

## Risk-off mood on markets

Risk appetite soured yesterday amid weakness in the tech-sector which spilled over to other sectors as the day progressed. The Euro Stoxx 50 fell by 1.2%, while the S&P 500 lost 2.1%. On bond markets, US Treasury, German Bund and UK Gilt yields declined by 6-9bps. Elsewhere, oil price moved sharply lower, with Brent crude falling by over 4% to below \$74 per barrel, following reports that a deal which would allow Libya to resume oil exports is close.

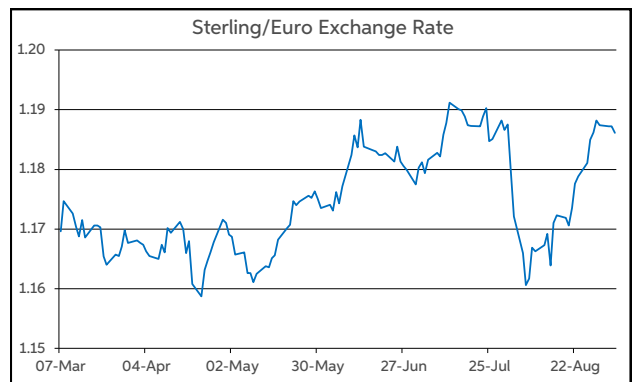
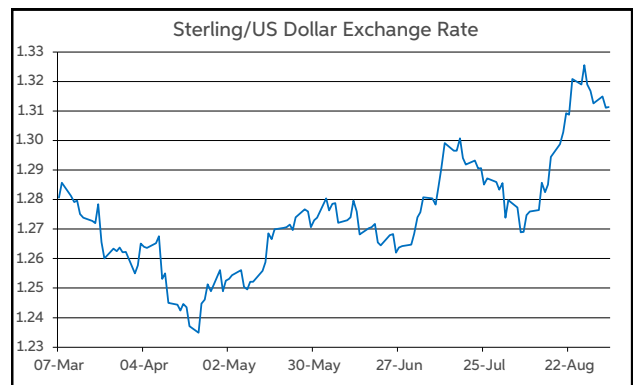
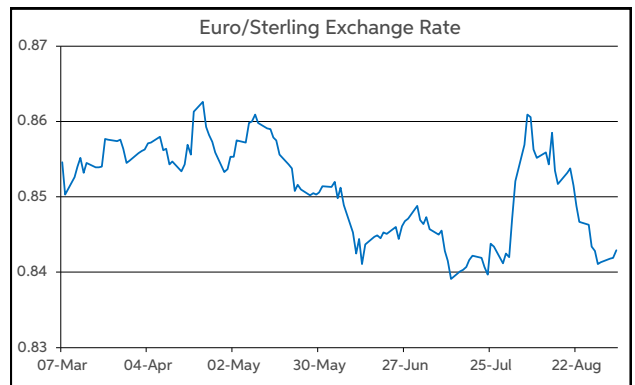
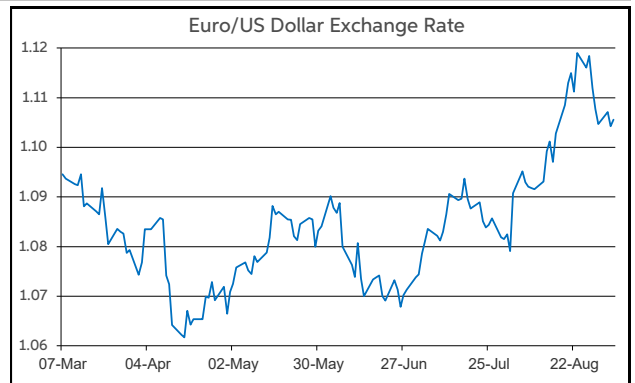
Data-wise, the only release of note was the US manufacturing ISM for August. The headline index printed below the consensus, at 47.2 in the month. Furthermore, the underlying details of the survey indicate firms continued to shed workers, price pressures accelerated and new orders contracted in August. Thus, the release did little to improve the mood on markets.

On the currency front, the main FX pairs remained range bound. Of the limited moves to note, the yen recouped some of its recent losses following some hawkish remarks from BoJ Governor Ueda. Meanwhile, the dollar was holding a marginally firmer tone, but was unable to hold onto its gains overnight.

As trading gets underway this morning, USD/JPY is operating down around the ¥145 mark. Meantime, EUR/USD opens at the midpoint of \$1.10-1.11 once again. EUR/GBP remains in the lower half of 84-85p. GBP/USD is changing hands back near to \$1.31.

Turning to the day ahead, Eurozone producer price inflation is projected to remain deeply negative, at -2.5% in July. Elsewhere, in the US, JOLTS job openings are forecast to be little changed at 8.1m in July. However, barring any major surprises, the data are unlikely to impact on currency markets.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.1056	0.02	0.18
EUR/GBP	0.8429	0.08	-2.76
GBP/USD	1.3114	-0.08	3.02
GBP/EUR	1.186	-0.08	2.84
USD/JPY	145.13	-0.96	2.89
EUR/JPY	160.47	-0.93	3.11

\* 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	5.31	5.28	4.44	3.93	3.62
EUR	4.25	3.59	3.47	3.04	2.64	2.47
GBP	5.00	4.92	4.85	4.44	4.30	3.95

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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## Euro

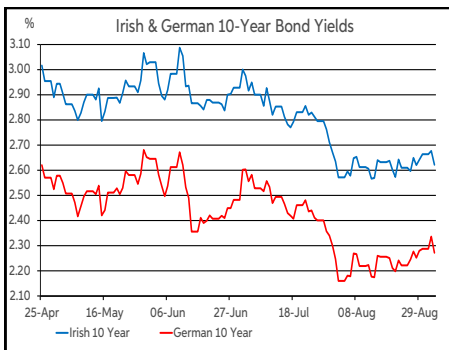
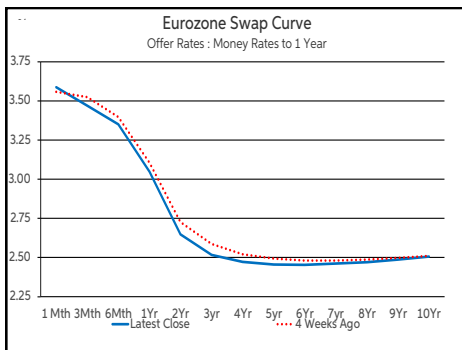
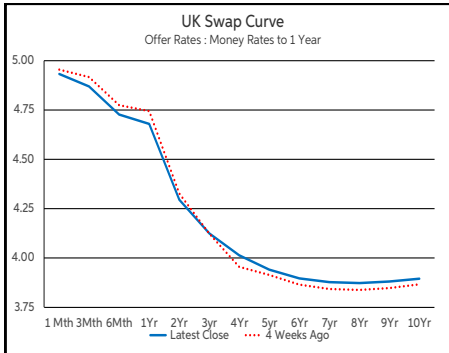
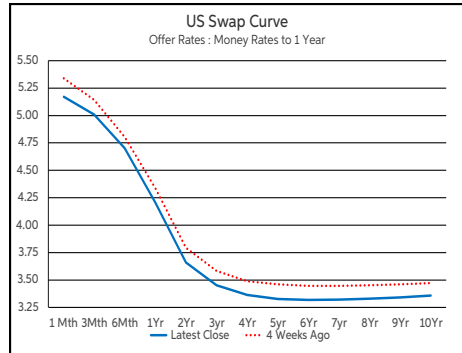
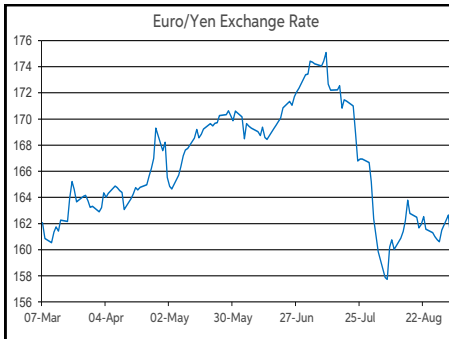
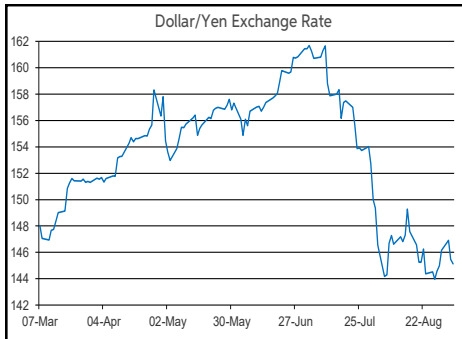
EUR/GBP	0.8429
EUR/USD	1.1056
EUR/JPY	160.47
EUR/SEK	11.3817
EUR/DKK	7.4598
EUR/NOK	11.8164
EUR/CHF	0.9375
EUR/AUD	1.6495
EUR/HKD	8.6176
EUR/CAD	1.4967

## Sterling

GBP/EUR	1.186
GBP/USD	1.3114
GBP/CAD	1.7752
GBP/NZD	2.121
GBP/JPY	190.32
GBP/SEK	13.4947
GBP/DKK	8.8454
GBP/NOK	14.0149
GBP/CHF	1.1118
GBP/AUD	1.9563

## Dollar

USD/JPY	145.13
USD/CAD	1.3537
USD/CHF	0.8479
USD/CNY	7.1112
USD/BRL	5.6489
USD/RUB	87.85
USD/INR	83.9625
AUD/USD	0.6701
NZD/USD	0.6182



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 23
<b>10 Year Yield %</b>				
US	3.84	-7	-4	-2
Germany	2.27	-6	+9	+25
UK	3.99	-6	+7	+45
<b>5 Year Swap %</b>				
US	3.59	-6	-11	-20
Eurozone	2.46	-5	-3	+3
UK	3.94	-5	+3	+29
<b>2 Year Swap %</b>				
US	3.91	-7	-14	-43
Eurozone	2.65	-4	-7	-15
UK	4.30	-4	-3	+3
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	38	+1	-6	+4
Belgium	59	+2	-5	-7
France	73	+3	-4	+20
Italy	140	+3	-8	-27
Spain	83	+2	-6	-13
Portugal	62	+3	-5	-13
Greece	108	+3	-5	+3

Commodities				
	Close	% Change		
		Day	4 Weeks	End 23
Brent Oil	73.75	-4.86	-3.57	-4.27
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2492.8	-0.26	+4.33	+20.86

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