

## EUR/USD falls to \$1.05

There was a cautious tone to investor sentiment yesterday. On equity markets, the Euro Stoxx 50 finished flat, ending a four-day losing streak. Similarly, on Wall Street, the S&P 500 closed flat for the day, having suffered heavy losses in the past week.

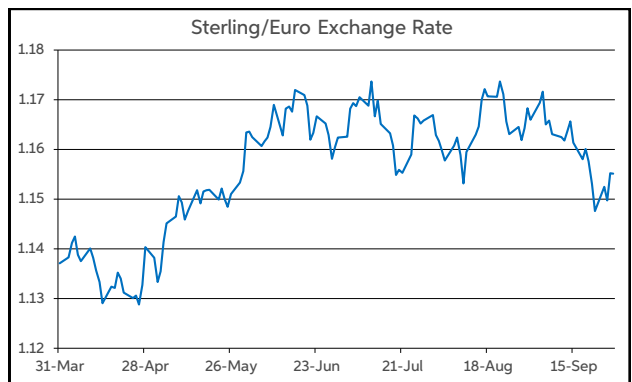
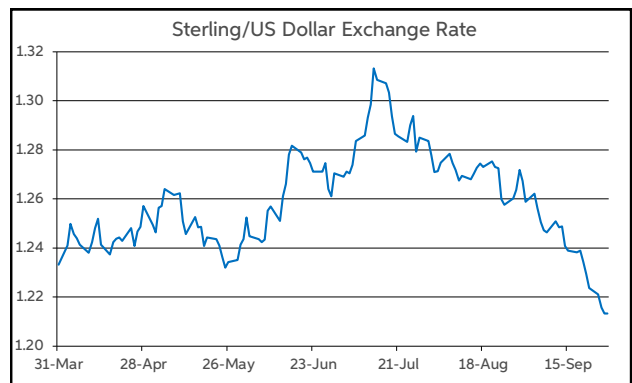
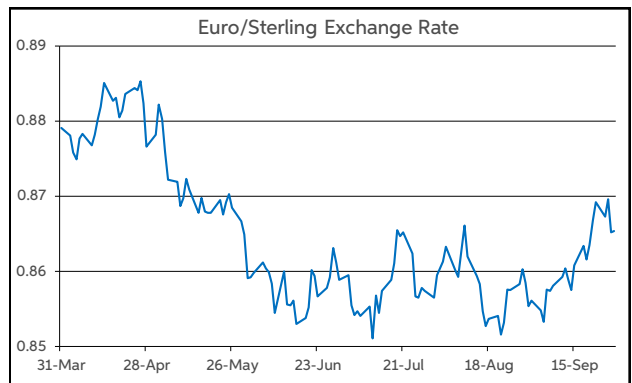
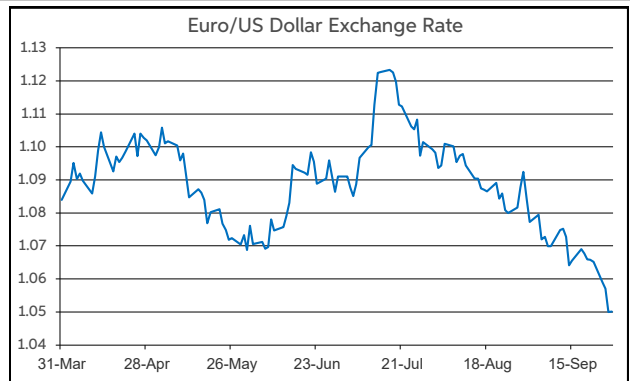
In terms of fixed income, US Treasury yields continued to climb higher, up by 5-7bps along the curve. Meantime, a modest firming in UK rate expectations saw UK Gilt yields rise by circa 5bps. German Bund yields also moved 3-4bps higher. Elsewhere, oil prices regained some upward momentum, with Brent crude oil rising above \$96 per barrel.

On the currency front, the euro was under some downward pressure yesterday. Updated Eurozone monetary statistics for August, which showed bank lending to businesses grew at the slowest rate since 2015, weighed on the single currency. The yen remained on the defensive also. Meanwhile, overnight, the dollar regained the upper hand. This saw EUR/USD fall to a low of \$1.049, and USD/JPY rise to a high of ¥149.7.

In level terms, EUR/USD opens this morning at the \$1.05 threshold. EUR/GBP is operating back near the midpoint of the 86-87p range. Meantime, GBP/USD is just below the halfway mark of the \$1.21-1.22 corridor. USD/JPY is trading in the ¥149-150 band.

Turning to the day ahead, the EC sentiment indicators are projected to deteriorate further in September. Meantime, flash September German and Spanish inflation data will also garner attention. In the US, the latest initial jobless claims data, and remarks from Fed Chair Powell will be in focus.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.0501	-0.56	-1.88
EUR/GBP	0.8654	-0.44	-2.15
GBP/USD	1.2134	-0.09	0.31
GBP/EUR	1.1551	0.44	2.20
USD/JPY	149.38	0.24	13.93
EUR/JPY	156.9	-0.30	11.83

\* 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	5.43	5.65	5.52	5.33	4.74
EUR	4.50	3.84	3.94	4.14	3.82	3.43
GBP	5.25	5.18	5.27	5.44	5.38	4.83

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

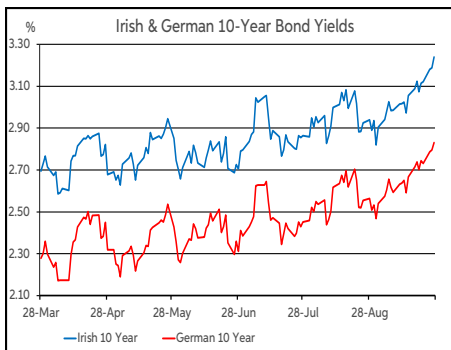
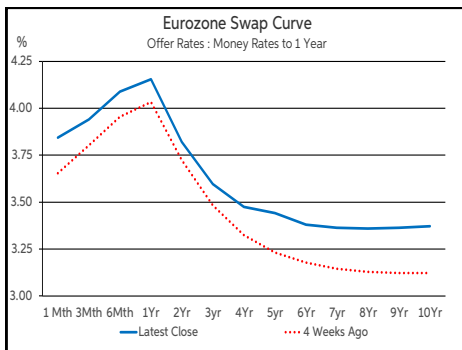
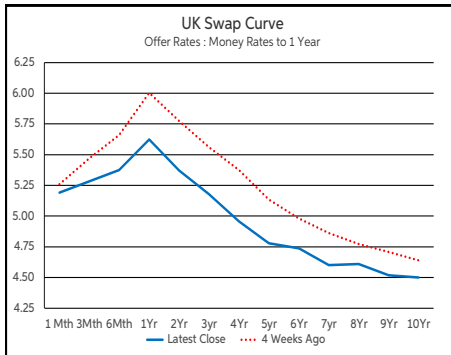
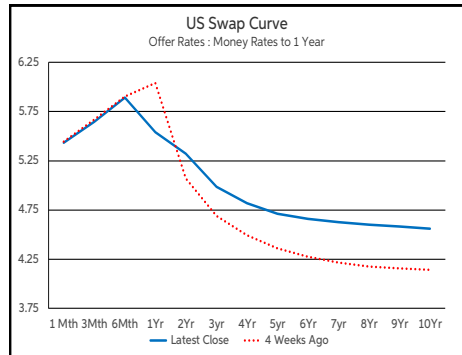
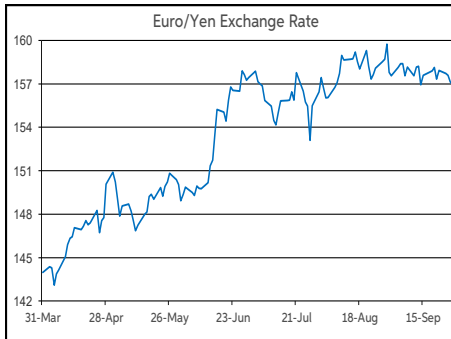
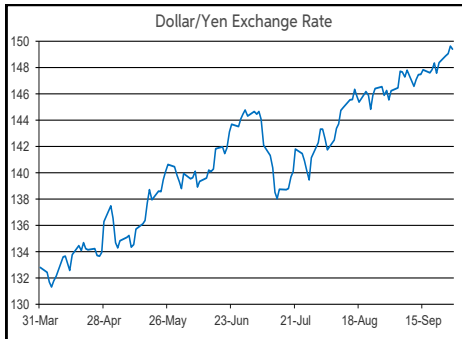
FX Spot	Karl Cooke Shane Gargan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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# Opening Levels

Thursday 28 September 2023  
07:28 am



Euro		Sterling		Dollar	
EUR/GBP	0.8654	GBP/EUR	1.1551	USD/JPY	149.38
EUR/USD	1.05	GBP/USD	1.2133	USD/CAD	1.3495
EUR/JPY	156.87	GBP/CAD	1.6376	USD/CHF	0.9205
EUR/SEK	11.6027	GBP/NZD	2.0419	USD/CNY	7.3066
EUR/DKK	7.4554	GBP/JPY	181.24	USD/BRL	5.0437
EUR/NOK	11.2737	GBP/SEK	13.405	USD/RUB	96.7
EUR/CHF	0.9666	GBP/DKK	8.6122	USD/INR	83.155
EUR/AUD	1.6481	GBP/NOK	13.0309		
EUR/HKD	8.221	GBP/CHF	1.1172	AUD/USD	0.6371
EUR/CAD	1.4175	GBP/AUD	1.9042	NZD/USD	0.5941



Debt Markets				
	Close	Day	4 Weeks	End 22
<b>10 Year Yield %</b>				
US	4.61	+6	+50	+73
Germany	2.83	+3	+30	+27
UK	4.36	+3	-6	+69
<b>5 Year Swap %</b>				
US	4.71	+7	+39	+71
Eurozone	3.44	+6	+22	+21
UK	4.78	+1	-35	+48
<b>2 Year Swap %</b>				
US	5.32	+5	+29	+65
Eurozone	3.82	+2	+11	+43
UK	5.37	+6	-40	+69
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	44	+2	+1	-15
Belgium	66	+1	+0	+2
France	57	+1	+5	+2
Italy	195	+2	+30	-19
Spain	111	+1	+9	+1
Portugal	77	+1	+6	-27
Greece	148	-3	+16	-55

Commodities				
	Close	Day	4 Weeks	End 22
Brent Oil	96.55	+2.76	+12.45	+12.39
West Texas Oil	93.67	+2.45	+14.74	+16.85
Gold \$	1874.7	-1.36	-3.48	+2.76

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