

## Quiet start to a busy week

There was a quiet start, to what is a busy week, on financial markets yesterday. The macro calendar was sparse on both sides of the Atlantic. Indeed, the only release of any note was US homebuilder sentiment for September. Unlike most recent US data, it missed to the downside of expectations.

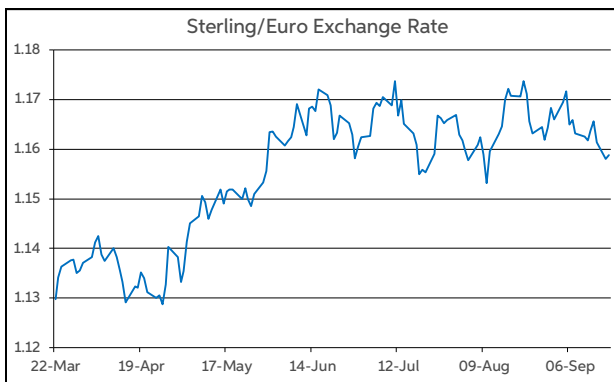
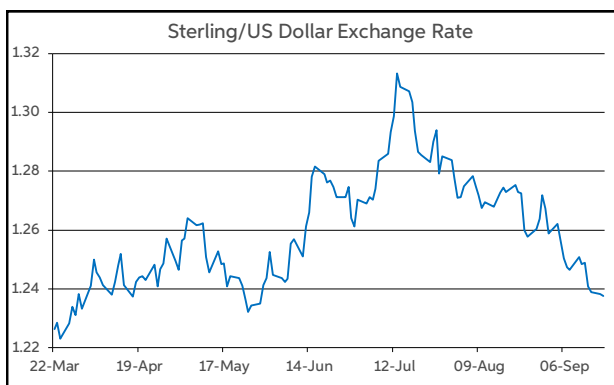
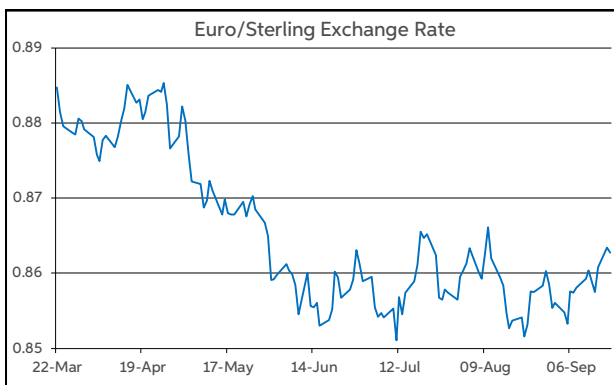
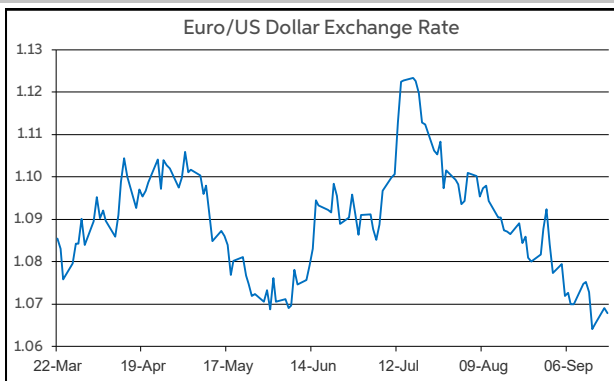
Investor sentiment was holding a cautious tone as market participants await the outcome of some key central bank meetings this week, including the Fed (Wednesday) and BoE (Thursday). In Europe, the Euro Stoxx 50 finished its session down 1.1%. Meanwhile, at the closing bell on Wall Street last night, the S&P 500 was flat for day.

In terms of bond markets, the 10-year US Treasury yield edged back to 4.3%. Most of the main European sovereign benchmark 10-year yields were 2-6bps higher over the course of the day. Meantime, oil prices continued their upward momentum, with Brent crude rising above \$94 per barrel.

Currency-wise, the majors were confined to narrow trading ranges yesterday. This muted action has continued in overnight trading. As a result, the main pairs open this morning broadly similar to where they started the week 24 hours earlier. EUR/USD continues to trade near to the midpoint of \$1.06-1.07. EUR/GBP remains close to the 86p mark. Elsewhere, GBP/USD is operating in a tight corridor just below \$1.24.

Looking ahead to today, the macro diary remains sparse. Therefore, the main FX pairs could continue to range trade as they adopt a holding pattern in light of the key monetary policy events looming on the horizon.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.0678	0.10	-0.22
EUR/GBP	0.8625	0.23	-2.48
GBP/USD	1.2379	-0.14	2.33
GBP/EUR	1.1589	-0.23	2.54
USD/JPY	147.83	0.12	12.75
EUR/JPY	157.89	0.22	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	5.66	5.60	5.26	4.53
EUR	4.50	3.76	3.88	4.14	3.83	3.34
GBP	5.25	5.36	5.46	5.63	5.53	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

Tuesday 19 September 2023  
07:08 am



## Euro

EUR/GBP	0.8625
EUR/USD	1.0678
EUR/JPY	157.89
EUR/SEK	11.9184
EUR/DKK	7.4528
EUR/NOK	11.5617
EUR/CHF	0.9593
EUR/AUD	1.6601
EUR/HKD	8.3462
EUR/CAD	1.4391

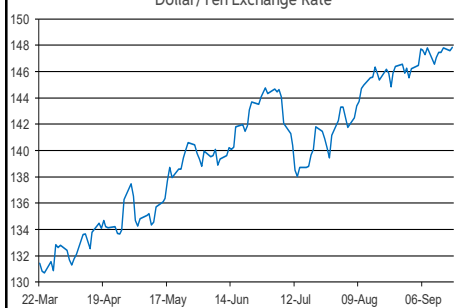
## Sterling

GBP/EUR	1.1589
GBP/USD	1.2379
GBP/CAD	1.668
GBP/NZD	2.0921
GBP/JPY	183
GBP/SEK	13.8147
GBP/DKK	8.6381
GBP/NOK	13.401
GBP/CHF	1.1118
GBP/AUD	1.9242

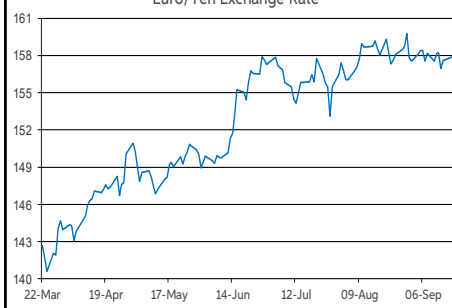
## Dollar

USD/JPY	147.83
USD/CAD	1.3474
USD/CHF	0.8981
USD/CNY	7.297
USD/BRL	4.8544
USD/RUB	96.395
USD/INR	83.32
AUD/USD	0.6432
NZD/USD	0.5915

Dollar/Yen Exchange Rate

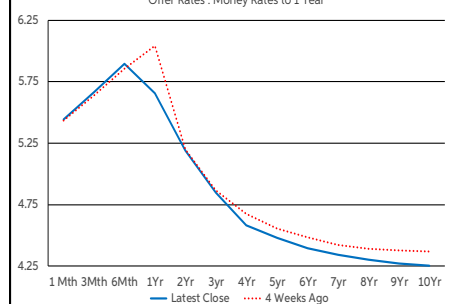


Euro/Yen Exchange Rate



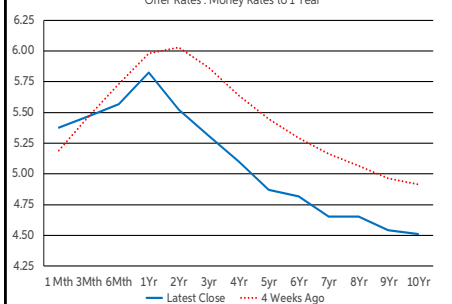
US Swap Curve

Offer Rates : Money Rates to 1 Year



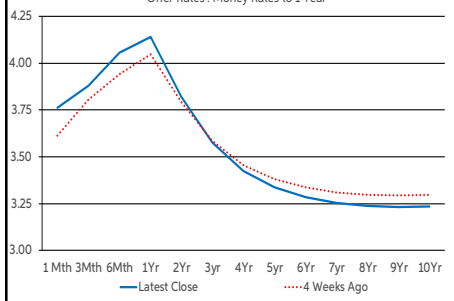
UK Swap Curve

Offer Rates : Money Rates to 1 Year

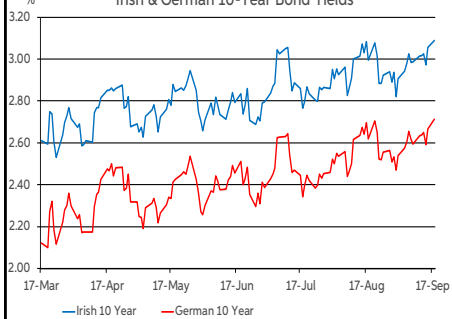


Eurozone Swap Curve

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	4.30	-3	-4	+42
Germany	2.72	+5	+1	+15
UK	4.39	+3	-34	+72
Ireland	3.12	+2	+1	-3
Belgium	3.35	+4	-2	+15
France	3.26	+4	+1	+15
Italy	4.52	+6	+11	-18
Spain	3.79	+5	+3	+13
Portugal	3.46	+3	+0	-14
Greece	4.18	+7	+17	-41
5 Year Swap %				
US	4.48	-2	-4	+49
Eurozone	3.34	+4	-4	+11
UK	4.87	+4	-57	+57
2 Year Swap %				
US	5.19	+1	+3	+52
Eurozone	3.82	+5	+4	+43
UK	5.52	+3	-50	+84
10 Year Government Bond Spreads to Benchmark bps				
Ireland	40	-2	-0	-18
Belgium	63	-1	-3	-1
France	54	-1	+0	-1
Italy	181	+1	+10	-34
Spain	107	-0	+2	-2
Portugal	74	-2	-1	-30
Greece	147	+2	+16	-56

## Commodities

	% Change			
	Close	Day	4 Weeks	End 22
Brent Oil	94.43	+0.53	+11.80	+9.92
West Texas Oil	91.47	+0.70	+13.33	+14.11
Gold \$	1933.1	+0.50	+2.07	+5.96

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