

Flash PMIs in the spotlight today

There was a mixed mood to investor sentiment yesterday after last week's risk averse tone. In Europe, the Euro Stoxx 50 rose by 0.4%. Meanwhile, at the closing bell on Wall Street last night, the S&P 500 was 0.2% lower from where it had started the day.

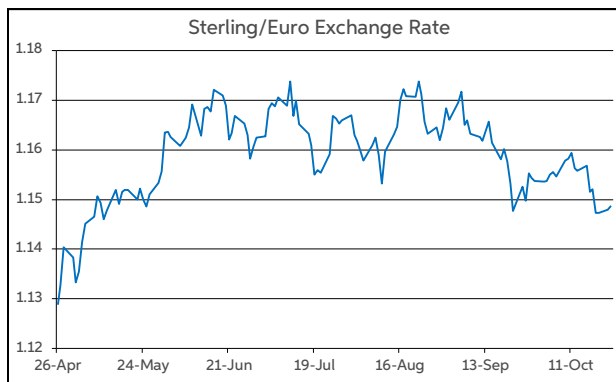
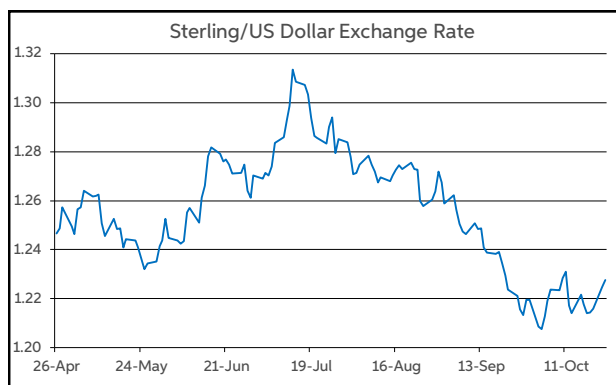
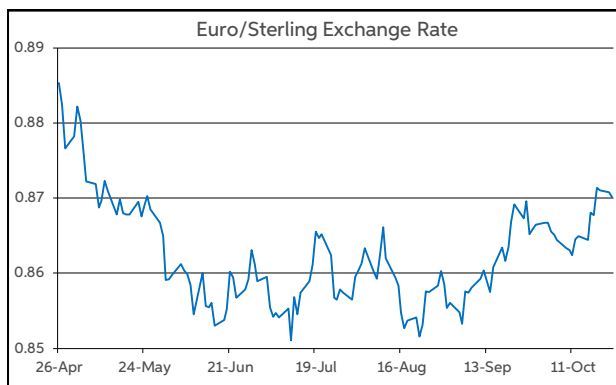
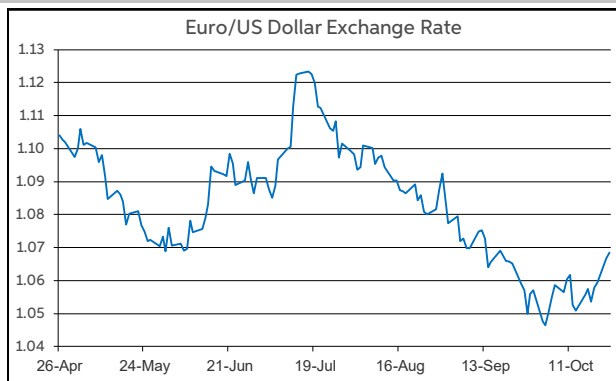
On bond markets, the action was characterised by initially higher US Treasury yields (including the 10-year yield rising above 5% in early trading) prompting some buying as well as demand to cover short positions. These combined to push yields lower overall with the 10-year Treasury yield moving back below the 4.9% mark.

On the currency front, the dollar was holding a softer tone amid the more notable falls in US Treasury yields. As a result, both the euro and sterling managed to register solid gains against the greenback.

In level terms, the weaker dollar over the past 24 hours is reflected in EUR/USD opening this morning up above the midpoint of \$1.06-1.07, while GBP/USD is operating in the upper half of \$1.22-1.23 territory. Meantime, EUR/GBP continues to straddle the 87p handle.

Today's macro diary has already seen the release of UK unemployment, which printed slightly below expectations, at 4.2% for the three month period to August. Meanwhile, over the course of today, we get the flash PMIs from the Eurozone, UK and US. They will provide an early read on how these economies are performing at the start of Q4. The PMIs were generally weak across geographies and sectors (both manufacturing and services) in September. Overall, the consensus is for similarly subdued results across the board in October.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.0682	1.02	-0.19
EUR/GBP	0.8701	-0.02	-1.62
GBP/USD	1.2275	1.05	1.47
GBP/EUR	1.1487	0.02	1.64
USD/JPY	149.6	-0.22	14.10
EUR/JPY	159.85	0.81	13.93

* 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	5.44	5.64	5.62	5.23	4.82
EUR	4.50	3.86	3.97	4.07	3.75	3.39
GBP	5.25	5.20	5.25	5.34	5.31	4.94

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

Tuesday 24 October 2023
07:25 am



Euro

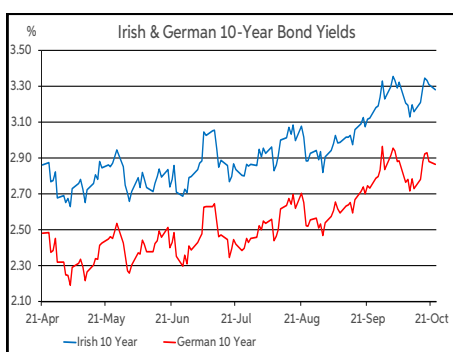
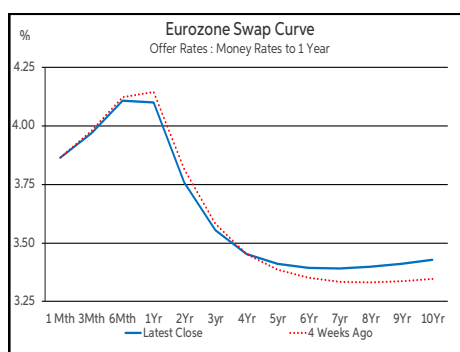
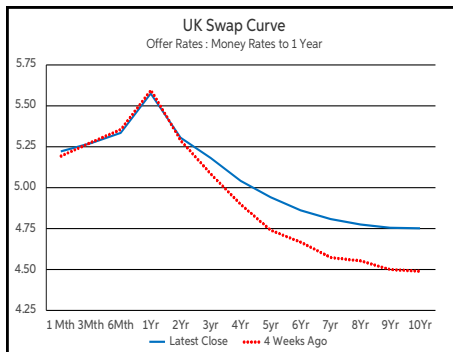
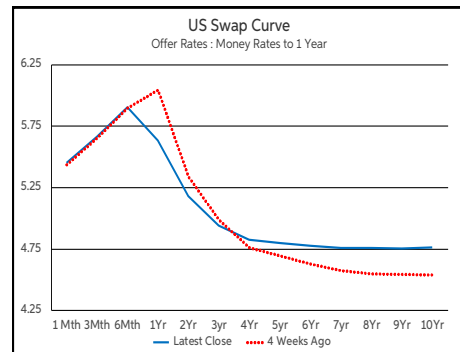
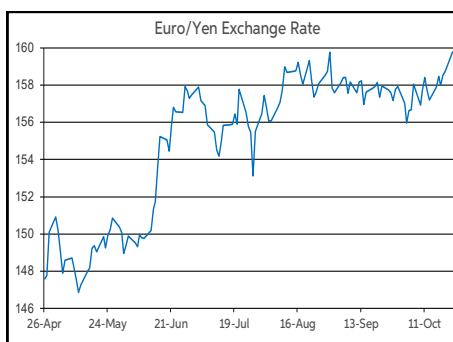
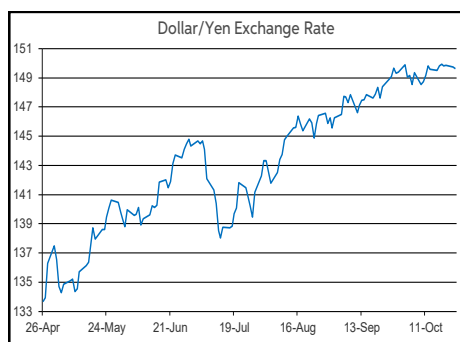
EUR/GBP	0.8701
EUR/USD	1.0682
EUR/JPY	159.85
EUR/SEK	11.6855
EUR/DKK	7.4635
EUR/NOK	11.7884
EUR/CHF	0.9509
EUR/AUD	1.6791
EUR/HKD	8.3567
EUR/CAD	1.4607

Sterling

GBP/EUR	1.1487
GBP/USD	1.2275
GBP/CAD	1.6784
GBP/NZD	2.0948
GBP/JPY	183.63
GBP/SEK	13.422
GBP/DKK	8.5749
GBP/NOK	13.555
GBP/CHF	1.0929
GBP/AUD	1.9294

Dollar

USD/JPY	149.6
USD/CAD	1.3673
USD/CHF	0.8901
USD/CNY	7.305
USD/BRL	5.0138
USD/RUB	93.8825
USD/INR	83.036
AUD/USD	0.6361
NZD/USD	0.5857



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 22
10 Year Yield %				
US	4.85	-7	+32	+97
Germany	2.86	-2	+7	+30
UK	4.60	-5	+27	+93
Ireland	3.31	-3	+10	+16
Belgium	3.53	-3	+10	+33
France	3.48	-3	+14	+37
Italy	4.84	-8	+19	+14
Spain	3.97	-3	+11	+31
Portugal	3.56	-6	+2	-4
Greece	4.34	-2	+7	-25
5 Year Swap %				
US	4.80	-5	+14	+80
Eurozone	3.41	-2	+3	+18
UK	4.94	-5	+25	+64
2 Year Swap %				
US	5.18	-4	-12	+50
Eurozone	3.76	-1	-5	+37
UK	5.30	-4	+2	+62
10 Year Government Bond Spreads to Benchmark bps				
Ireland	45	-1	+2	-14
Belgium	66	-1	+2	+3
France	62	-1	+7	+7
Italy	198	-6	+12	-16
Spain	110	-1	+3	+1
Portugal	70	-4	-6	-34
Greece	148	+0	-1	-55

Commodities				
	% Change			
	Close	Day	4 Weeks	End 22
Brent Oil	89.83	-2.53	-3.71	+4.56
West Texas Oil	85.49	-4.07	-4.67	+6.65
Gold \$	1972.6	-0.43	+2.97	+8.12

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