

ECB policy decision due today

There was a mixed mood on markets yesterday. The Euro Stoxx 50 edged up 0.2%. Meantime, the S&P 500 fell by 1.4% following the release of some disappointing quarterly earnings data.

In terms of fixed income, sovereign yields rose across the board. UK Gilt and German Bund yields climbed 4-10bps higher. In the US, Treasury yields rose by 6-16bps, with the 10-year yield moving back up to just below 5%. Elsewhere, Brent crude prices erased their losses from the day before, rising to \$90 per barrel.

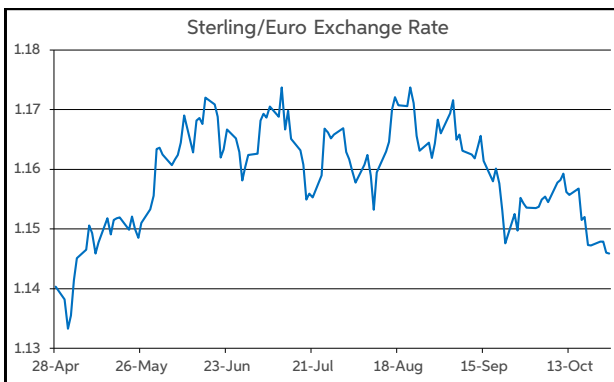
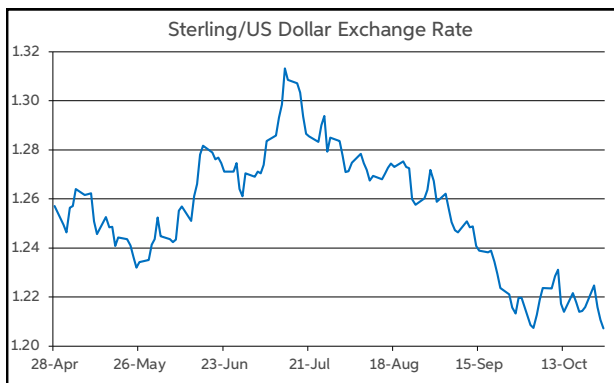
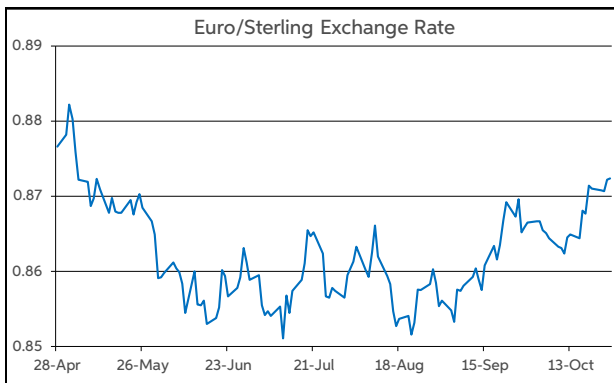
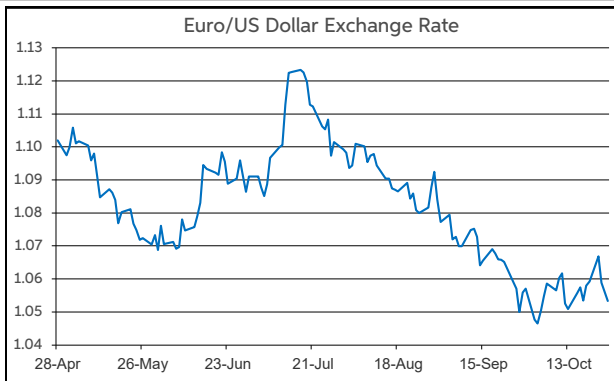
On the currency front, the main pairs operated in fairly tight ranges throughout the European session. Of the limited moves to register, the dollar was holding a slightly firmer tone. Overnight, the dollar extended its gains further. Overall, the greenback gained circa 0.7% against the euro and around 0.9% versus sterling, amid the larger rise in US yields compared to elsewhere over the past 24 hours.

In level terms, the firmer dollar tone is evidenced by EUR/USD opening this morning down in the lower half of \$1.05-1.06. GBP/USD is operating back below the \$1.21 threshold. Meantime, EUR/GBP continues to change hands above the 87p mark.

Turning to the day ahead, the main focus will be the ECB policy meeting outcome. The ECB is widely expected to leave interest rates on hold. However, the post-meeting press conference will garner close attention.

Elsewhere, a busy data schedule in the US includes the first reading of Q3 GDP. The consensus is that the economy expanded strongly by 4.3% annualised in the quarter. The latest initial jobless claims and durable goods data (Sep) also feature.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.0534	-0.66	-1.57
EUR/GBP	0.8724	0.16	-1.36
GBP/USD	1.2072	-0.85	-0.21
GBP/EUR	1.1456	-0.16	1.38
USD/JPY	150.75	0.61	14.98
EUR/JPY	158.82	-0.06	13.20

* 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	5.65	5.31	4.94
EUR	4.50	3.84	3.94	4.07	3.76	3.40
GBP	5.25	5.20	5.26	5.33	5.29	4.92

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

Thursday 26 October 2023
07:45 am



Euro

EUR/GBP	0.8724
EUR/USD	1.0534
EUR/JPY	158.82
EUR/SEK	11.7856
EUR/DKK	7.4623
EUR/NOK	11.8539
EUR/CHF	0.947
EUR/AUD	1.6755
EUR/HKD	8.2411
EUR/CAD	1.4552

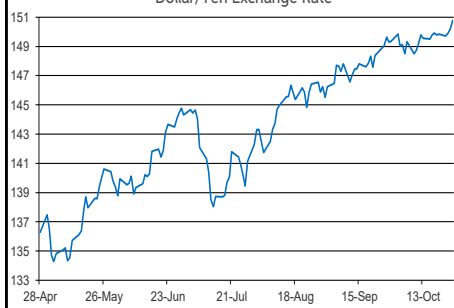
Sterling

GBP/EUR	1.1456
GBP/USD	1.2072
GBP/CAD	1.6678
GBP/NZD	2.0859
GBP/JPY	181.99
GBP/SEK	13.5104
GBP/DKK	8.5511
GBP/NOK	13.5838
GBP/CHF	1.0856
GBP/AUD	1.9202

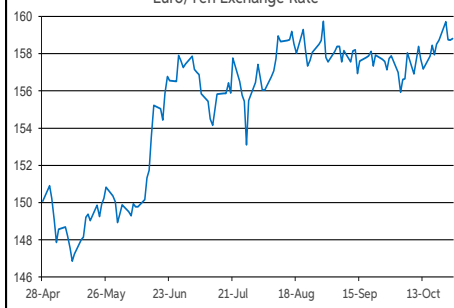
Dollar

USD/JPY	150.75
USD/CAD	1.3814
USD/CHF	0.899
USD/CNY	7.3187
USD/BRL	4.9947
USD/RUB	93.825
USD/INR	83.206
AUD/USD	0.6287
NZD/USD	0.5785

Dollar/Yen Exchange Rate

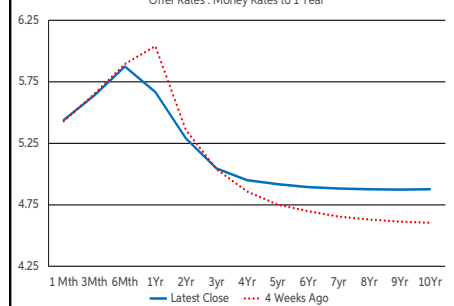


Euro/Yen Exchange Rate



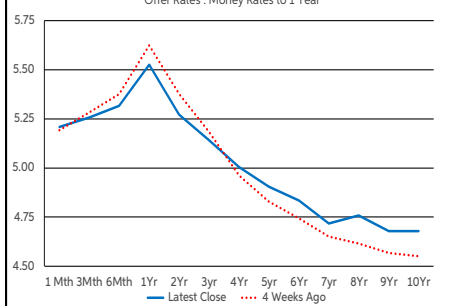
US Swap Curve

Offer Rates : Money Rates to 1 Year



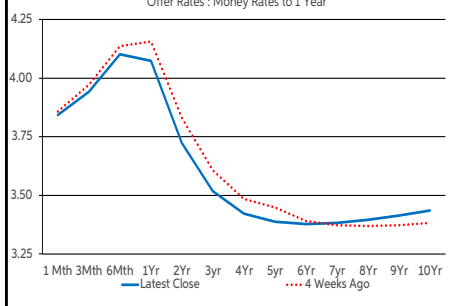
UK Swap Curve

Offer Rates : Money Rates to 1 Year

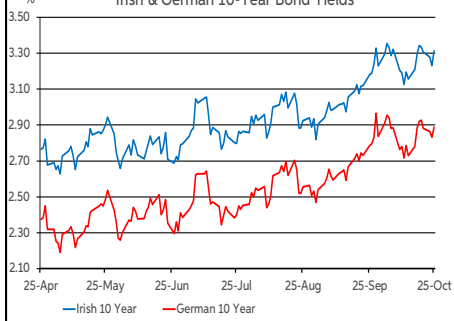


Eurozone Swap Curve

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	4.96	+14	+35	+108
Germany	2.89	+6	+6	+33
UK	4.61	+7	+25	+94
Ireland	3.33	+7	+6	+19
Belgium	3.56	+4	+7	+36
France	3.52	+5	+11	+40
Italy	4.92	+7	+13	+21
Spain	4.01	+5	+6	+35
Portugal	3.61	+6	+0	+0
Greece	4.28	+3	-4	-31
5 Year Swap %				
US	4.92	+11	+21	+92
Eurozone	3.39	+3	-6	+16
UK	4.91	+6	+13	+60
2 Year Swap %				
US	5.29	+5	-3	+62
Eurozone	3.72	+1	-10	+34
UK	5.27	+4	-10	+59
10 Year Government Bond Spreads to Benchmark bps				
Ireland	45	+2	+1	-14
Belgium	67	-2	+1	+3
France	63	-0	+6	+8
Italy	203	+1	+7	-11
Spain	112	-0	+1	+2
Portugal	72	+0	-6	-32
Greece	139	-2	-9	-64

Commodities

	% Change			
	Close	Day	4 Weeks	End 22
Brent Oil	90.13	+2.34	-6.65	+4.91
West Texas Oil	86.07	+1.76	-8.11	+7.37
Gold \$	1979.6	+0.48	+5.60	+8.51

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