

## EUR/USD pinned down near to \$1.07

Risk appetite remained under pressure yesterday. This was reflected in the performance of the main equity indices. In Europe, the Euro Stoxx 50 fell by 0.4%. At the closing bell on Wall Street last night, the S&P 500 was 0.3% lower on the day. Meanwhile, oil prices eased slightly back from their recent highs.

On bond markets, yields moved lower amid the subdued backdrop to investor sentiment. The 10-year Treasury yield edged back to 4.25%, while the 10-year UK Gilt yield moved below the 4.5% mark.

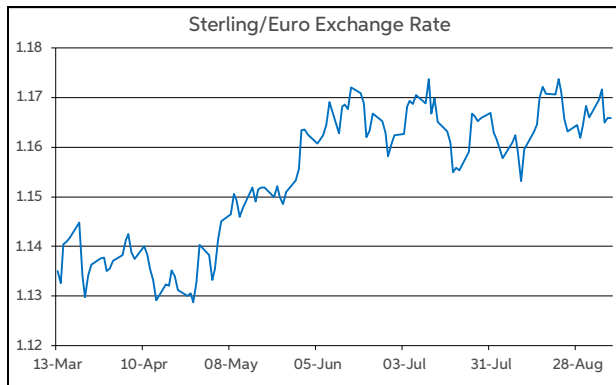
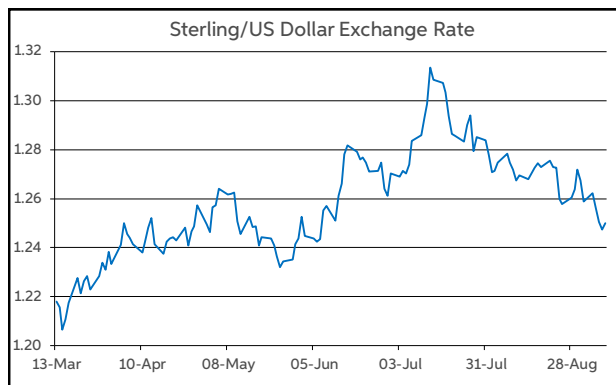
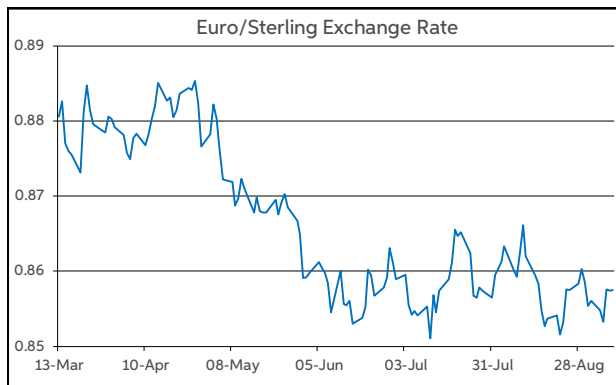
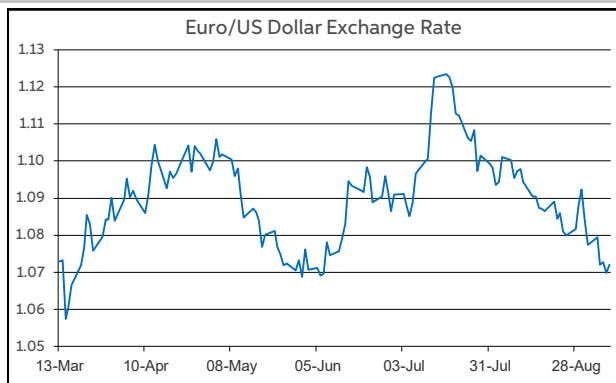
Currency-wise, the dollar continued to hold the upper hand on the exchanges. Similar to the previous day, the greenback was supported by the cautious mood on markets as well as another better than expected US macro release.

This time it was the weekly jobless claims report that printed ahead of consensus forecasts, with initial claims rising by 216k (vs. f'cast for 234k). Meanwhile, a downward revision to Eurozone Q2 GDP, from +0.3% q/q to +0.1%, was at the margin, unhelpful to the euro.

In level terms, EUR/USD opens this morning just above the \$1.07 threshold, having traded to a low of \$1.0687 yesterday. The firmer dollar tone is also evident in GBP/USD operating down at \$1.25 at the start of today's European trading session. Elsewhere, EUR/GBP is changing hands in a very narrow range just below the 86p handle.

Looking ahead to today, the macro data agenda is very quiet. Indeed, there are no releases of note due on either side of the Atlantic. As a result, the main FX pairs may be confined to relatively tight trading bands heading into the weekend.

**John Fahey, Senior Economist, AIB**



| Today's Opening FX Rates         |        |          |          |
|----------------------------------|--------|----------|----------|
|                                  |        | % Change |          |
|                                  |        | Day *    | End 2022 |
| EUR/USD                          | 1.072  | 0.02     | 0.17     |
| EUR/GBP                          | 0.8573 | -0.02    | -3.06    |
| GBP/USD                          | 1.2501 | 0.02     | 3.34     |
| GBP/EUR                          | 1.1657 | 0.02     | 3.16     |
| USD/JPY                          | 147.11 | -0.30    | 12.20    |
| EUR/JPY                          | 157.72 | -0.28    | 12.42    |
| * 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  | 5.63       | 5.12 | 4.41 |
| EUR                    | 4.25      | 3.65         | 3.80  | 3.97       | 3.66 | 3.22 |
| GBP                    | 5.25      | 5.29         | 5.43  | 5.67       | 5.63 | 5.08 |

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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

# Opening Levels

Friday 08 September 2023  
07:24 am



## Euro

|         |         |
|---------|---------|
| EUR/GBP | 0.8573  |
| EUR/USD | 1.072   |
| EUR/JPY | 157.72  |
| EUR/SEK | 11.8917 |
| EUR/DKK | 7.4587  |
| EUR/NOK | 11.446  |
| EUR/CHF | 0.9538  |
| EUR/AUD | 1.6735  |
| EUR/HKD | 8.402   |
| EUR/CAD | 1.4641  |

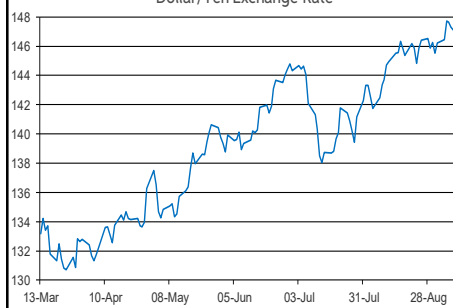
## Sterling

|         |         |
|---------|---------|
| GBP/EUR | 1.1657  |
| GBP/USD | 1.2501  |
| GBP/CAD | 1.7073  |
| GBP/NZD | 2.1147  |
| GBP/JPY | 183.9   |
| GBP/SEK | 13.8661 |
| GBP/DKK | 8.6958  |
| GBP/NOK | 13.346  |
| GBP/CHF | 1.1123  |
| GBP/AUD | 1.9513  |

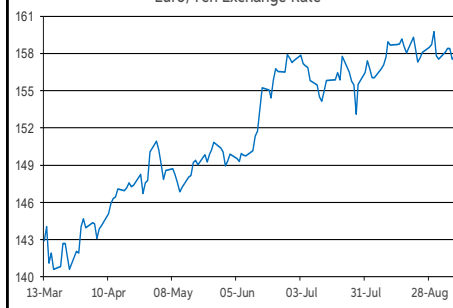
## Dollar

|         |         |
|---------|---------|
| USD/JPY | 147.11  |
| USD/CAD | 1.3656  |
| USD/CHF | 0.8896  |
| USD/CNY | 7.3438  |
| USD/BRL | 4.9767  |
| USD/RUB | 98.42   |
| USD/INR | 83.1525 |
| AUD/USD | 0.6406  |
| NZD/USD | 0.5911  |

Dollar/Yen Exchange Rate

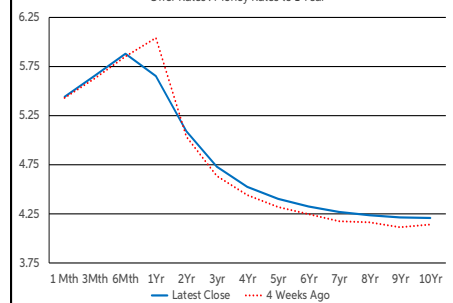


Euro/Yen Exchange Rate



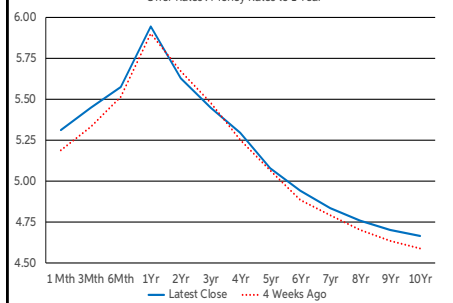
US Swap Curve

Offer Rates : Money Rates to 1 Year



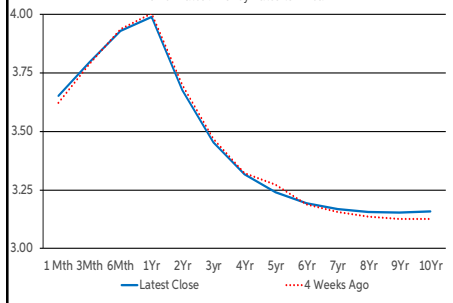
UK Swap Curve

Offer Rates : Money Rates to 1 Year

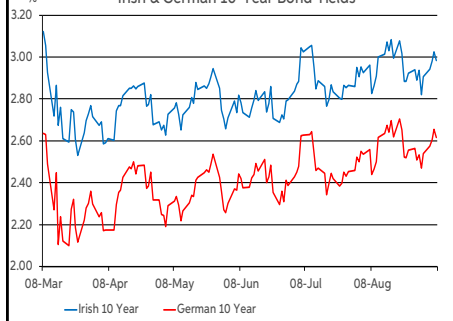


Eurozone Swap Curve

Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



## Debt Markets

|                                                         | Close | Change bps |         |        |
|---------------------------------------------------------|-------|------------|---------|--------|
|                                                         |       | Day        | 4 Weeks | End 22 |
| <b>10 Year Yield %</b>                                  |       |            |         |        |
| US                                                      | 4.25  | -5         | +14     | +37    |
| Germany                                                 | 2.62  | -4         | +12     | +6     |
| UK                                                      | 4.45  | -8         | +9      | +78    |
| Ireland                                                 | 3.00  | -5         | +6      | -14    |
| Belgium                                                 | 3.25  | -4         | +7      | +5     |
| France                                                  | 3.15  | -4         | +9      | +4     |
| Italy                                                   | 4.36  | -5         | +20     | -35    |
| Spain                                                   | 3.66  | -5         | +11     | -0     |
| Portugal                                                | 3.36  | -6         | +9      | -24    |
| Greece                                                  | 3.99  | -1         | +17     | -61    |
| <b>5 Year Swap %</b>                                    |       |            |         |        |
| US                                                      | 4.40  | -6         | +12     | +41    |
| Eurozone                                                | 3.24  | -3         | -3      | +1     |
| UK                                                      | 5.08  | -2         | +2      | +78    |
| <b>2 Year Swap %</b>                                    |       |            |         |        |
| US                                                      | 5.09  | -9         | +9      | +42    |
| Eurozone                                                | 3.68  | -2         | -1      | +29    |
| UK                                                      | 5.63  | -11        | -4      | +95    |
| <b>10 Year Government Bond Spreads to Benchmark bps</b> |       |            |         |        |
| Ireland                                                 | 38    | -2         | -6      | -20    |
| Belgium                                                 | 63    | +0         | -5      | -1     |
| France                                                  | 53    | -0         | -3      | -2     |
| Italy                                                   | 173   | -2         | +9      | -41    |
| Spain                                                   | 103   | -1         | -1      | -6     |
| Portugal                                                | 74    | -3         | -3      | -30    |
| Greece                                                  | 136   | +2         | +5      | -67    |

## Commodities

|                | Close  | % Change |         |        |
|----------------|--------|----------|---------|--------|
|                |        | Day      | 4 Weeks | End 22 |
| Brent Oil      | 89.92  | -0.75    | +4.07   | +4.67  |
| West Texas Oil | 86.87  | -0.78    | +4.90   | +8.37  |
| Gold \$        | 1919.2 | +0.15    | +0.37   | +5.20  |

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