

## Dollar holding the upper hand

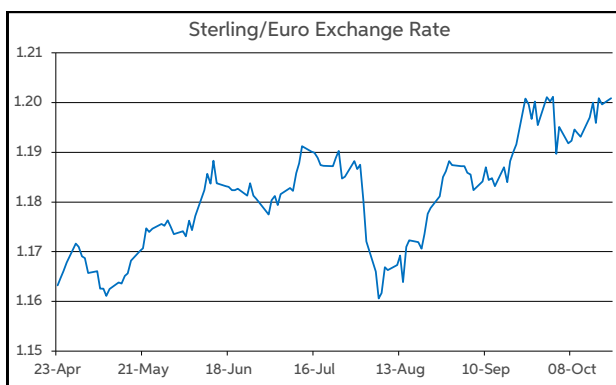
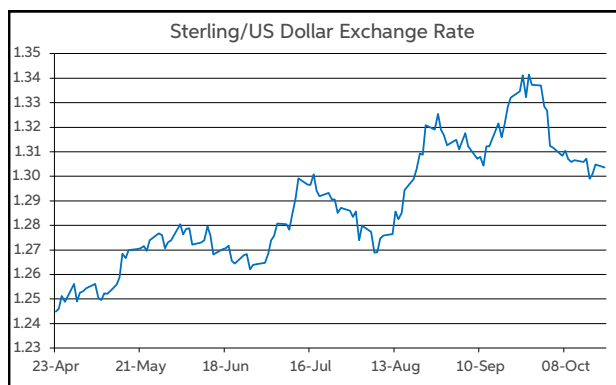
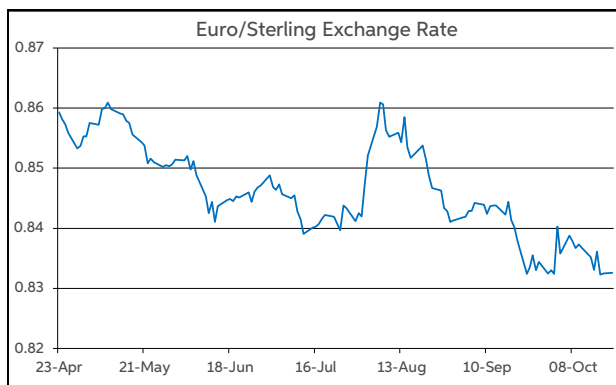
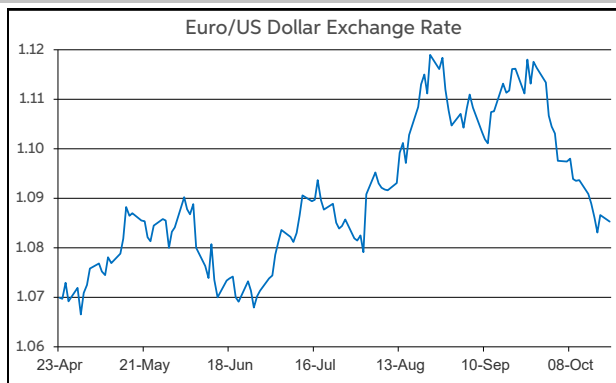
The currency market action last week saw the dollar continue to hold the upper hand. Another consensus beating US macro release helped to support the greenback. This time, it was retail sales figures for September. The data indicated a solid end to Q3 for the all-important consumer spending side of the US economy.

For the euro, the ECB meeting acted as a headwind for the currency. As expected, the central bank cut rates by 25bps. The meeting statement and President Lagarde's press conference had a dovish tone, emphasising concerns for the economy's growth performance. The ECB comments reinforced market expectations for another rate cut in December. Meanwhile, sterling exhibited some sensitivity to UK macro newsflow. Softer than forecast CPI inflation numbers (Sept) weighed on the pound mid-week. However, stronger than expected retail sales data (Sept) on Friday boosted sterling heading into the weekend.

All of the above is reflected in EUR/USD starting this week at the midpoint of \$1.08-1.09. This compares to \$1.11 in the early part of October. EUR/GBP opens in the lower half of 83-84p. It briefly traded below the 83p mark last week. This represents a significant support level for the pair, as it has not been consistently below this mark since the Brexit referendum. GBP/USD is trading in the bottom end of \$1.30-1.31. This is slightly under last Monday's open but well below its \$1.33 territory at the start of October.

This week, the flash PMI's for October are the main data highlight. This is especially the case for the euro, given the numerous references by the ECB last week to the weak September survey results. There is also a busy diary of central bank speakers from the ECB, BoE and Fed to keep currency watchers interested.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0853	0.12	-1.66
EUR/GBP	0.8326	0.02	-3.95
GBP/USD	1.3037	0.12	2.42
GBP/EUR	1.2008	-0.02	4.11
USD/JPY	149.47	-0.28	5.96
EUR/JPY	162.29	-0.12	4.28

\* 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	4.74	4.62	4.11	4.06	3.86
EUR	3.40	3.15	3.20	2.58	2.29	2.25
GBP	5.00	4.85	4.70	4.20	4.16	3.94

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

Monday 21 October 2024  
07:26 am



## Euro

EUR/GBP	0.8326
EUR/USD	1.0853
EUR/JPY	162.29
EUR/SEK	11.4377
EUR/DKK	7.4583
EUR/NOK	11.8887
EUR/CHF	0.9395
EUR/AUD	1.6229
EUR/HKD	8.4349
EUR/CAD	1.4996

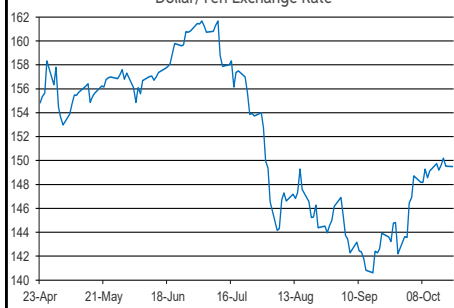
## Sterling

GBP/EUR	1.2008
GBP/USD	1.3037
GBP/CAD	1.801
GBP/NZD	2.1504
GBP/JPY	194.86
GBP/SEK	13.7326
GBP/DKK	8.957
GBP/NOK	14.2764
GBP/CHF	1.1281
GBP/AUD	1.9491

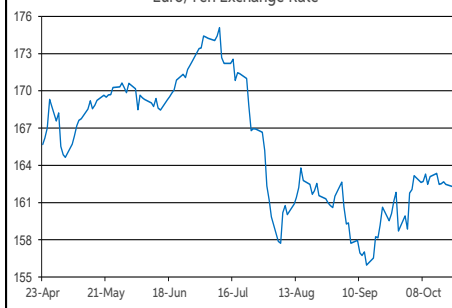
## Dollar

USD/JPY	149.47
USD/CAD	1.3815
USD/CHF	0.8655
USD/CNY	7.1121
USD/BRL	5.6894
USD/RUB	96.1
USD/INR	84.066
AUD/USD	0.6688
NZD/USD	0.6062

Dollar/Yen Exchange Rate

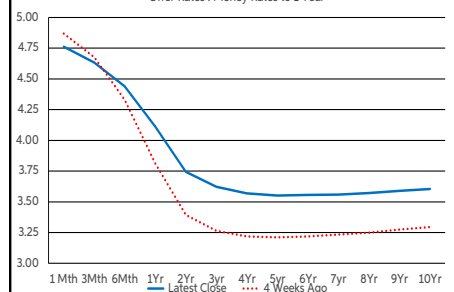


Euro/Yen Exchange Rate



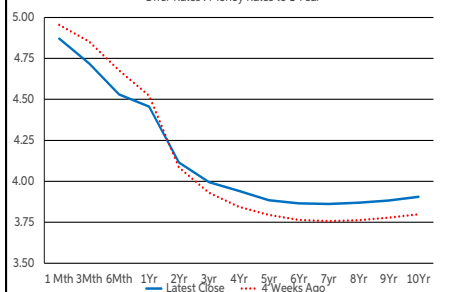
US Swap Curve

Offer Rates : Money Rates to 1 Year



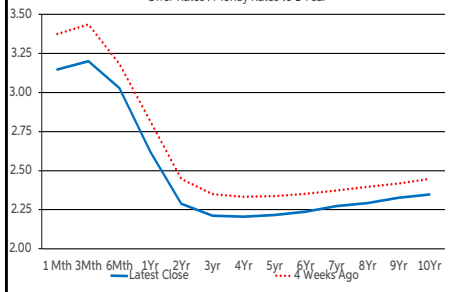
UK Swap Curve

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 23
10 Year Yield %				
US	4.08	-2	+35	+22
Germany	2.18	-2	-4	+16
UK	4.06	-3	+15	+52
Ireland	2.53	-3	-5	+17
Belgium	2.76	-3	-7	+7
France	2.90	-4	-6	+34
Italy	3.36	-4	-20	-34
Spain	2.87	-3	-13	-12
Portugal	2.62	-3	-17	-17
Greece	3.04	-3	-17	-3
5 Year Swap %				
US	3.82	-1	+36	+2
Eurozone	2.22	-4	-11	-21
UK	3.89	-6	+10	+23
2 Year Swap %				
US	4.00	-2	+38	-33
Eurozone	2.29	-4	-15	-51
UK	4.12	-3	+4	-15
10 Year Government Bond Spreads to Benchmark bps				
Ireland	35	-2	-1	+1
Belgium	58	-1	-3	-8
France	72	-2	-3	+19
Italy	118	-3	-16	-49
Spain	69	-1	-9	-27
Portugal	44	-1	-13	-32
Greece	86	-1	-13	-19

## Commodities

	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	73.06	-1.87	-1.92	-5.17
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2720.2	+1.03	+3.75	+31.89

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