

Main FX pairs tightly range bound

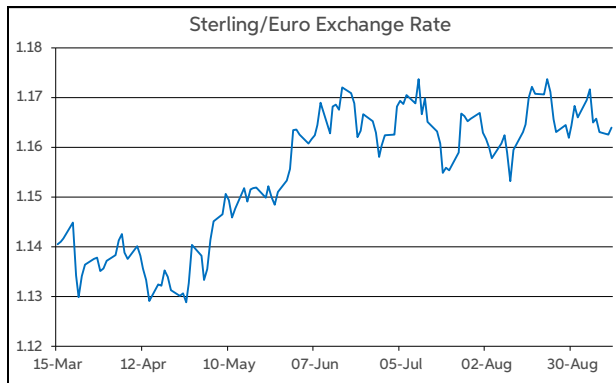
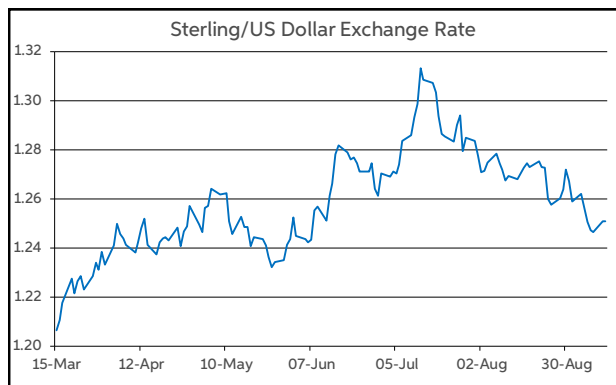
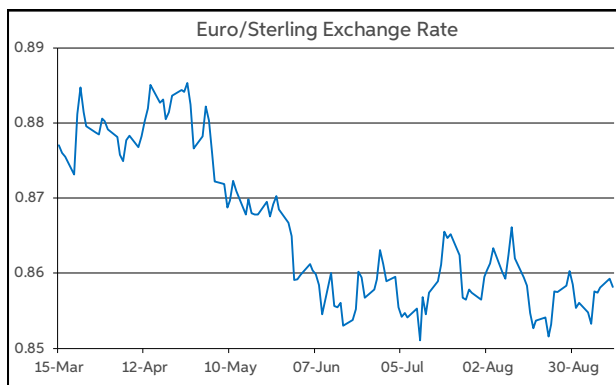
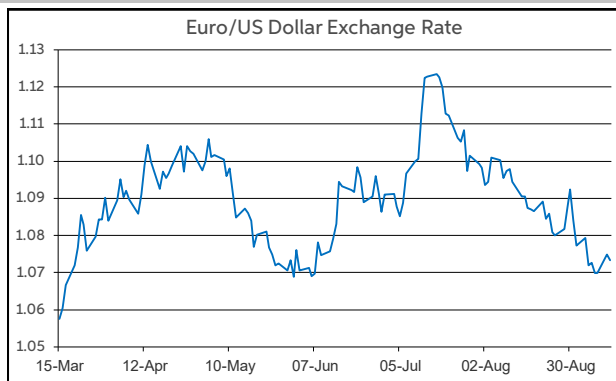
Equity markets moved higher on both sides of the Atlantic yesterday, amid a relatively quiet start to the week. The Euro Stoxx 50 gained 0.4%, while the S&P 500 climbed 0.7% higher. On bond markets, the main move was UK Gilt yields rose by 3-6bps along the curve. US Treasury and German Bund yields were little changed. Elsewhere, Brent crude oil continued to tick slightly higher, with prices now approaching \$91 per barrel.

Currency-wise, the main FX pairs were tightly range bound. A sparse data schedule likely contributed to the lacklustre price action. Of the limited moves to note, the yen handed back some of its gains made before the European open, following some hawkish remarks from BoJ Governor Ueda at the weekend, that it may consider ending its negative interest rate policy at year end. From a sterling viewpoint, the currency was unmoved by a hawkish speech from MPC member Mann, arguing that, "holding rates constant at the current level risks enabling further inflation persistence."

As trading gets underway this morning, EUR/USD is near the midpoint of the \$1.07-1.08 range. GBP/USD is in the lower half of \$1.25-1.26 corridor. Meantime, EUR/GBP is operating in the top half of 85-86p. USD/JPY is above the halfway mark of ¥146-147.

Already this morning, UK labour market data for July have been released. As expected, the unemployment rate edged higher to 4.3% from 4.2%. Meantime, average earnings printed above the consensus, up 8.5% y/y (vs. +8.2% y/y f'cast). The release has not impacted sterling so far in early trading. Later today, survey data for September, including the German ZEW and US small business optimism are due. However, barring any major surprises, the data are unlikely to impact on forex markets.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.0735	0.01	0.31
EUR/GBP	0.8575	0.02	-3.04
GBP/USD	1.2518	-0.01	3.48
GBP/EUR	1.1657	-0.02	3.14
USD/JPY	146.79	0.42	11.96
EUR/JPY	157.6	0.41	12.33

* 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	5.67	5.66	5.19	4.49
EUR	4.25	3.68	3.80	4.00	3.71	3.28
GBP	5.25	5.31	5.44	5.65	5.58	5.04

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 12 September 2023
07:01 am



Euro

EUR/GBP	0.8575
EUR/USD	1.0735
EUR/JPY	157.6
EUR/SEK	11.916
EUR/DKK	7.4578
EUR/NOK	11.4495
EUR/CHF	0.957
EUR/AUD	1.6713
EUR/HKD	8.4079
EUR/CAD	1.4587

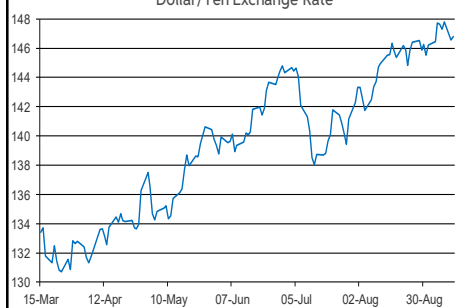
Sterling

GBP/EUR	1.1657
GBP/USD	1.2518
GBP/CAD	1.7008
GBP/NZD	2.1182
GBP/JPY	183.72
GBP/SEK	13.8824
GBP/DKK	8.6938
GBP/NOK	13.3492
GBP/CHF	1.1158
GBP/AUD	1.9485

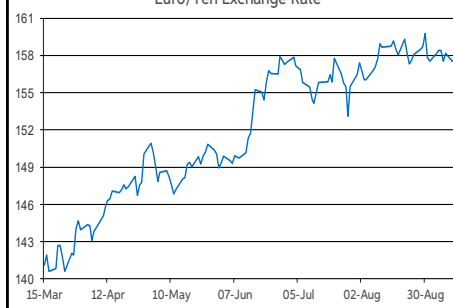
Dollar

USD/JPY	146.79
USD/CAD	1.3586
USD/CHF	0.8913
USD/CNY	7.2885
USD/BRL	4.9304
USD/RUB	94.2125
USD/INR	82.975
AUD/USD	0.6422
NZD/USD	0.5903

Dollar/Yen Exchange Rate

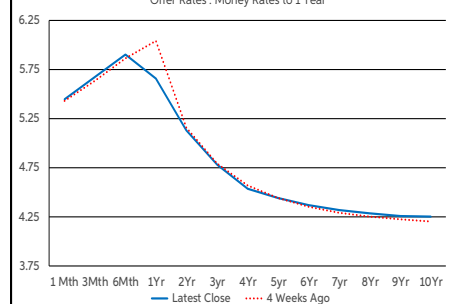


Euro/Yen Exchange Rate



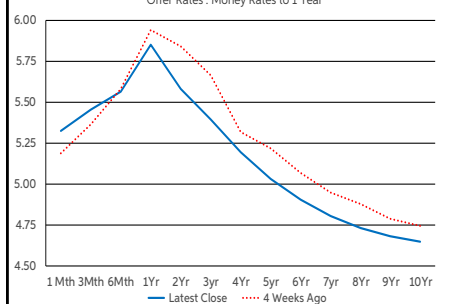
US Swap Curve

Offer Rates : Money Rates to 1 Year



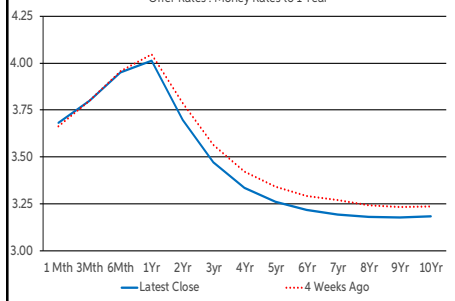
UK Swap Curve

Offer Rates : Money Rates to 1 Year

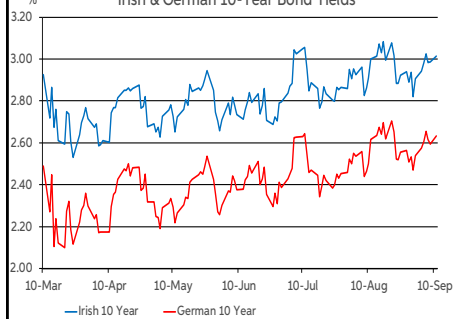


Eurozone Swap Curve

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	4.29	+3	+9	+42
Germany	2.64	+4	-0	+7
UK	4.47	+5	-9	+80
Ireland	3.03	+2	+0	-11
Belgium	3.28	+4	-2	+8
France	3.18	+3	-0	+6
Italy	4.40	+5	+11	-31
Spain	3.69	+5	+4	+3
Portugal	3.38	+4	+3	-22
Greece	4.02	+4	+9	-57
5 Year Swap %				
US	4.44	+0	+4	+45
Eurozone	3.26	+2	-7	+3
UK	5.03	+2	-14	+73
2 Year Swap %				
US	5.13	-2	+1	+46
Eurozone	3.70	+2	-8	+31
UK	5.58	+1	-26	+90
10 Year Government Bond Spreads to Benchmark bps				
Ireland	40	-2	+0	-19
Belgium	64	-0	-1	+0
France	54	-1	+0	-1
Italy	176	+1	+11	-38
Spain	105	+1	+4	-4
Portugal	75	+0	+4	-29
Greece	138	+1	+9	-65

Commodities

	% Change			
	Close	Day	4 Weeks	End 22
Brent Oil	90.64	-0.01	+5.14	+5.51
West Texas Oil	87.3	-0.24	+5.82	+8.91
Gold \$	1921.7	+0.20	+0.72	+5.33

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