

## EUR/USD remains below \$1.05

US Treasury yields continued to move higher yesterday. This was against the backdrop of on-going hawkish Fed comments and another upside surprise from the US macro diary (an unexpected rise in US job openings for August). The 10-year US Treasury yield rose above the 4.7% threshold and up to the 4.8% level. Yields were also higher elsewhere, although not to the same degree. The 10-year German Bund yield rose up to around 3%.

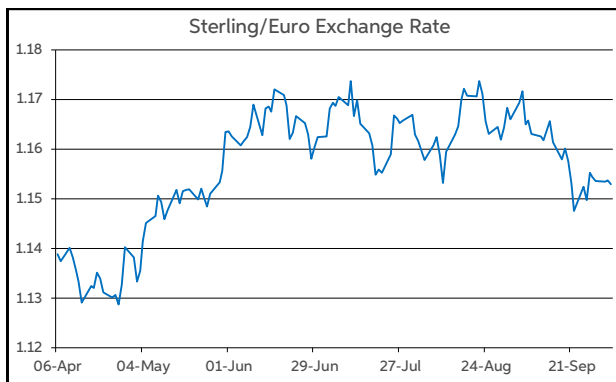
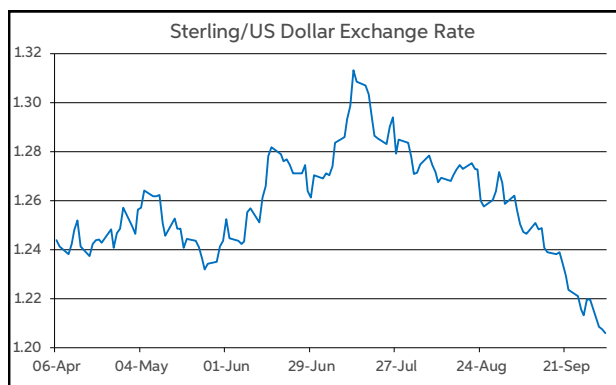
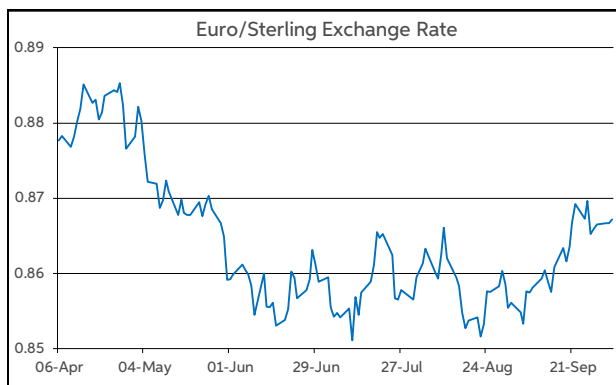
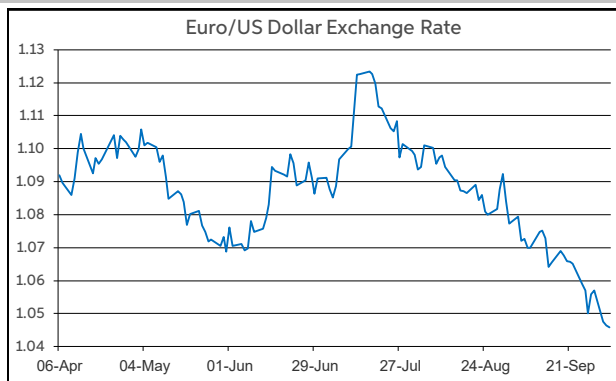
Investor sentiment retained its cautious tone yesterday amid the persistent rise in yields. In Europe, the Euro Stoxx 50 declined by 1.0%. Meanwhile, at the closing bell on Wall Street last night, the S&P 500 index was 1.4% lower on the day.

Currency-wise, against the risk averse environment and continued rise in US Treasury yields, the dollar maintained the upper hand. Albeit yesterday's action was confined to fairly tight ranges for some of the majors. In level terms, EUR/USD remained pinned down below the \$1.05 mark, trading to a low of \$1.0449. GBP/USD continued to trade under the \$1.21 handle.

Meanwhile, USD/JPY briefly breached the closely watched ¥150 level, followed by a sharp reversal. This prompted speculation of FX intervention from the Japanese Finance Ministry. However, a Japanese official refused to confirm this. The BoJ intervened in the bond market, though, after 10-year Japanese yields hit their highest level in a decade. Elsewhere, on the currency front, EUR/GBP traded in the upper half of 86-87p.

Today's macro diary includes the final PMI readings from the Eurozone, US and UK. The US diary also features the non-manufacturing ISM and the ADP employment report (both Sept).

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.0457	-0.04	-2.29
EUR/GBP	0.8671	0.00	-1.96
GBP/USD	1.2058	-0.02	-0.32
GBP/EUR	1.1527	0.00	2.00
USD/JPY	149.23	-0.43	13.82
EUR/JPY	156.1	-0.46	11.26

\* 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	5.68	5.61	5.37	4.92
EUR	4.50	3.86	3.95	4.14	3.86	3.54
GBP	5.25	5.19	5.28	5.44	5.41	4.96

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

Wednesday 04 October 2023  
07:23 am



## Euro

EUR/GBP	0.8671
EUR/USD	1.0457
EUR/JPY	156.1
EUR/SEK	11.6223
EUR/DKK	7.4586
EUR/NOK	11.4893
EUR/CHF	0.9646
EUR/AUD	1.6592
EUR/HKD	8.1897
EUR/CAD	1.4344

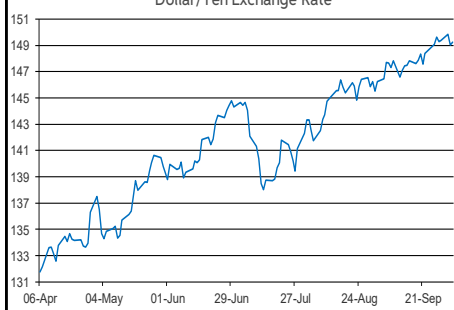
## Sterling

GBP/EUR	1.1527
GBP/USD	1.2058
GBP/CAD	1.6539
GBP/NZD	2.0492
GBP/JPY	179.94
GBP/SEK	13.398
GBP/DKK	8.5981
GBP/NOK	13.24
GBP/CHF	1.1123
GBP/AUD	1.9131

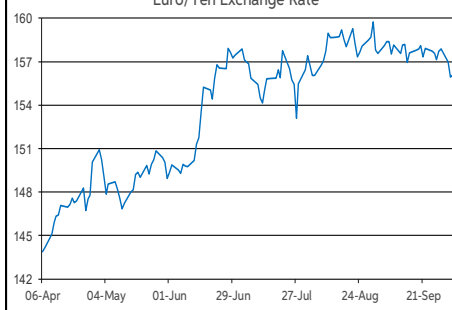
## Dollar

USD/JPY	149.23
USD/CAD	1.3715
USD/CHF	0.9223
USD/CNY	7.301
USD/BRL	5.1672
USD/RUB	99.2
USD/INR	83.249
AUD/USD	0.6302
NZD/USD	0.5884

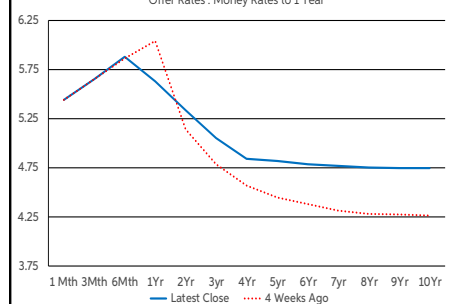
Dollar/Yen Exchange Rate



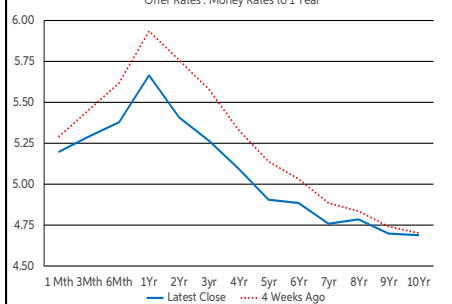
Euro/Yen Exchange Rate



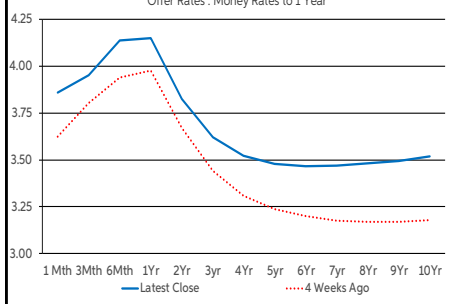
US Swap Curve  
Offer Rates : Money Rates to 1 Year



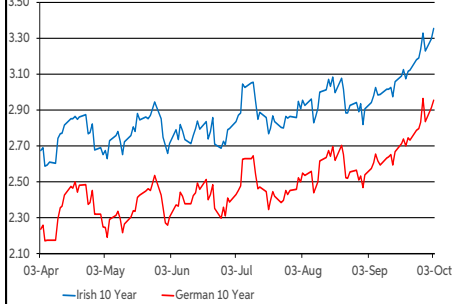
UK Swap Curve  
Offer Rates : Money Rates to 1 Year



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	4.80	+11	+53	+92
Germany	2.96	+4	+35	+39
UK	4.59	+2	+7	+92
Ireland	3.38	+4	+37	+23
Belgium	3.63	+6	+40	+43
France	3.53	+5	+39	+42
Italy	4.93	+12	+59	+23
Spain	4.07	+6	+41	+41
Portugal	3.69	+3	+33	+9
Greece	4.43	+4	+50	-16
<b>5 Year Swap %</b>				
US	4.82	+10	+41	+82
Eurozone	3.48	+2	+25	+25
UK	4.91	+2	-18	+60
<b>2 Year Swap %</b>				
US	5.34	+4	+23	+66
Eurozone	3.82	-0	+17	+44
UK	5.41	+1	-34	+73
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	42	-0	+2	-16
Belgium	67	+1	+5	+3
France	58	+0	+4	+3
Italy	198	+8	+24	-17
Spain	111	+2	+6	+1
Portugal	73	-1	-2	-31
Greece	148	-1	+15	-55

## Commodities

	Close	% Change		
		Day	4 Weeks	End 22
Brent Oil	90.92	+0.23	+0.98	+5.83
West Texas Oil	89.26	+0.51	+2.91	+11.35
Gold \$	1822.8	-0.25	-5.35	-0.09

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