

## Dollar firms overnight

Trading conditions were relatively calm throughout the European session yesterday. However, hawkish remarks from Fed Chair Powell and very soft demand at a 30-year US Treasury auction overnight, sparked some volatility on markets. Amid the hawkish rhetoric and weak Treasury auction, US sovereign yields rose by 9-14bps along the curve. UK Gilt and German Bund yields moved a more modest 3-8bps higher yesterday.

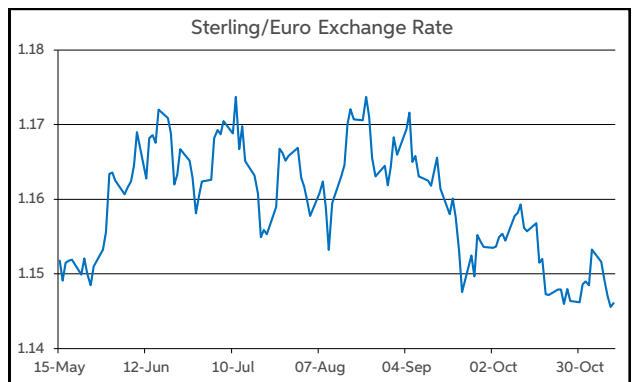
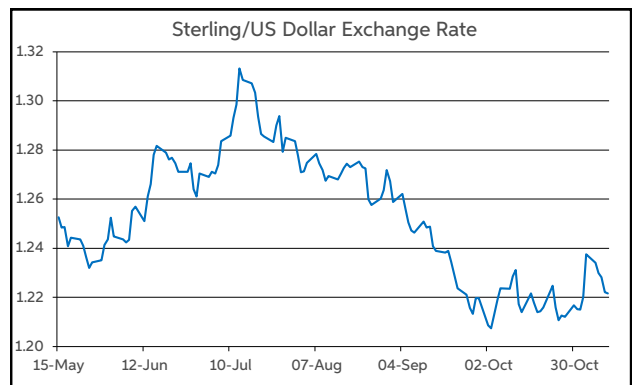
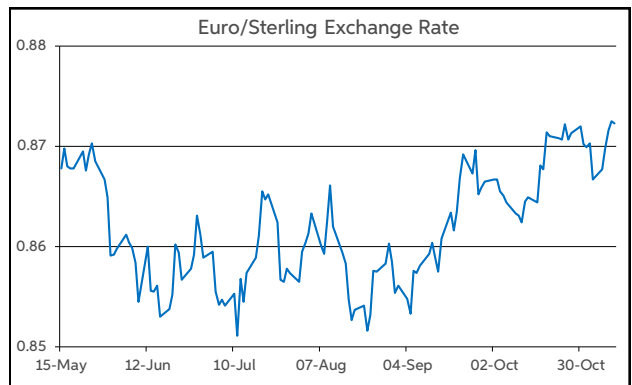
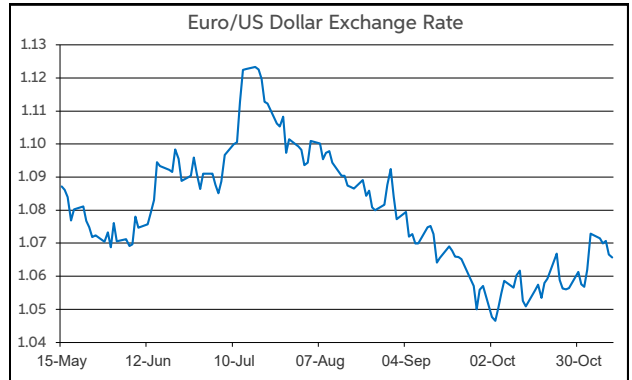
Elsewhere, oil prices rebounded by circa 0.5% yesterday, having fallen by over 5% since the start of the month. Prices have declined owing to concerns for global demand, and a report released earlier this week, that showed US production reached an all-time high of 13.2m barrels per day in October. Brent crude is currently at \$80 per barrel, having started November above \$85.

Currency-wise, against the backdrop of hawkish Fed comments/higher yields, the dollar was holding a firmer tone overnight. This sees EUR/USD open this morning back near the midpoint of \$1.06-1.07. GBP/USD is changing hands down in the lower half of \$1.22-1.23. Meantime, EUR/GBP continues to operate above 87p.

Already this morning, UK GDP data for September and for Q3 have been released. GDP rose by 0.2% in the month, meaning growth stagnated in the third quarter overall (vs. -0.1% f'cast). The release has not impacted sterling so far in early trading.

The remainder of today's macro-schedule is somewhat sparse. The only other top tier release will be the preliminary reading of US consumer sentiment for November. However, the headline index is forecast to be little changed, indicating that bar any major surprises, the data are unlikely to impact the dollar.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.0657	-0.42	-0.42
EUR/GBP	0.8723	0.10	-1.37
GBP/USD	1.2219	-0.46	1.01
GBP/EUR	1.1461	-0.10	1.39
USD/JPY	151.41	0.25	15.48
EUR/JPY	161.41	-0.14	15.05

\* 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	5.63	5.58	5.15	4.64
EUR	4.50	3.86	3.97	3.97	3.55	3.15
GBP	5.25	5.18	5.22	5.19	5.01	4.53

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

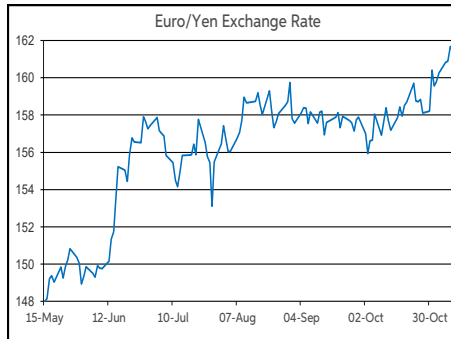
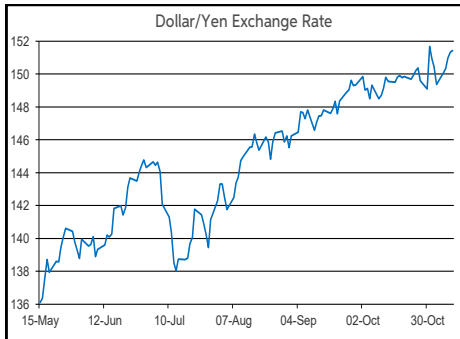
FX Spot	Karl Cooke Shane Gargan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
---------	----------------------------	------------	------------	------------------	---------------------------	-----------------	-----------------------------------

# Opening Levels

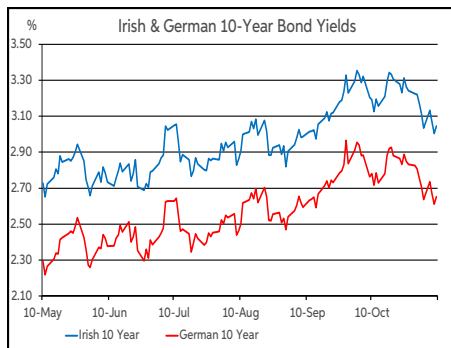
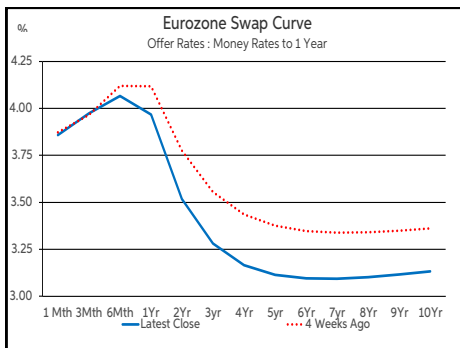
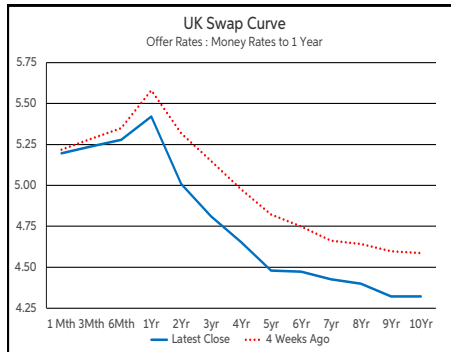
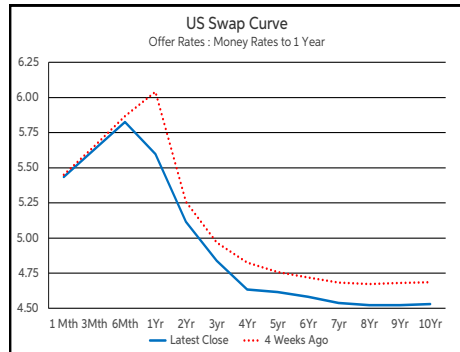
Friday 10 November 2023  
07:13 am



Euro		Sterling		Dollar	
EUR/GBP	0.8723	GBP/EUR	1.1461	USD/JPY	151.41
EUR/USD	1.0657	GBP/USD	1.2219	USD/CAD	1.3801
EUR/JPY	161.41	GBP/CAD	1.6862	USD/CHF	0.9043
EUR/SEK	11.6657	GBP/NZD	2.0734	USD/CNY	7.293
EUR/DKK	7.4579	GBP/JPY	184.98	USD/BRL	4.9342
EUR/NOK	11.9079	GBP/SEK	13.3689	USD/RUB	92.03
EUR/CHF	0.9637	GBP/DKK	8.5474	USD/INR	83.3575
EUR/AUD	1.6765	GBP/NOK	13.6583	AUD/USD	0.6356
EUR/HKD	8.3236	GBP/CHF	1.1048	NZD/USD	0.5892
EUR/CAD	1.4709	GBP/AUD	1.9218		



Debt Markets				
	Close	Day	4 Weeks	End 22
<b>10 Year Yield %</b>				
US	4.63	+14	-6	+75
Germany	2.65	+4	-13	+9
UK	4.27	+3	-15	+60
<b>5 Year Swap %</b>				
US	4.62	+12	-10	+62
Eurozone	3.11	+1	-25	-12
UK	4.48	+1	-29	+18
<b>2 Year Swap %</b>				
US	5.12	+8	-10	+44
Eurozone	3.52	-0	-25	+13
UK	5.01	-1	-30	+33
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	42	-2	-1	-16
Belgium	65	+1	-1	+1
France	58	-1	+2	+3
Italy	186	-0	-11	-28
Spain	105	-0	-6	-5
Portugal	75	+1	+3	-29
Greece	126	-3	-21	-77



Commodities				
	Close	Day	4 Weeks	End 22
Brent Oil	80.01	+0.59	-6.97	-6.87
West Texas Oil	76.34	+0.65	-7.88	-4.77
Gold \$	1958.2	+0.43	+4.79	+7.33

This publication is for information purposes and is not an invitation to deal. The information is believed to be reliable but is not guaranteed. Any expressions of opinions are subject to change without notice. This publication is not to be reproduced in whole or in part without prior permission. In the Republic of Ireland it is distributed by Allied Irish Banks, p.l.c. In the UK it is distributed by Allied Irish Banks, p.l.c. and Allied Irish Bank (GB). In Northern Ireland it is distributed by Allied Irish Bank (NI). In the United States of America it is distributed by Allied Irish Banks, p.l.c. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland. Allied Irish Bank (GB) and AIB (NI) are trade marks used under licence by AIB Group (UK) p.l.c. (a wholly owned subsidiary of Allied Irish Banks, p.l.c.), incorporated in Northern Ireland. Registered Office 92 Ann Street, Belfast BT1 3HH. Registered Number NI018800. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In the United States of America, Allied Irish Banks, p.l.c., New York Branch, is a branch licensed by the New York State Department of Financial Services. Deposits and other investment products are not FDIC insured, they are not guaranteed by any bank and they may lose value. Please note that telephone calls may be recorded in line with market practice.