

## Dollar firmer amid narrow range trading

There was a generally muted tone to the respective trading sessions across the main asset classes yesterday. From an investor sentiment perspective, there was a cautious mood to proceedings on both sides of the Atlantic. In Europe, the Euro Stoxx 50 was flat for the day. Meanwhile, on Wall Street, the S&P 500 was 0.5% lower at the closing bell last night.

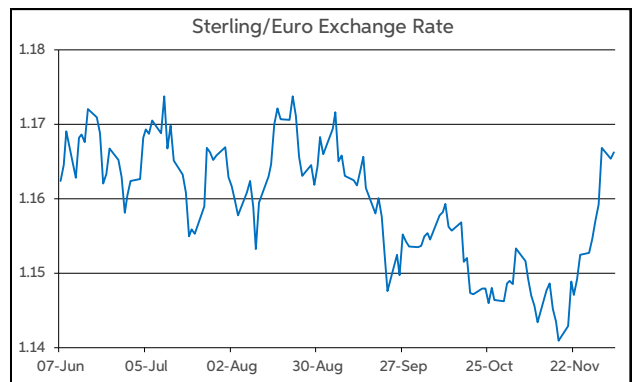
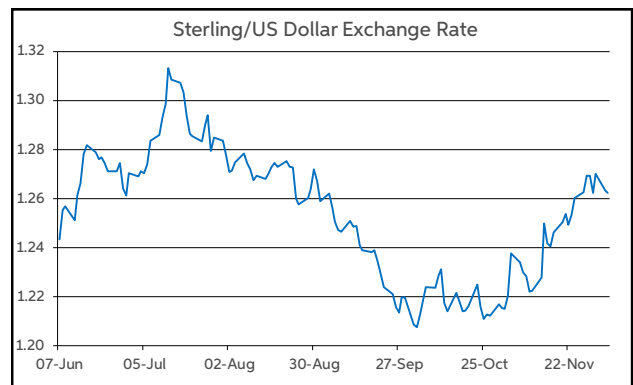
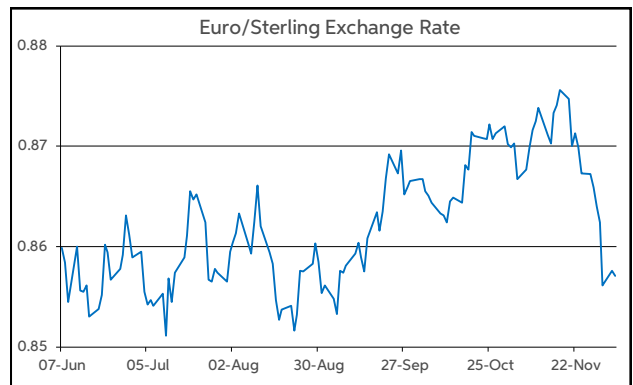
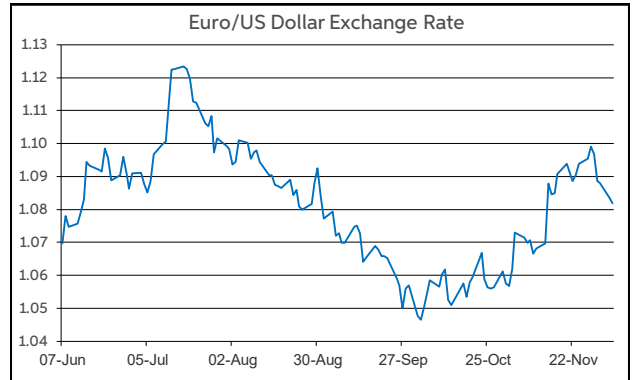
A key reason for the largely uneventful market moves was the lack of any top tier data or events. The only Eurozone macro update was the first survey indicator for December, with the release of the Sentix index. It rose this month, but not by as much as anticipated. Meantime, US factory orders for October printed below expectations, falling by 3.6% m/m (vs. -2.8% forecast).

Given the dearth of key macro updates, the movement in bond yields was relatively limited. The 10-year US Treasury yield edged higher within the 4.2%-4.3% channel, after falling by more than 20bps over the course of last week.

The action on currency markets was also underwhelming. The main pairs were confined to narrow ranges. This pattern continued in overnight trading. Of the FX action to register, the dollar is holding a firmer tone over the past 24 hours. In level terms, EUR/USD is down near the \$1.08, while GBP/USD is changing hands back closer to the \$1.26 threshold. Elsewhere, EUR/GBP continues to trade below the 86p mark.

Looking ahead to today's calendar, we get the final readings of the November composite PMIs. The US diary also features the non-manufacturing ISM for November, as well as the JOLTS job openings data for October.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.0819	-0.45	1.09
EUR/GBP	0.857	-0.02	-3.10
GBP/USD	1.2621	-0.43	4.33
GBP/EUR	1.1663	0.02	3.20
USD/JPY	146.86	0.03	12.01
EUR/JPY	158.93	-0.39	13.28

\* 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	5.46	5.64	5.28	4.70	4.18
EUR	4.50	3.87	3.96	3.65	3.11	2.73
GBP	5.25	5.18	5.21	5.12	4.94	4.45

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

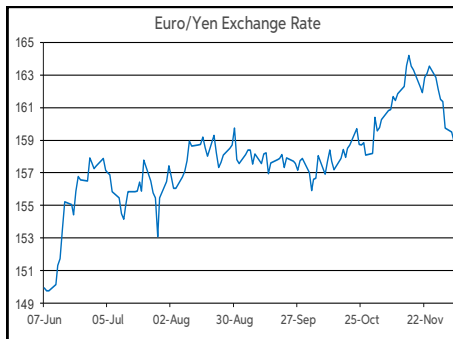
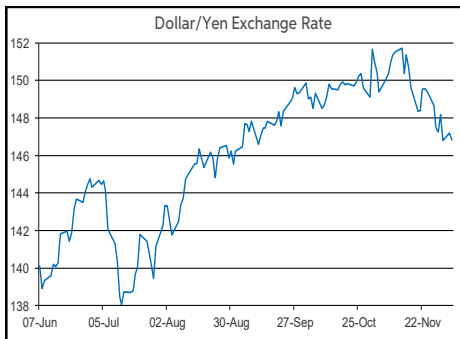
FX Spot	Karl Cooke Shane Gargan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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# Opening Levels

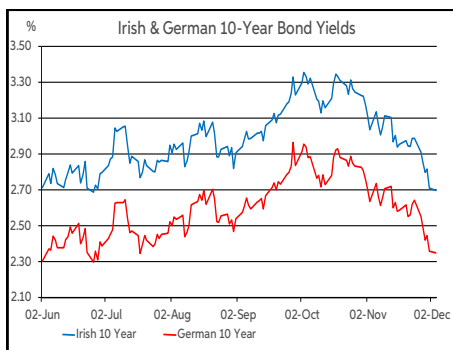
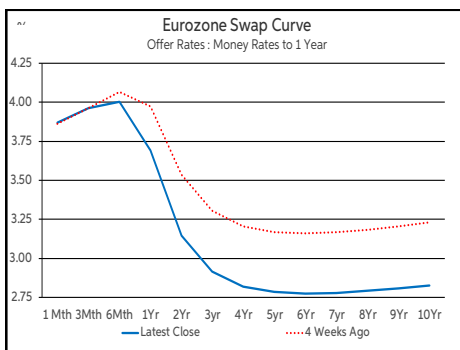
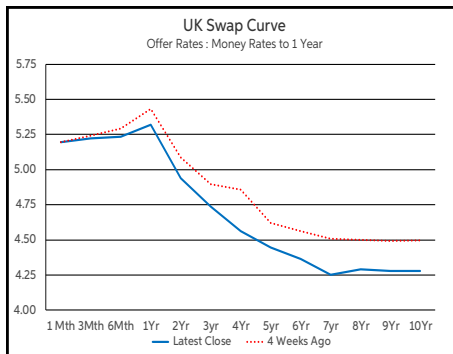
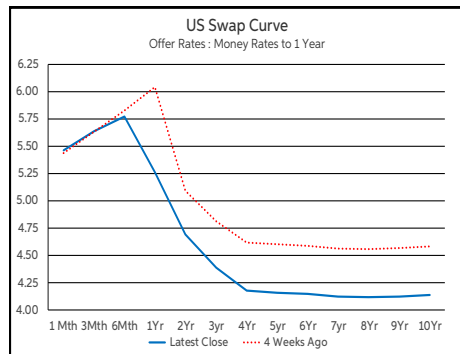
Tuesday 05 December 2023  
07:17 am



Euro		Sterling		Dollar	
EUR/GBP	0.857	GBP/EUR	1.1663	USD/JPY	146.86
EUR/USD	1.0819	GBP/USD	1.2621	USD/CAD	1.3562
EUR/JPY	158.93	GBP/CAD	1.7119	USD/CHF	0.8729
EUR/SEK	11.3024	GBP/NZD	2.0519	USD/CNY	7.1486
EUR/DKK	7.4551	GBP/JPY	185.35	USD/BRL	4.9444
EUR/NOK	11.7506	GBP/SEK	13.1787	USD/RUB	91.48
EUR/CHF	0.9445	GBP/DKK	8.6961	USD/INR	83.3875
EUR/AUD	1.6451	GBP/NOK	13.712	AUD/USD	0.6575
EUR/HKD	8.4579	GBP/CHF	1.1017	NZD/USD	0.6149
EUR/CAD	1.4675	GBP/AUD	1.9191		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 22
<b>10 Year Yield %</b>				
US	4.26	+5	-39	+38
Germany	2.35	-1	-39	-21
UK	4.20	+6	-18	+53
Ireland	2.72	-2	-46	-43
Belgium	2.99	+2	-38	-21
France	2.92	-1	-41	-19
Italy	4.12	+2	-47	-59
Spain	3.37	+0	-43	-29
Portugal	3.03	+1	-39	-57
Greece	3.53	-11	-50	-106
<b>5 Year Swap %</b>				
US	4.16	+5	-40	+17
Eurozone	2.78	-0	-37	-45
UK	4.44	+6	-13	+14
<b>2 Year Swap %</b>				
US	4.69	+6	-36	+1
Eurozone	3.14	-2	-38	-24
UK	4.94	+5	-14	+26
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	37	-1	-7	-22
Belgium	64	+3	+1	+0
France	57	+1	-2	+2
Italy	177	+3	-8	-37
Spain	102	+2	-4	-8
Portugal	68	+2	-1	-36
Greece	118	-10	-11	-85



Commodities				
	% Change			
	Close	Day	4 Weeks	End 22
Brent Oil	78.03	-1.08	-8.39	-9.17
West Texas Oil	72.73	-1.32	-10.80	-9.27
Gold \$	2029.7	-1.99	+2.63	+11.26

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