

EUR/USD remains below \$1.06

Risk appetite remained weak yesterday, amid a relatively quiet day on markets. The recent move higher in bond yields, and concerns of a government shutdown in the US weighed on sentiment. On equity markets, the Euro Stoxx 50 declined by 0.9%. Meantime, at the closing bell on Wall Street, the S&P 500 was down by 1.5%.

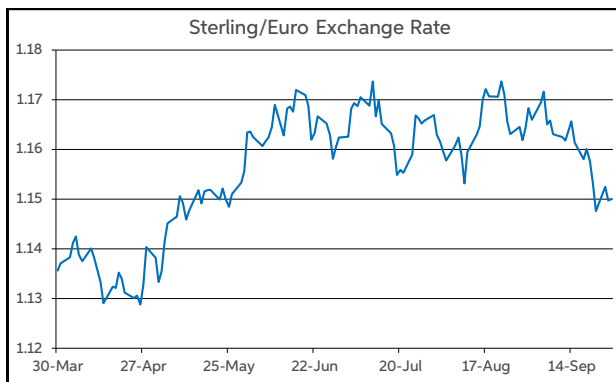
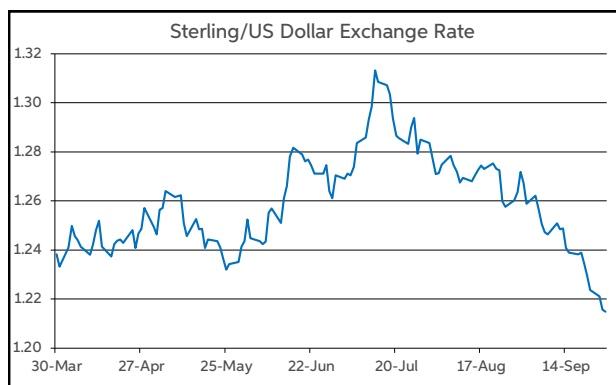
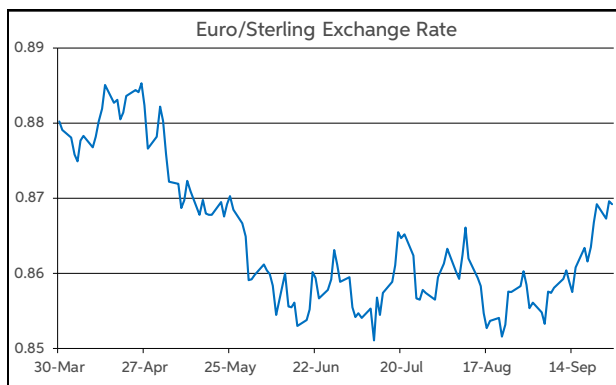
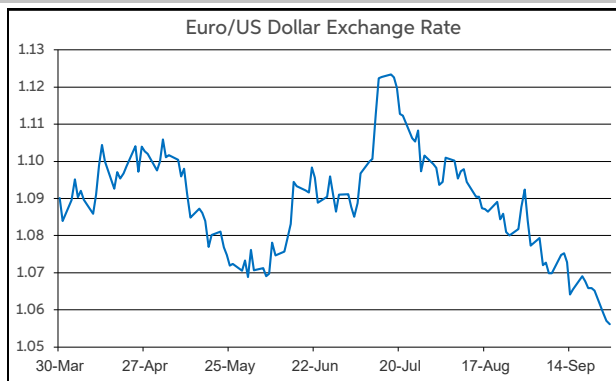
Although, yields closed below their peak yesterday, medium to long-term sovereign bond yields have risen sharply in recent weeks, most notably in the US. Indeed, the benchmark US 10-year Treasury yield climbed to a fresh 16-year high, at 4.56% yesterday, before finishing the day slightly lower. 10-year German Bund yields remain near 12-year highs also. The recent move higher in yields reflects guidance from central banks that rates will likely remain at elevated levels for an extended period of time.

Currency-wise, the main FX pairs were range bound yesterday. Of the limited moves to note, the yen moved off its lows, as senior Japanese officials warned about a possible intervention to support the currency. Overnight though, the dollar regained the upper hand, supported by the risk averse backdrop.

In level terms, EUR/USD opens this morning near the midpoint of the \$1.05-1.06 range. GBP/USD is operating at the halfway mark of \$1.21-1.22. Elsewhere, EUR/GBP is in the top half of 86-87p. USD/JPY is trading just above the ¥149 threshold once again.

Today, there is a somewhat sparse data schedule. The only release of note is US durable goods data for August. However, the release is unlikely to impact the dollar. Thus, the focus will remain on the potential government shutdown in the US, as well as the elevated level of sovereign bond yields.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.0561	-0.29	-1.32
EUR/GBP	0.8692	0.16	-1.72
GBP/USD	1.2148	-0.46	0.42
GBP/EUR	1.1498	-0.16	1.75
USD/JPY	149.12	0.16	13.74
EUR/JPY	157.52	-0.11	12.27

* 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	5.65	5.51	5.29	4.66
EUR	4.50	3.87	3.98	4.13	3.81	3.39
GBP	5.25	5.18	5.28	5.42	5.30	4.77

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 27 September 2023
07:42 am



Euro

EUR/GBP	0.8692
EUR/USD	1.0561
EUR/JPY	157.52
EUR/SEK	11.6557
EUR/DKK	7.4563
EUR/NOK	11.4297
EUR/CHF	0.9685
EUR/AUD	1.6567
EUR/HKD	8.2601
EUR/CAD	1.428

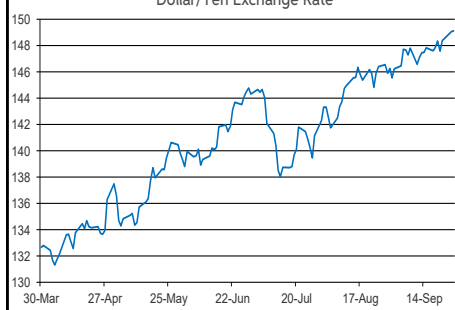
Sterling

GBP/EUR	1.1498
GBP/USD	1.2148
GBP/CAD	1.6426
GBP/NZD	2.0488
GBP/JPY	181.16
GBP/SEK	13.4066
GBP/DKK	8.575
GBP/NOK	13.148
GBP/CHF	1.1141
GBP/AUD	1.9057

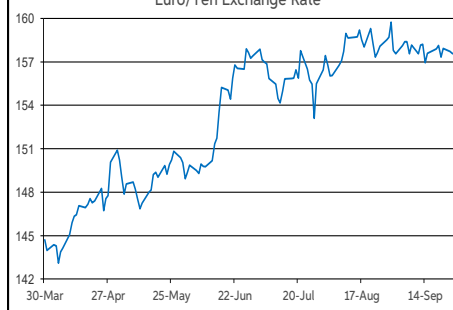
Dollar

USD/JPY	149.12
USD/CAD	1.352
USD/CHF	0.917
USD/CNY	7.3039
USD/BRL	4.9868
USD/RUB	96.4725
USD/INR	83.225
AUD/USD	0.6374
NZD/USD	0.5926

Dollar/Yen Exchange Rate

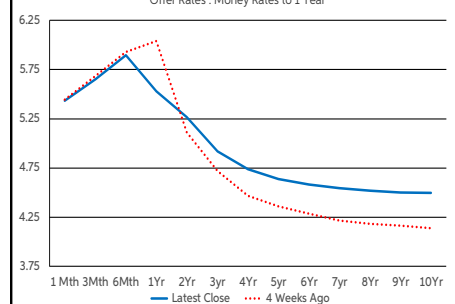


Euro/Yen Exchange Rate



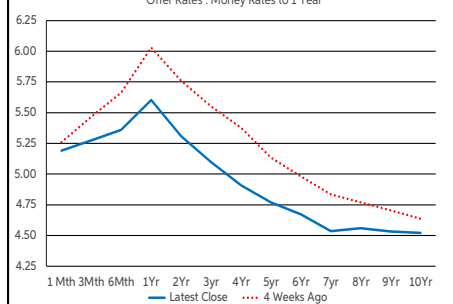
US Swap Curve

Offer Rates : Money Rates to 1 Year



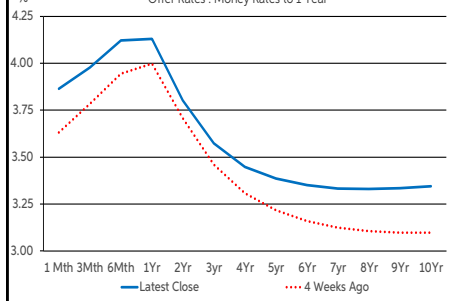
UK Swap Curve

Offer Rates : Money Rates to 1 Year

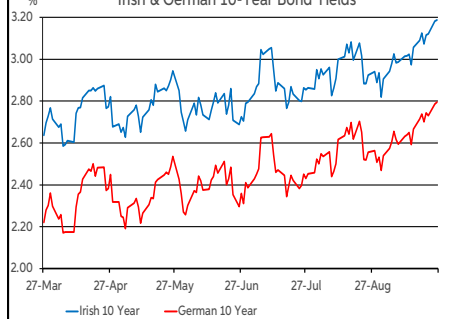


Eurozone Swap Curve

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	4.55	+2	+43	+67
Germany	2.80	+1	+29	+24
UK	4.33	+0	-9	+66
Ireland	3.22	+0	+30	+7
Belgium	3.45	+2	+31	+24
France	3.36	+2	+33	+25
Italy	4.73	+8	+58	+3
Spain	3.90	+3	+37	+24
Portugal	3.56	+2	+34	-4
Greece	4.31	+4	+43	-28

5 Year Swap %				
US	4.64	-1	+32	+64
Eurozone	3.39	+1	+18	+16
UK	4.77	+8	-36	+47

2 Year Swap %				
US	5.27	-2	+20	+59
Eurozone	3.80	-0	+11	+41
UK	5.31	+3	-44	+63

10 Year Government Bond Spreads to Benchmark bps				
Ireland	42	-0	+1	-16
Belgium	65	+1	+2	+1
France	56	+1	+4	+1
Italy	193	+7	+29	-21
Spain	110	+3	+8	+0
Portugal	76	+1	+5	-27
Greece	151	+3	+14	-52

Commodities

	% Change			
	Close	Day	4 Weeks	End 22
Brent Oil	93.96	+0.72	+9.91	+9.37
West Texas Oil	91.43	+1.95	+12.68	+14.06
Gold \$	1900.5	-0.79	-1.89	+4.17

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