

US elections in focus

There was a subdued start to the week on financial markets, as investors kept their powder dry ahead of the US election results. On equity markets, both the Euro Stoxx 50 and the S&P 500 maintained their poor momentum from last week, falling by 0.5% and 0.3%, respectively yesterday. Meantime, benchmark sovereign bond yields were relatively unchanged.

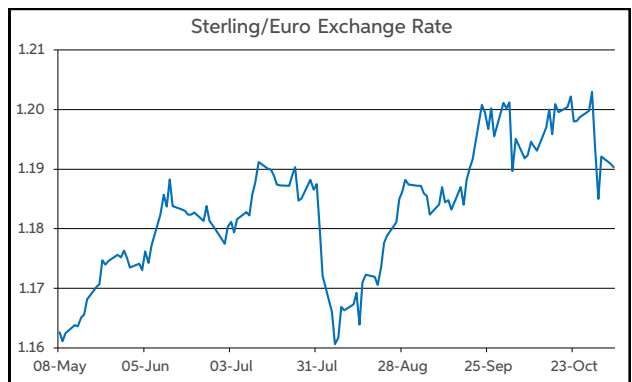
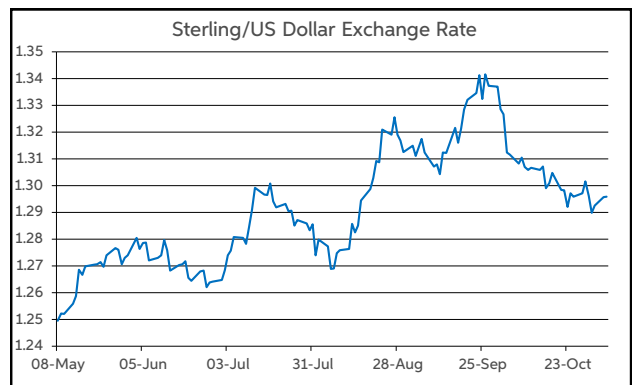
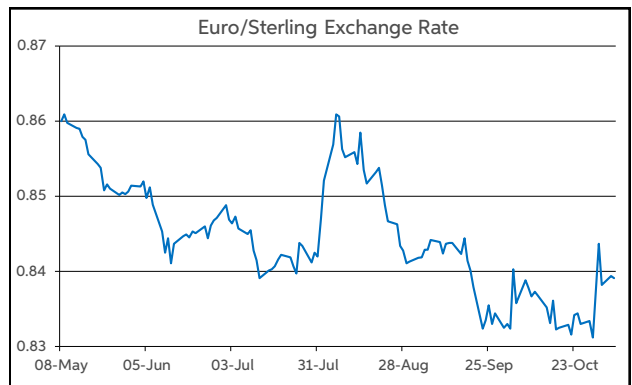
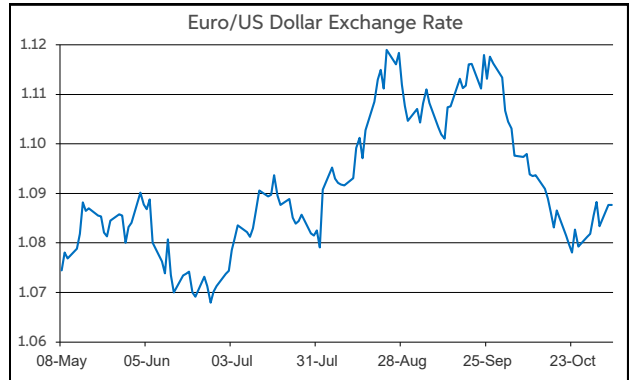
Data-wise, the only release of note was the EU Sentix reading for November. The survey indicated that investor sentiment improved in November, albeit the headline index printed below the consensus (it rose to -12.8 versus expectations of -12.5). However, the release had no major market impact yesterday.

On the currency front, the main pairs remained relatively range bound. The dollar was holding a slightly softer tone in the early part of the European session. Elsewhere, sterling was under some downward pressure. However, both currencies recouped their losses before the European close. Meanwhile, overnight the dollar registered some marginal gains.

In level terms, the firmer tone to the dollar is reflected by EUR/USD opening this morning back below the \$1.09 threshold, having traded to a high of \$1.093 yesterday. GBP/USD is back near the midpoint of \$1.29-1.30. Elsewhere, EUR/GBP remains in and around the 84p handle.

Today, the US non-manufacturing ISM (Oct) is due, but it is unlikely to affect market proceedings, as attention remains on the US elections. Thus, trading conditions are likely to remain subdued as voting comes to a close and given it may be sometime before the result of the Presidential election is known.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0877	-0.20	-1.44
EUR/GBP	0.8391	0.04	-3.20
GBP/USD	1.2958	-0.26	1.80
GBP/EUR	1.1909	-0.04	3.30
USD/JPY	152.32	0.32	7.98
EUR/JPY	165.7	0.12	6.47

* 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	4.88	4.62	4.53	4.17	4.23	4.07
EUR	3.40	3.12	3.09	2.61	2.42	2.38
GBP	5.00	4.72	4.69	4.43	4.50	4.29

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

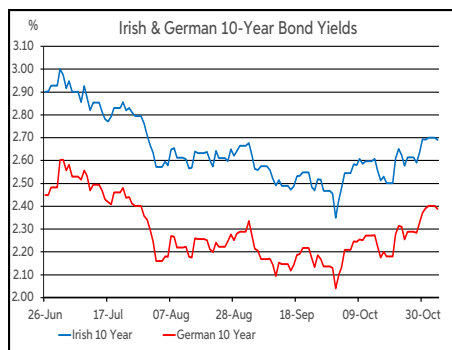
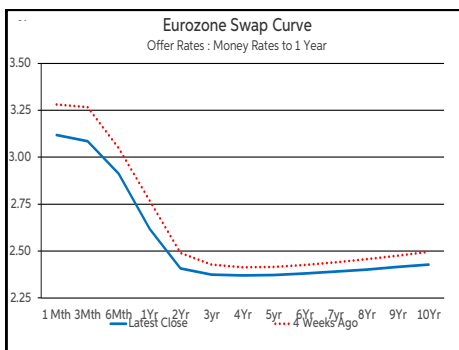
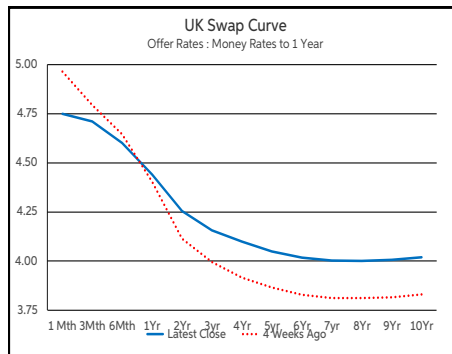
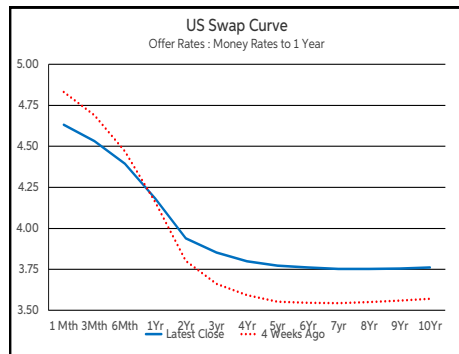
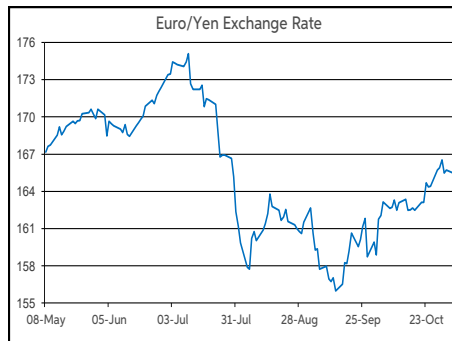
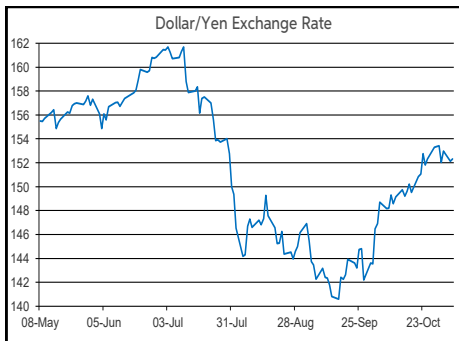
EUR/GBP	0.8391
EUR/USD	1.0877
EUR/JPY	165.7
EUR/SEK	11.6665
EUR/DKK	7.4579
EUR/NOK	11.9628
EUR/CHF	0.94
EUR/AUD	1.6483
EUR/HKD	8.457
EUR/CAD	1.5114

Sterling

GBP/EUR	1.1909
GBP/USD	1.2958
GBP/CAD	1.8005
GBP/NZD	2.1655
GBP/JPY	197.38
GBP/SEK	13.8971
GBP/DKK	8.8847
GBP/NOK	14.2507
GBP/CHF	1.1197
GBP/AUD	1.9637

Dollar

USD/JPY	152.32
USD/CAD	1.3893
USD/CHF	0.8639
USD/CNY	7.1054
USD/BRL	5.7916
USD/RUB	98.35
USD/INR	84.116
AUD/USD	0.6599
NZD/USD	0.5984



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 23
10 Year Yield %				
US	4.31	-5	+28	+45
Germany	2.39	-1	+14	+36
UK	4.46	+1	+25	+92
5 Year Swap %				
US	4.03	-7	+23	+24
Eurozone	2.37	+2	-3	-6
UK	4.29	+2	+17	+63
2 Year Swap %				
US	4.19	-4	+16	-14
Eurozone	2.41	-2	-7	-39
UK	4.49	+3	+14	+23
10 Year Government Bond Spreads to Benchmark bps				
Ireland	33	-1	-3	-1
Belgium	58	-2	-4	-8
France	75	-1	-2	+22
Italy	128	-0	-4	-39
Spain	71	-1	-6	-26
Portugal	49	+4	-3	-27
Greece	92	+3	-4	-13

Commodities				
	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	75.08	+2.71	-7.23	-2.54
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2736.4	+0.05	+3.51	+32.67

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