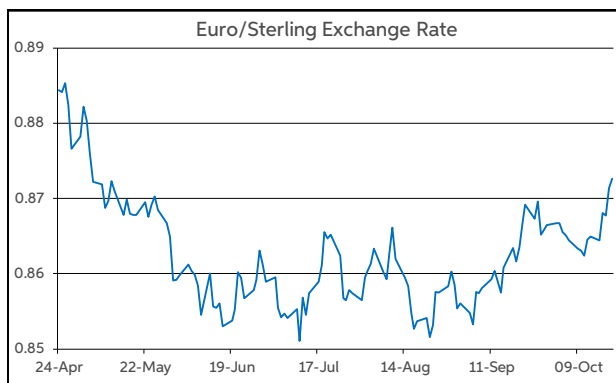
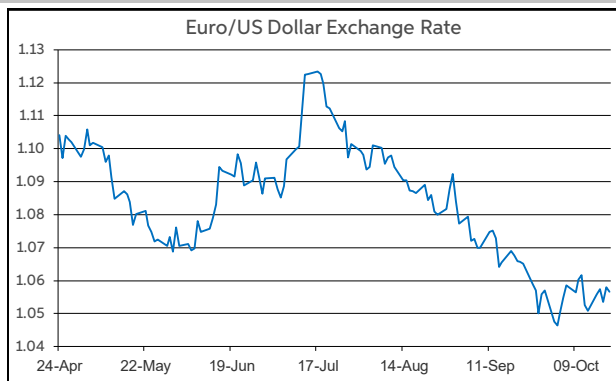
However, the main focus of yesterday's US macro diary was the speech by Fed Chair Powell at the Economics Club of New York. His comments were generally balanced in tone. They suggest that a November rate hike is unlikely. In the Q&A though, Powell did state that he did not think that policy was too tight at the moment. Overall, his remarks reinforce the view of a 'higher for longer' interest rate outlook.

From a bond market perspective, Powell's remarks provided further evidence to its view that the Fed will remain on hold in November. This was reflected in the policy sensitive 2-year Treasury yield falling by around 10bps. Meantime, the US 10-year yield tested the 5% level yesterday, before edging back towards 4.9%.

On the currency front, the action has been confined to relatively narrow ranges over the past 24 hours. Of the limited moves to register, the euro has been generally firmer. In level terms, EUR/USD opens this morning in the upper half of \$1.05-1.06.

Meanwhile, the EUR/GBP pair moved above the 87p threshold over the course of yesterday. This morning's release of weaker than expected UK retail sales for September has provided an unhelpful start to the day for sterling. The remainder of today's macro calendar is very quiet on both sides of the Atlantic.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.0568	0.35	-1.25
EUR/GBP	0.8726	0.46	-1.33
GBP/USD	1.2107	-0.14	0.08
GBP/EUR	1.1455	-0.46	1.35
USD/JPY	149.86	0.04	14.30
EUR/JPY	158.39	0.37	12.89

* 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	5.67	5.32	4.96
EUR	4.50	3.86	3.99	4.12	3.82	3.48
GBP	5.25	5.21	5.27	5.41	5.44	5.07

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

Friday 20 October 2023
07:18 am



Euro

EUR/GBP	0.8726
EUR/USD	1.0568
EUR/JPY	158.39
EUR/SEK	11.5972
EUR/DKK	7.4624
EUR/NOK	11.6453
EUR/CHF	0.9433
EUR/AUD	1.6748
EUR/HKD	8.2655
EUR/CAD	1.4502

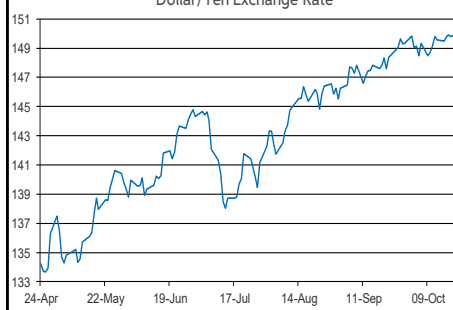
Sterling

GBP/EUR	1.1455
GBP/USD	1.2107
GBP/CAD	1.6616
GBP/NZD	2.0791
GBP/JPY	181.44
GBP/SEK	13.2903
GBP/DKK	8.5487
GBP/NOK	13.3524
GBP/CHF	1.0808
GBP/AUD	1.9188

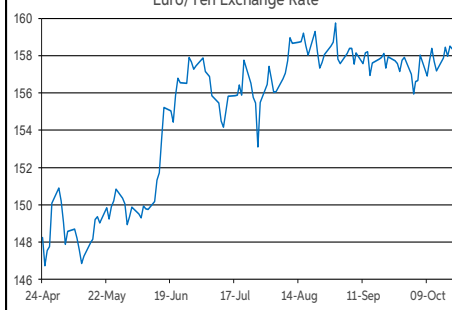
Dollar

USD/JPY	149.86
USD/CAD	1.3723
USD/CHF	0.8926
USD/CNY	7.3179
USD/BRL	5.0644
USD/RUB	96.81
USD/INR	83.1925
AUD/USD	0.6309
NZD/USD	0.5822

Dollar/Yen Exchange Rate

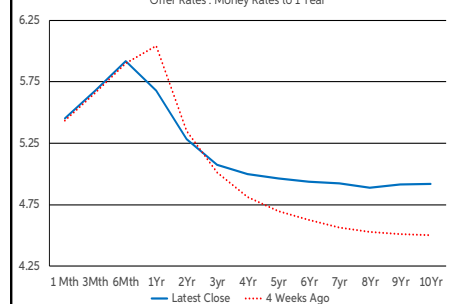


Euro/Yen Exchange Rate



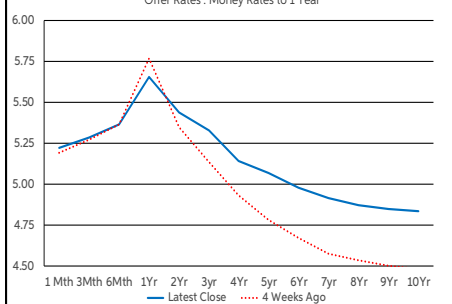
US Swap Curve

Offer Rates : Money Rates to 1 Year



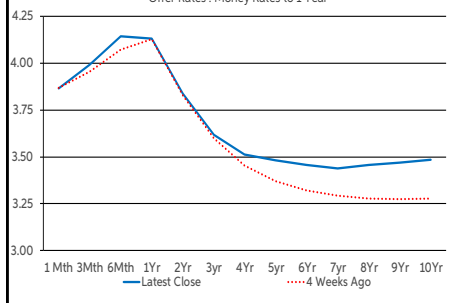
UK Swap Curve

Offer Rates : Money Rates to 1 Year

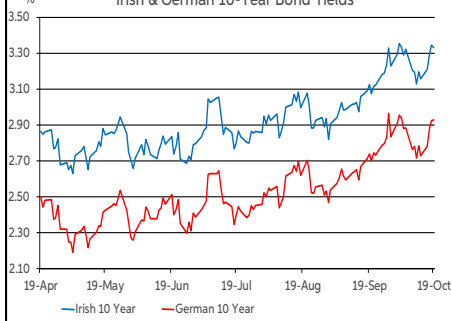


Eurozone Swap Curve

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	4.99	+8	+50	+111
Germany	2.93	+1	+18	+37
UK	4.66	-1	+35	+99
Ireland	3.36	-1	+21	+22
Belgium	3.59	-1	+22	+39
France	3.54	-1	+26	+43
Italy	4.95	-4	+40	+24
Spain	4.03	-2	+23	+38
Portugal	3.65	-1	+16	+5
Greece	4.38	-1	+19	-21
5 Year Swap %				
US	4.96	+2	+31	+97
Eurozone	3.48	+1	+12	+25
UK	5.07	+11	+29	+77
2 Year Swap %				
US	5.28	-7	-3	+61
Eurozone	3.84	+0	+2	+45
UK	5.44	-0	+9	+76
10 Year Government Bond Spreads to Benchmark bps				
Ireland	44	-2	+3	-15
Belgium	66	-1	+3	+2
France	61	-2	+8	+6
Italy	202	-4	+22	-12
Spain	111	-3	+5	+1
Portugal	72	-1	-2	-32
Greece	145	-1	+1	-58

Commodities

	% Change			
	Close	Day	4 Weeks	End 22
Brent Oil	92.38	+0.96	-0.99	+7.53
West Texas Oil	89.35	+1.13	-0.23	+11.46
Gold \$	1973.7	+1.34	+2.82	+8.18

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