

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.

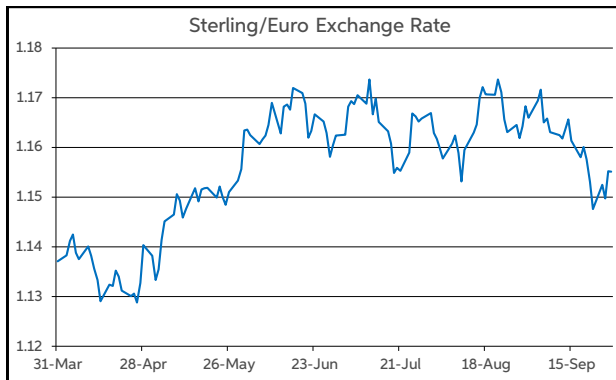
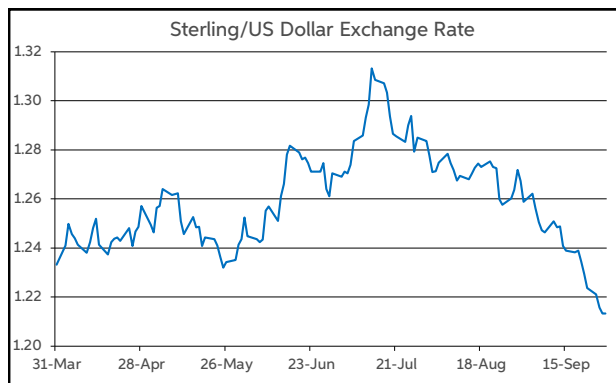
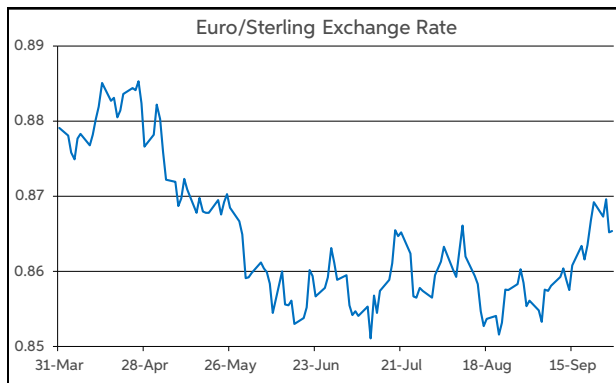
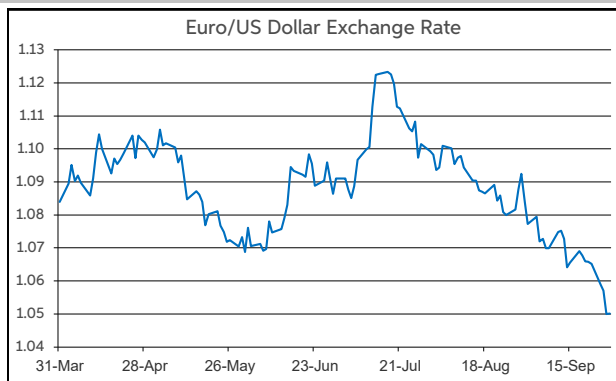
In terms of fixed income, US Treasury yields continued to climb higher, up by 5-7bps along the curve. Meantime, a modest firming in UK rate expectations saw UK Gilt yields rise by circa 5bps. German Bund yields also moved 3-4bps higher. Elsewhere, oil prices regained some upward momentum, with Brent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

EUR/GBP	0.8654
EUR/USD	1.05
EUR/JPY	156.87
EUR/SEK	11.6027
EUR/DKK	7.4554
EUR/NOK	11.2737
EUR/CHF	0.9666
EUR/AUD	1.6481
EUR/HKD	8.221
EUR/CAD	1.4175

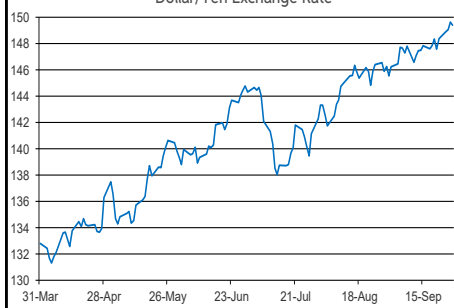
Sterling

GBP/EUR	1.1551
GBP/USD	1.2133
GBP/CAD	1.6376
GBP/NZD	2.0419
GBP/JPY	181.24
GBP/SEK	13.405
GBP/DKK	8.6122
GBP/NOK	13.0309
GBP/CHF	1.1172
GBP/AUD	1.9042

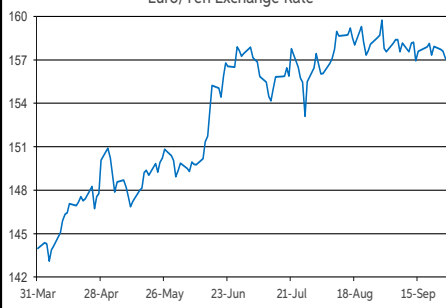
Dollar

USD/JPY	149.38
USD/CAD	1.3495
USD/CHF	0.9205
USD/CNY	7.3066
USD/BRL	5.0437
USD/RUB	96.7
USD/INR	83.155
AUD/USD	0.6371
NZD/USD	0.5941

Dollar/Yen Exchange Rate

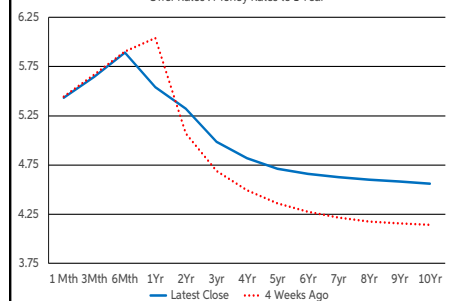


Euro/Yen Exchange Rate



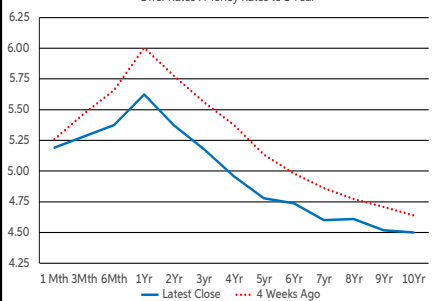
US Swap Curve

Offer Rates : Money Rates to 1 Year



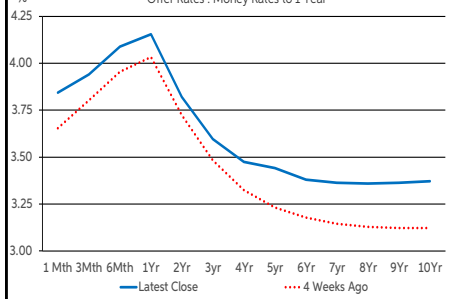
UK Swap Curve

Offer Rates : Money Rates to 1 Year

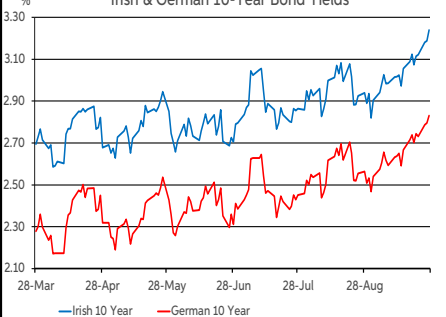


Eurozone Swap Curve

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	4.61	+6	+50	+73
Germany	2.83	+3	+30	+27
UK	4.36	+3	-6	+69
Ireland	3.27	+5	+31	+12
Belgium	3.49	+5	+30	+29
France	3.40	+4	+34	+29
Italy	4.79	+6	+59	+8
Spain	3.94	+4	+38	+28
Portugal	3.61	+4	+36	+0
Greece	4.32	+1	+46	-28
5 Year Swap %				
US	4.71	+7	+39	+71
Eurozone	3.44	+6	+22	+21
UK	4.78	+1	-35	+48
2 Year Swap %				
US	5.32	+5	+29	+65
Eurozone	3.82	+2	+11	+43
UK	5.37	+6	-40	+69
10 Year Government Bond Spreads to Benchmark bps				
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

	% Change			
	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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