

## Firmer tone to the dollar

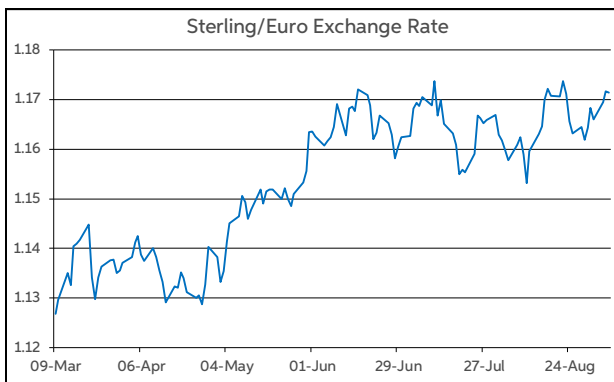
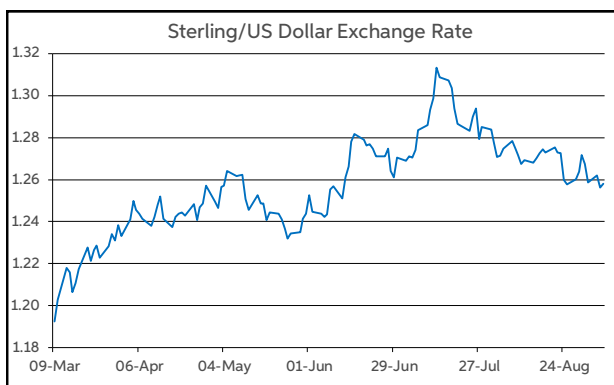
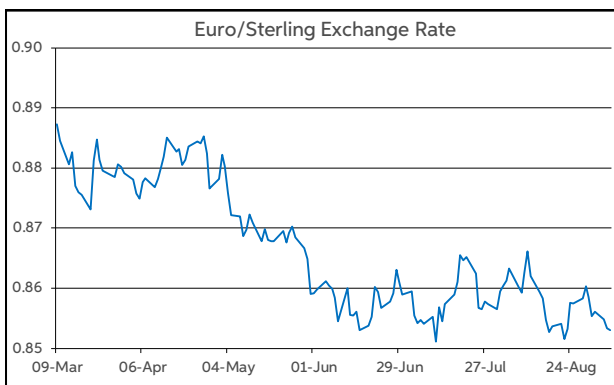
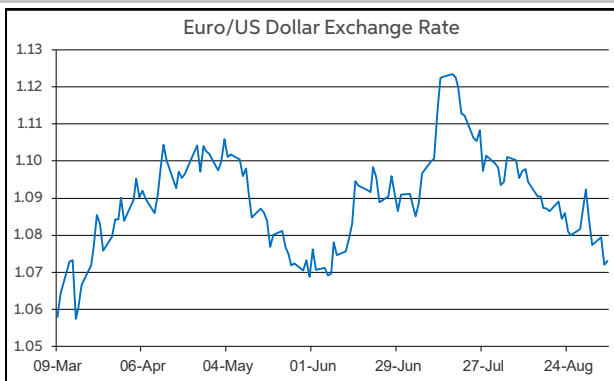
Investor sentiment was holding a cautious tone yesterday. In Europe, for a second day running, the Euro Stoxx 50 finished the day modestly lower, with a 0.3% loss. Meanwhile, Wall Street returned from its long weekend, to register a 0.4% decline on the day. Some disappointing macro data, raising concerns over the global economic outlook was unhelpful to risk appetite. Elsewhere, oil prices continued to rise, with Brent crude above \$90 per barrel.

The weaker data included the Chinese PMI survey on its services sector for August missing to the downside of expectations. Meanwhile, the final reading of the Eurozone August services PMI was revised lower to 47.9 (vs. flash result of 48.3) and this resulted in the composite index being amended down to 46.7. The main highlight from the US macro diary saw factory orders for July contracting by 2.1% which was less than the expected 2.5% decline.

The action on currency markets saw the dollar hold the upper hand amid the cautious tone to market sentiment. The greenback registered gains against the other majors, including the euro, sterling and the yen. In level terms, this is reflected in EUR/USD opening this morning in the lower half of \$1.07-1.08. The firmer dollar sees in GBP/USD trading below \$1.26. Meantime, USD/JPY is operating above the ¥147 mark, having reached a year-to-day high of ¥147.8 yesterday. Elsewhere, EUR/GBP continues to change hands in a tight range just below the midpoint of 85-86p.

Looking ahead to today, the macro data diary is relatively sparse. One of the few highlights is the US non-manufacturing ISM for August. Meanwhile, in terms of monetary policy, BoE Governor Bailey will be appearing at the Treasury Select Committee to discuss the August Monetary Policy Report.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.0731	-0.56	0.27
EUR/GBP	0.8529	-0.21	-3.56
GBP/USD	1.2579	-0.36	3.98
GBP/EUR	1.1718	0.21	3.69
USD/JPY	147.1	0.31	12.20
EUR/JPY	157.9	-0.23	12.54

\* 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	5.65	5.69	5.13	4.43
EUR	4.25	3.64	3.80	3.97	3.66	3.24
GBP	5.25	5.28	5.44	5.76	5.76	5.14

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

Wednesday 06 September 2023  
07:18 am



## Euro

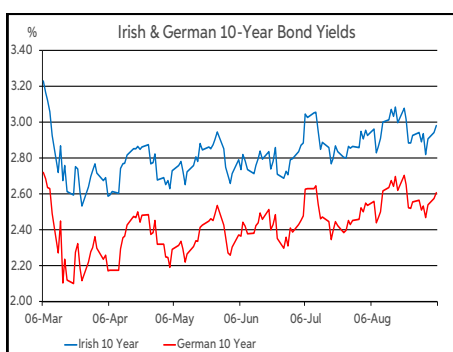
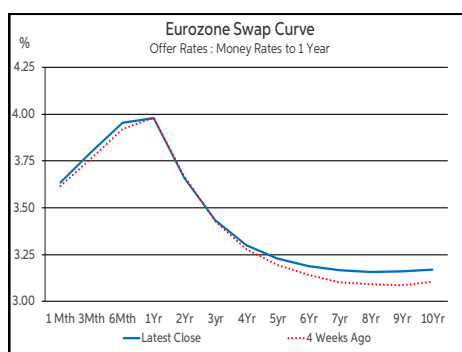
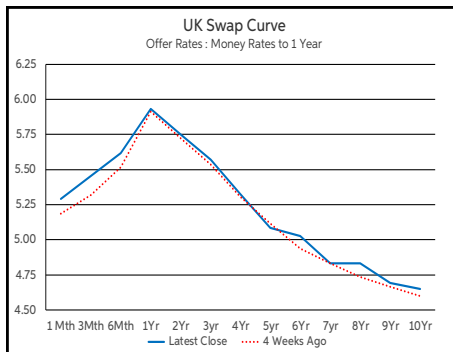
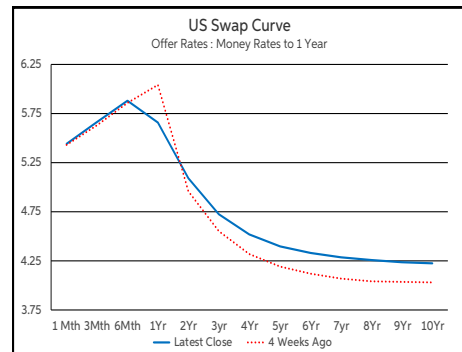
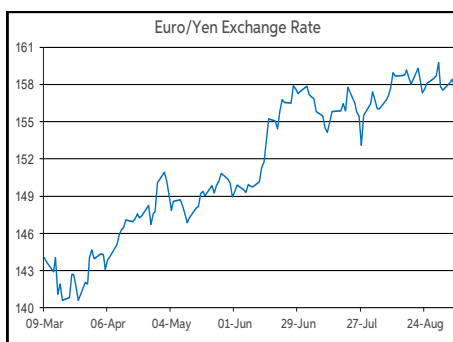
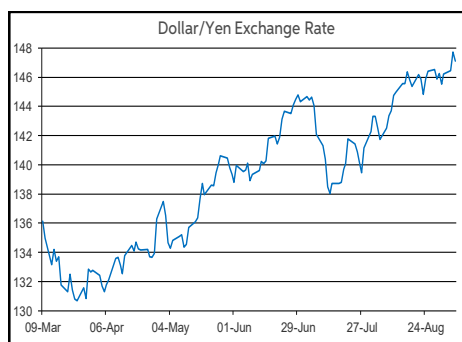
EUR/GBP	0.8529
EUR/USD	1.0731
EUR/JPY	157.9
EUR/SEK	11.9058
EUR/DKK	7.454
EUR/NOK	11.4957
EUR/CHF	0.9538
EUR/AUD	1.6781
EUR/HKD	8.4171
EUR/CAD	1.4635

## Sterling

GBP/EUR	1.1718
GBP/USD	1.2579
GBP/CAD	1.7154
GBP/NZD	2.1319
GBP/JPY	185.04
GBP/SEK	13.9528
GBP/DKK	8.7352
GBP/NOK	13.472
GBP/CHF	1.1181
GBP/AUD	1.9669

## Dollar

USD/JPY	147.1
USD/CAD	1.3635
USD/CHF	0.8887
USD/CNY	7.3062
USD/BRL	4.9675
USD/RUB	97.7175
USD/INR	83.0725
AUD/USD	0.6394
NZD/USD	0.5898



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 22
<b>10 Year Yield %</b>				
US	4.27	+8	+24	+39
Germany	2.61	+3	+17	+5
UK	4.52	+6	+14	+85
Ireland	3.01	+4	+15	-14
Belgium	3.23	+4	+11	+3
France	3.14	+4	+14	+3
Italy	4.35	+5	+21	-36
Spain	3.66	+4	+15	-0
Portugal	3.36	+5	+15	-24
Greece	3.93	-1	+13	-66
<b>5 Year Swap %</b>				
US	4.40	+7	+25	+40
Eurozone	3.23	+1	+4	-0
UK	5.09	+5	-2	+78
<b>2 Year Swap %</b>				
US	5.09	+4	+17	+41
Eurozone	3.66	-0	+0	+27
UK	5.75	+6	+3	+107
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	40	+1	-2	-18
Belgium	62	+1	-6	-2
France	53	+0	-3	-2
Italy	174	+2	+5	-40
Spain	105	+1	-2	-5
Portugal	75	+2	-2	-29
Greece	132	-4	-4	-71

Commodities				
	% Change			
	Close	Day	4 Weeks	End 22
Brent Oil	90.04	+1.17	+4.49	+4.81
West Texas Oil	86.74	+1.43	+4.58	+8.21
Gold \$	1925.8	-0.64	+0.05	+5.56

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