

## EUR/USD opens below \$1.05

There was a generally cautious mood on markets yesterday. Having initially moved higher, the Euro Stoxx 50 declined by 0.9%. On Wall Street, the S&P 500 recovered late on to finish flat for the day. A sharp move higher in bond yields and hawkish remarks from Fed official Bowman weighed on sentiment.

In terms of fixed income, medium to long term yields rose in the US, Eurozone and UK. Most notably, the 10-year US Treasury yield climbed back to 4.68%, matching the 16-year high it peaked at last week. Elsewhere, Brent crude oil slipped back below \$91 per barrel.

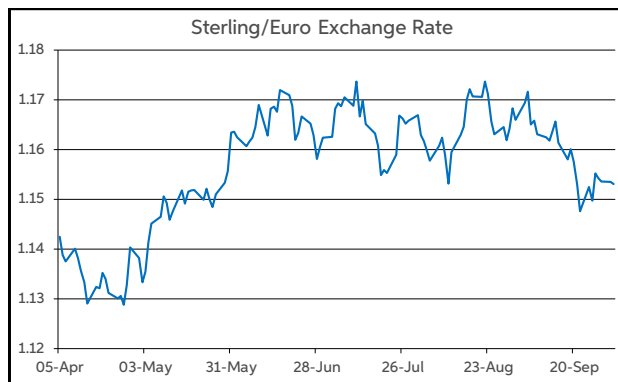
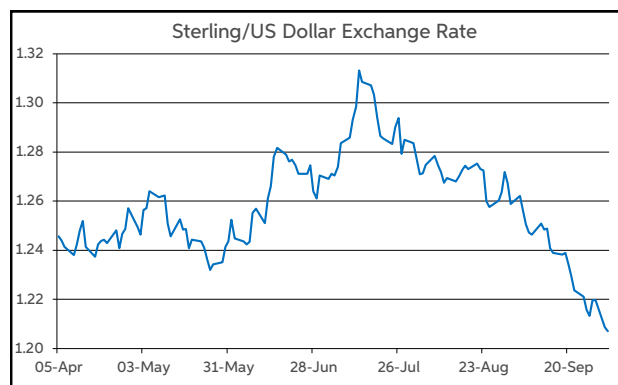
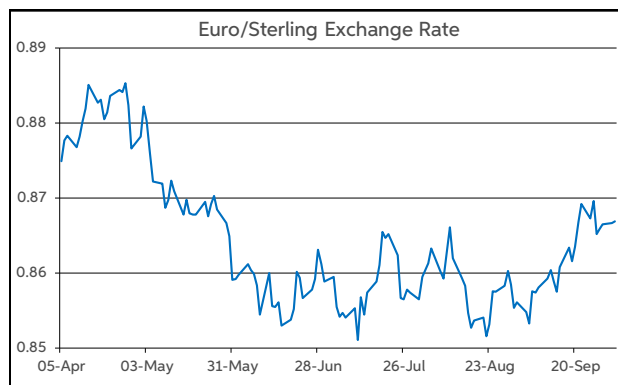
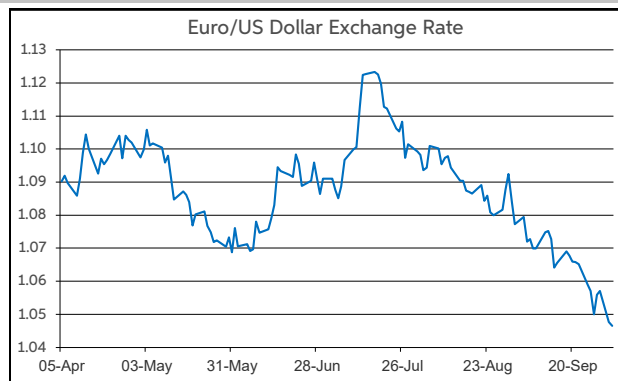
Data-wise, the US manufacturing ISM stayed in contraction mode, but printed ahead of expectations for September. It rose to 49.0, (vs. 47.8 f'cast), its highest level since last November. Meantime, the Eurozone unemployment rate edged down to 6.4% in August.

On the currency front, the dollar was firmly in the ascendancy. The greenback was supported by the weak tone to risk appetite, and the hawkish Fed rhetoric. The rise in Treasury yields and the better than anticipated US data also helped the dollar. Overall, the US currency gained circa 1% against sterling and the euro. USD/JPY registered a fresh YTD high of ¥149.9 also.

As trading gets underway this morning, EUR/USD opens down at \$1.046, its lowest level since last December. Meantime, GBP/USD is back below the \$1.21 threshold. EUR/GBP remains between 86-87p. USD/JPY continues to trade in the top half of ¥149-150.

Today, the main release will be US job openings data for August. The forecast is for a small decline in the number of open positions. Comments from ECB Chief Economist Lane will also be of interest.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.0465	-0.97	-2.21
EUR/GBP	0.8667	-0.03	-2.00
GBP/USD	1.2072	-0.93	-0.21
GBP/EUR	1.1531	0.03	2.04
USD/JPY	149.78	0.04	14.24
EUR/JPY	156.76	-0.94	11.73

\* v Previous Day's European Open

See Next Page for More Rates

Opening Interest Rates						
	Money Market			Swap Rates		
	Base Rate	1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	5.38	5.43	5.66	5.62	5.33	4.78
EUR	4.50	3.85	3.95	4.14	3.82	3.46
GBP	5.25	5.19	5.29	5.44	5.39	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 03 October 2023  
07:34 am



## Euro

EUR/GBP	0.8667
EUR/USD	1.0465
EUR/JPY	156.76
EUR/SEK	11.5779
EUR/DKK	7.4585
EUR/NOK	11.3815
EUR/CHF	0.9633
EUR/AUD	1.6571
EUR/HKD	8.1957
EUR/CAD	1.4338

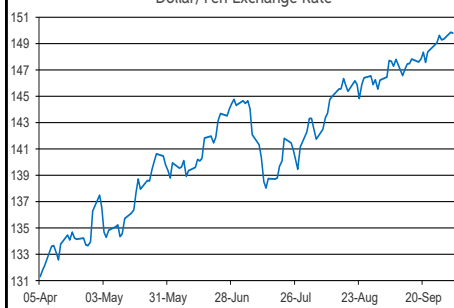
## Sterling

GBP/EUR	1.1531
GBP/USD	1.2072
GBP/CAD	1.6539
GBP/NZD	2.0417
GBP/JPY	180.81
GBP/SEK	13.3538
GBP/DKK	8.6028
GBP/NOK	13.1277
GBP/CHF	1.1112
GBP/AUD	1.9113

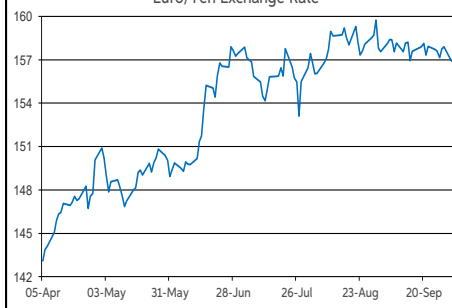
## Dollar

USD/JPY	149.78
USD/CAD	1.3699
USD/CHF	0.9203
USD/CNY	7.301
USD/BRL	5.0632
USD/RUB	98.55
USD/INR	83.17
AUD/USD	0.6315
NZD/USD	0.5909

Dollar/Yen Exchange Rate

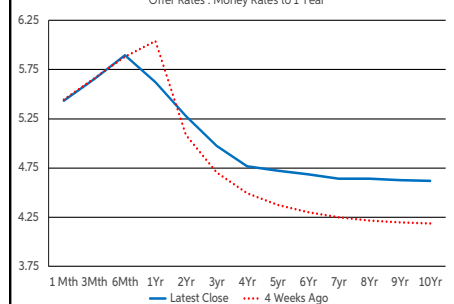


Euro/Yen Exchange Rate



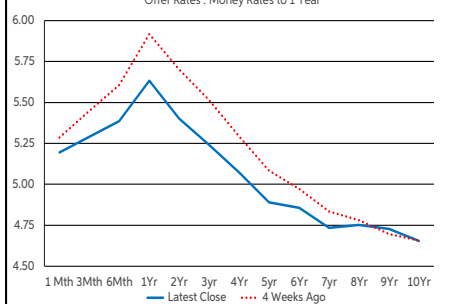
US Swap Curve

Offer Rates : Money Rates to 1 Year



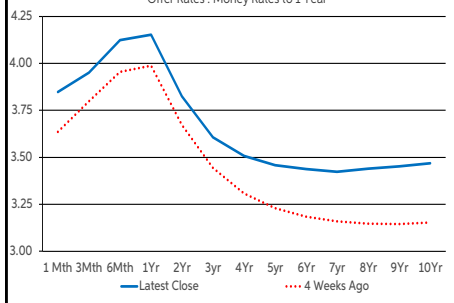
UK Swap Curve

Offer Rates : Money Rates to 1 Year

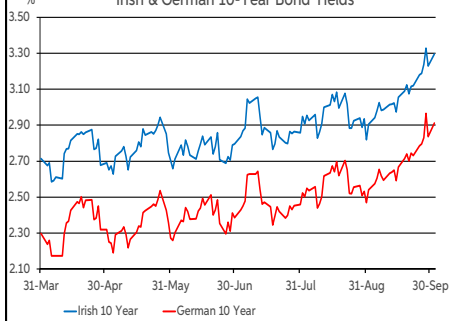


Eurozone Swap Curve

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	4.68	+11	+50	+81
Germany	2.91	+7	+34	+35
UK	4.57	+12	+10	+90
Ireland	3.34	+8	+36	+19
Belgium	3.57	+7	+38	+37
France	3.48	+7	+38	+37
Italy	4.81	+1	+52	+11
Spain	4.00	+5	+39	+35
Portugal	3.65	+6	+35	+5
Greece	4.39	+3	+45	-20
5 Year Swap %				
US	4.72	+9	+39	+73
Eurozone	3.46	+6	+24	+23
UK	4.89	+1	-14	+59
2 Year Swap %				
US	5.28	+5	+23	+60
Eurozone	3.83	+2	+16	+44
UK	5.40	+4	-29	+72
10 Year Government Bond Spreads to Benchmark bps				
Ireland	42	+0	+3	-16
Belgium	66	-1	+5	+2
France	57	-1	+4	+2
Italy	190	-6	+19	-24
Spain	109	-2	+5	-0
Portugal	74	-1	+1	-30
Greece	148	-4	+12	-55

## Commodities

	% Change			
	Close	Day	4 Weeks	End 22
Brent Oil	90.71	-4.83	+1.92	+5.59
West Texas Oil	88.81	-2.16	+3.85	+10.79
Gold \$	1827.4	-1.13	-5.72	+0.16

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