

EUR/USD remains below \$1.05

US Treasury yields continued to move higher yesterday. This was against the backdrop of on-going hawkish Fed comments and another upside surprise from the US macro diary (an unexpected rise in US job openings for August). The 10-year US Treasury yield rose above the 4.7% threshold and up to the 4.8% level. Yields were also higher elsewhere, although not to the same degree. The 10-year German Bund yield rose up to around 3%.

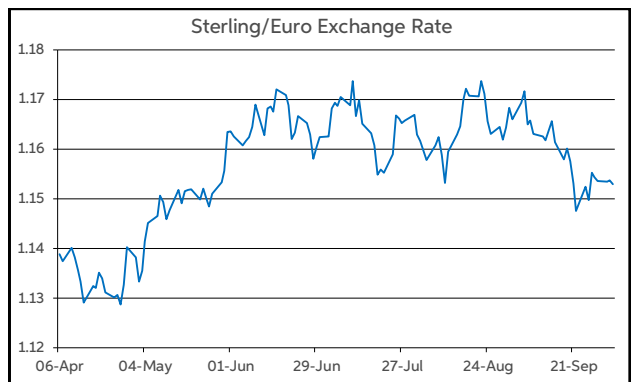
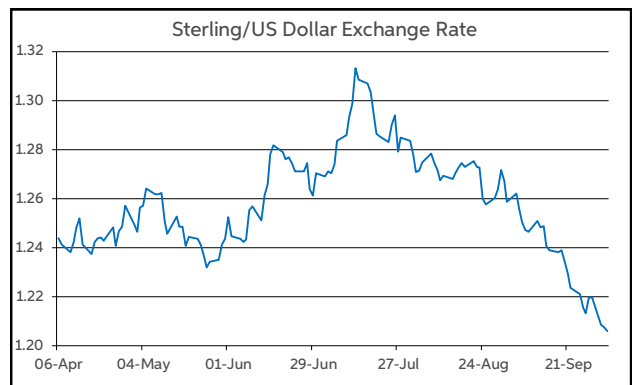
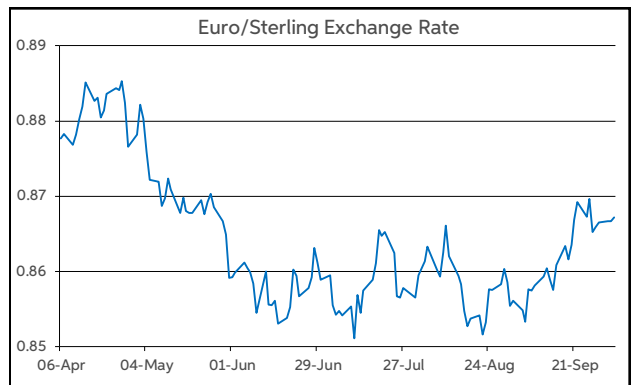
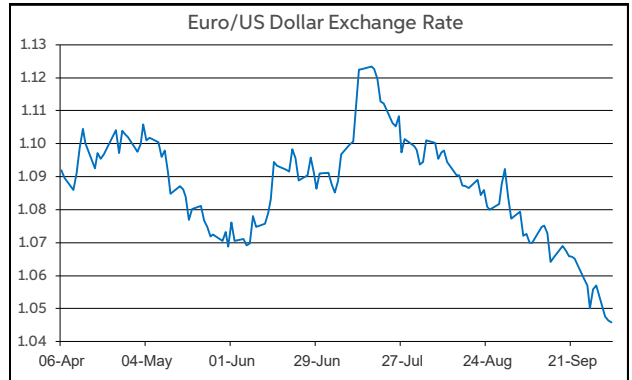
Investor sentiment retained its cautious tone yesterday amid the persistent rise in yields. In Europe, the Euro Stoxx 50 declined by 1.0%. Meanwhile, at the closing bell on Wall Street last night, the S&P 500 index was 1.4% lower on the day.

Currency-wise, against the risk averse environment and continued rise in US Treasury yields, the dollar maintained the upper hand. Albeit yesterday's action was confined to fairly tight ranges for some of the majors. In level terms, EUR/USD remained pinned down below the \$1.05 mark, trading to a low of \$1.0449. GBP/USD continued to trade under the \$1.21 handle.

Meanwhile, USD/JPY briefly breached the closely watched ¥150 level, followed by a sharp reversal. This prompted speculation of FX intervention from the Japanese Finance Ministry. However, a Japanese official refused to confirm this. The BoJ intervened in the bond market, though, after 10-year Japanese yields hit their highest level in a decade. Elsewhere, on the currency front, EUR/GBP traded in the upper half of 86-87p.

Today's macro diary includes the final PMI readings from the Eurozone, US and UK. The US diary also features the non-manufacturing ISM and the ADP employment report (both Sept).

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.0457	-0.04	-2.29
EUR/GBP	0.8671	0.00	-1.96
GBP/USD	1.2058	-0.02	-0.32
GBP/EUR	1.1527	0.00	2.00
USD/JPY	149.23	-0.43	13.82
EUR/JPY	156.1	-0.46	11.26

* 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	5.68	5.61	5.37	4.92
EUR	4.50	3.86	3.95	4.14	3.86	3.54
GBP	5.25	5.19	5.28	5.44	5.41	4.96

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

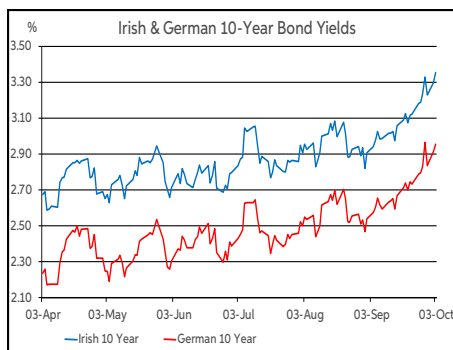
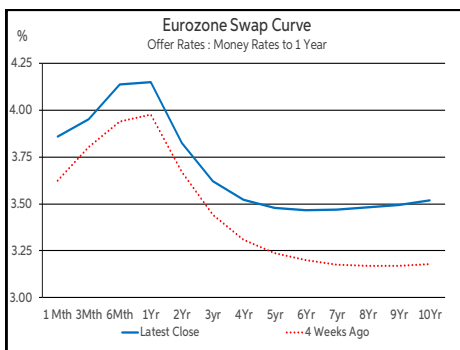
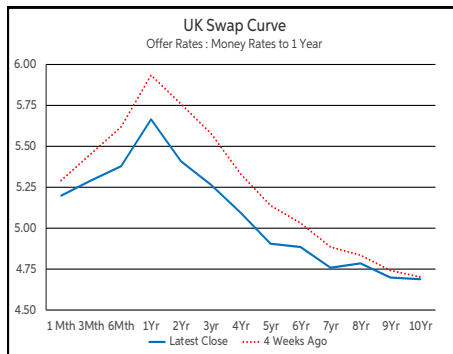
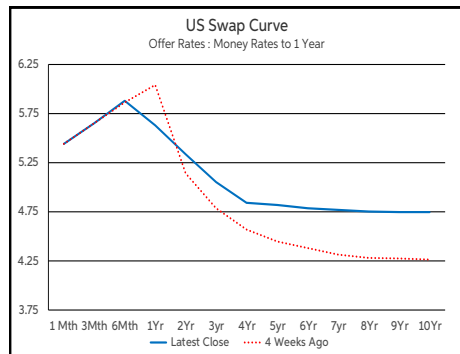
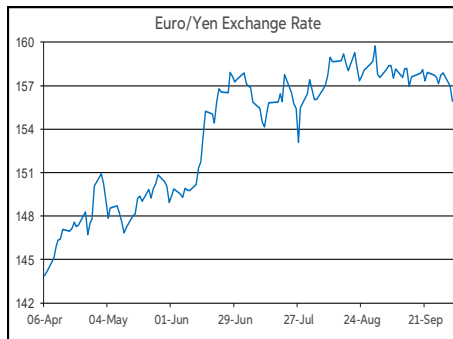
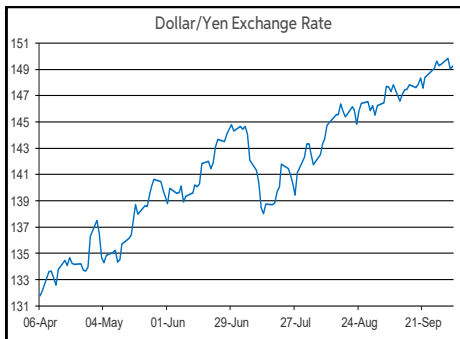
FX Spot	Karl Cooke Shane Gargan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

Wednesday 04 October 2023
07:23 am



Euro		Sterling		Dollar	
EUR/GBP	0.8671	GBP/EUR	1.1527	USD/JPY	149.23
EUR/USD	1.0457	GBP/USD	1.2058	USD/CAD	1.3715
EUR/JPY	156.1	GBP/CAD	1.6539	USD/CHF	0.9223
EUR/SEK	11.6223	GBP/NZD	2.0492	USD/CNY	7.301
EUR/DKK	7.4586	GBP/JPY	179.94	USD/BRL	5.1672
EUR/NOK	11.4893	GBP/SEK	13.398	USD/RUB	99.2
EUR/CHF	0.9646	GBP/DKK	8.5981	USD/INR	83.249
EUR/AUD	1.6592	GBP/NOK	13.24		
EUR/HKD	8.1897	GBP/CHF	1.1123	AUD/USD	0.6302
EUR/CAD	1.4344	GBP/AUD	1.9131	NZD/USD	0.5884



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 22
10 Year Yield %				
US	4.80	+11	+53	+92
Germany	2.96	+4	+35	+39
UK	4.59	+2	+7	+92
5 Year Swap %				
Ireland	3.38	+4	+37	+23
Belgium	3.63	+6	+40	+43
France	3.53	+5	+39	+42
Italy	4.93	+12	+59	+23
Spain	4.07	+6	+41	+41
Portugal	3.69	+3	+33	+9
Greece	4.43	+4	+50	-16
2 Year Swap %				
US	4.82	+10	+41	+82
Eurozone	3.48	+2	+25	+25
UK	4.91	+2	-18	+60
10 Year Government Bond Spreads to Benchmark bps				
Ireland	42	-0	+2	-16
Belgium	67	+1	+5	+3
France	58	+0	+4	+3
Italy	198	+8	+24	-17
Spain	111	+2	+6	+1
Portugal	73	-1	-2	-31
Greece	148	-1	+15	-55

Commodities				
	% Change			
	Close	Day	4 Weeks	End 22
Brent Oil	90.92	+0.23	+0.98	+5.83
West Texas Oil	89.26	+0.51	+2.91	+11.35
Gold \$	1822.8	-0.25	-5.35	-0.09

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