

Quiet start to the week

There was a mixed tone to investor sentiment yesterday, amid a relatively quiet start to the week on financial markets. On equity markets, the Euro Stoxx 50 lost 0.4%. Meantime, at the closing bell on Wall Street, the S&P 500 was up 0.2%.

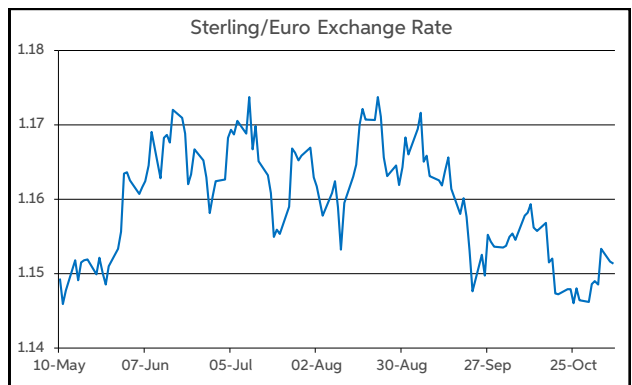
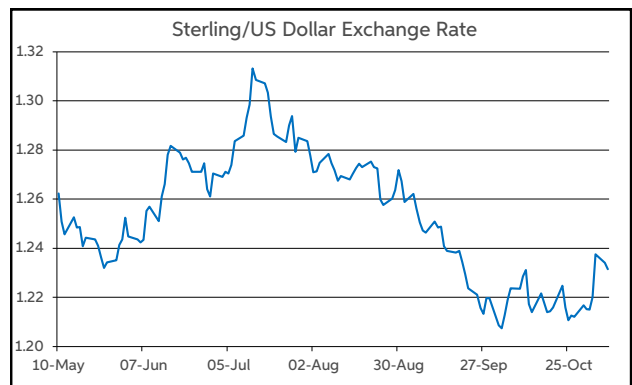
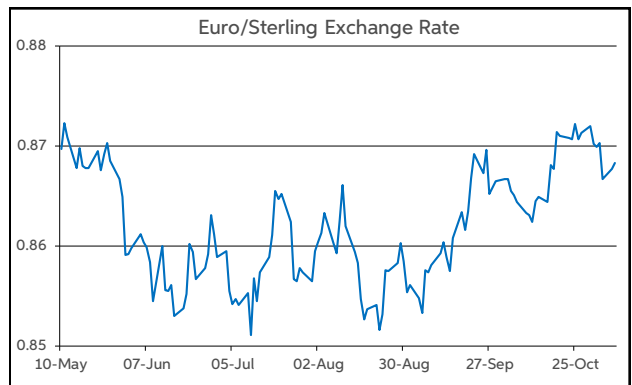
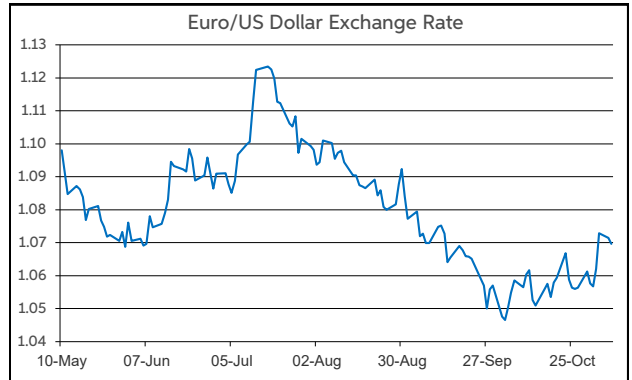
In terms of fixed income, sovereign yields moved higher across the board, reversing some of the significant declines seen last week. US Treasury yields rose by 4-6bps along the curve. However, the 10-year US yield is currently at 4.65%, well below its peak above 5% at the end of October. Elsewhere, German Bund and UK Gilt yields were 4-9bps higher, with the moves most pronounced at the long-end of the curve.

Currency-wise, the main FX pairs operated in narrow ranges. This was somewhat unsurprising given the lack of any top tier data releases yesterday. Of the limited moves to register, the dollar and the yen were slightly softer during the European session. However, overnight, the greenback recouped its losses, and gained the ascendancy, as markets reduced the amount of rate cuts priced-in for next year in the US by circa 10bps.

In level terms, EUR/USD opens this morning just below \$1.07. GBP/USD is operating in the bottom half of \$1.23-1.24. Elsewhere, EUR/GBP remains within the upper half of 86-87p. USD/JPY is above ¥150, while EUR/JPY is just below ¥161.

Turning to today, there is another sparse data schedule on both sides of the Atlantic. Eurozone producer price inflation for September will be the only release of note. However, barring any surprises, it is unlikely to impact the euro. Remarks from a number of Fed officials, though, could influence the dollar today.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.0695	-0.36	-0.07
EUR/GBP	0.8684	0.13	-1.81
GBP/USD	1.2315	-0.50	1.80
GBP/EUR	1.151	-0.13	1.84
USD/JPY	150.43	0.60	14.74
EUR/JPY	160.92	0.24	14.70

* 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	5.52	5.07	4.61
EUR	4.50	3.88	3.96	3.97	3.54	3.18
GBP	5.25	5.18	5.23	5.24	5.09	4.62

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

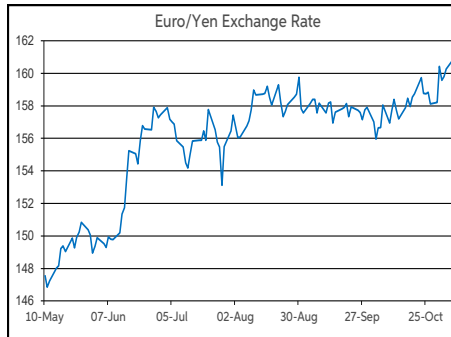
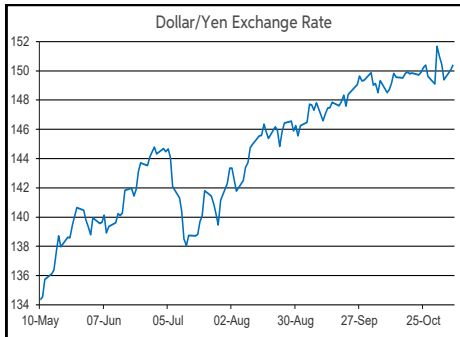
FX Spot	Karl Cooke Shane Gargan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

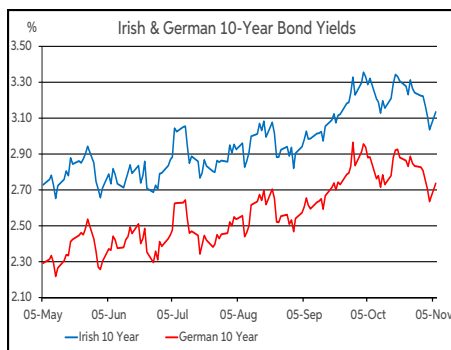
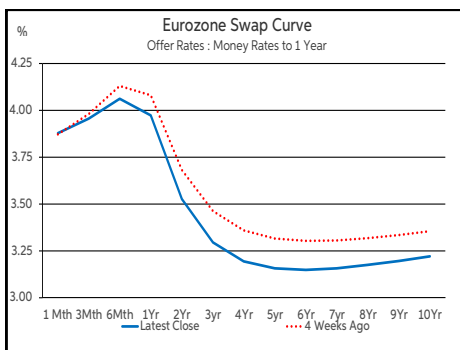
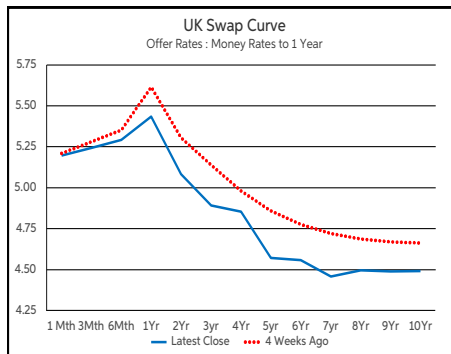
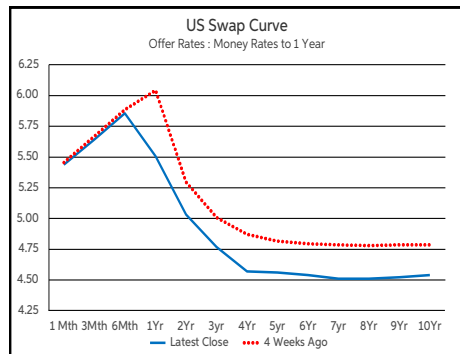
Tuesday 07 November 2023
07:17 am



Euro		Sterling		Dollar	
EUR/GBP	0.8684	GBP/EUR	1.151	USD/JPY	150.43
EUR/USD	1.0695	GBP/USD	1.2315	USD/CAD	1.3734
EUR/JPY	160.92	GBP/CAD	1.6914	USD/CHF	0.9008
EUR/SEK	11.7049	GBP/NZD	2.0791	USD/CNY	7.2823
EUR/DKK	7.4577	GBP/JPY	185.25	USD/BRL	4.8853
EUR/NOK	11.8848	GBP/SEK	13.4721	USD/RUB	92.29
EUR/CHF	0.9636	GBP/DKK	8.5855	USD/INR	83.255
EUR/AUD	1.663	GBP/NOK	13.675	AUD/USD	0.643
EUR/HKD	8.3643	GBP/CHF	1.1095	NZD/USD	0.5921
EUR/CAD	1.4689	GBP/AUD	1.9146		



Debt Markets				
	Close	Day	4 Weeks	End 22
10 Year Yield %				
US	4.65	+7	-15	+77
Germany	2.74	+10	-2	+18
UK	4.38	+9	-10	+71
5 Year Swap %				
US	4.56	+7	-22	+56
Eurozone	3.16	+6	-15	-7
UK	4.57	+1	-28	+27
2 Year Swap %				
US	5.03	+6	-22	+35
Eurozone	3.53	+4	-15	+14
UK	5.08	+4	-22	+40
10 Year Government Bond Spreads to Benchmark bps				
Ireland	44	-1	-3	-14
Belgium	63	-0	-6	-1
France	60	+0	-0	+5
Italy	185	+4	-23	-30
Spain	106	+2	-10	-4
Portugal	69	+2	-9	-35
Greece	130	-3	-31	-73



Commodities				
	Close	Day	4 Weeks	End 22
Brent Oil	85.18	+0.34	-3.37	-0.85
West Texas Oil	81.54	+0.43	-1.56	+1.72
Gold \$	1977.7	-0.73	+6.28	+8.40

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