

## Dollar rebounds as risk appetite fades once more

The marked improvement in investor sentiment in the first two days of this week proved short-lived as equity markets went back into decline yesterday. The Euro Stoxx 50 fell by 1.1% , while on Wall Street, the S&P 500 finished down by 0.2% last night. Meanwhile, on fixed-income markets, bond yields reversed course and moved higher after two days of declines.

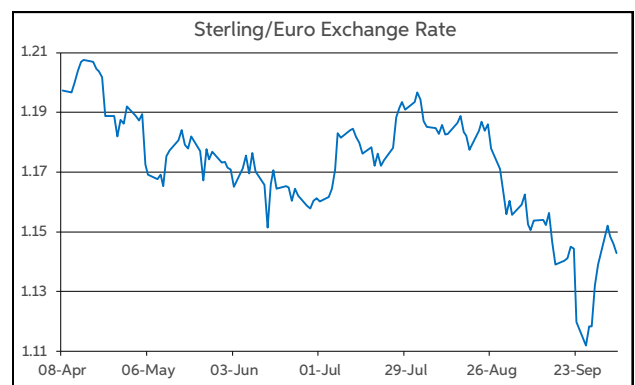
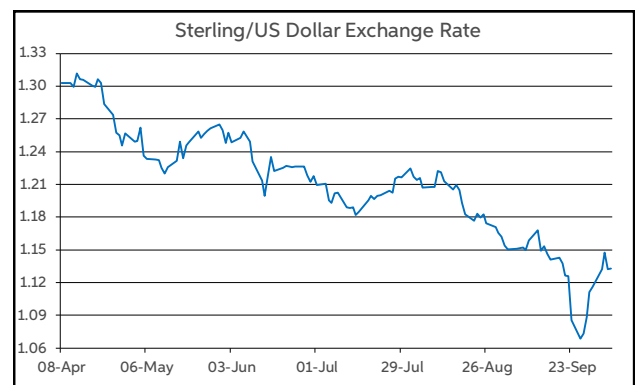
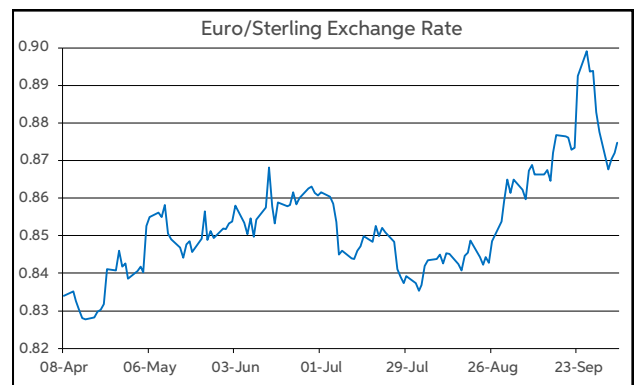
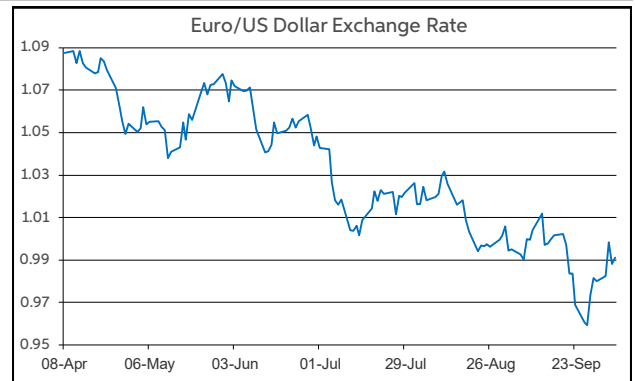
On currency markets, the return of more risk-averse sentiment saw the dollar regain ground after suffering losses in the previous two days. The Euro moved back down from near the parity mark to trade at a low near \$0.985 level. Meanwhile, cable which had risen close to the \$1.15 threshold on Tuesday, fell back to circa \$1.125. Sterling also lost some ground against the euro, with the single currency moving back up to around the 87.5p level.

Markets, then, remain very volatile with investor sentiment still very brittle. There is considerable uncertainty about the economic outlook. US data were solid yesterday, with good ADP employment and non-manufacturing ISM data for September, but fears remain about recession risks, especially in Europe. Meanwhile , oil prices moved higher as the OPEC+ meeting saw bigger than expected production cuts announced.

As trading gets underway this morning, EUR/USD opens just above \$0.99. EUR/GBP is operating at the midpoint of the 87-88p range. GBP/USD is changing hands in the lower half of \$1.13-1.14.

It is very quiet today on the data front, though the account (minutes) of the September ECB monetary policy meeting will be watched. Attention is now turning to tomorrow's key US labour report for September, with another good print anticipated.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	0.9908	-0.57	-12.84
EUR/GBP	0.8751	0.40	4.18
GBP/USD	1.1319	-0.97	-16.34
GBP/EUR	1.1419	-0.40	-4.01
USD/JPY	144.53	0.28	25.59
EUR/JPY	143.23	-0.29	9.44

\* 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	3.125	3.19	3.74	4.51	4.45	4.00
EUR	1.25	0.66	1.17	2.37	2.72	2.86
GBP	2.25	2.27	3.25	5.03	5.35	5.08

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

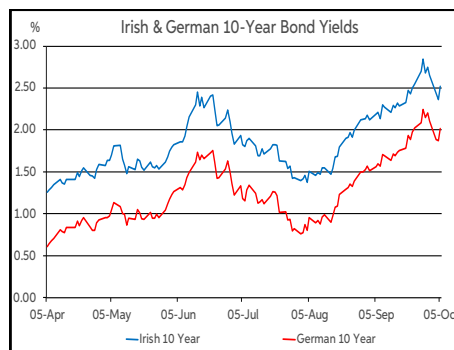
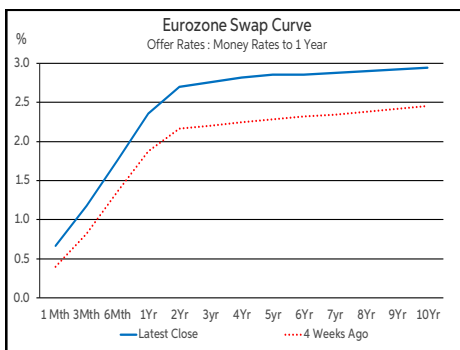
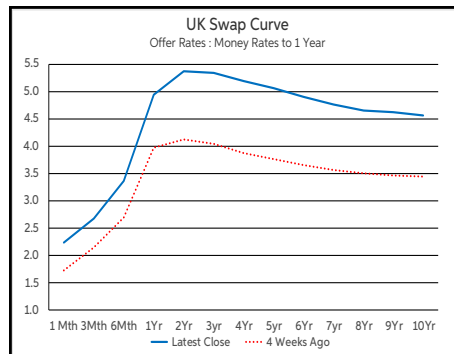
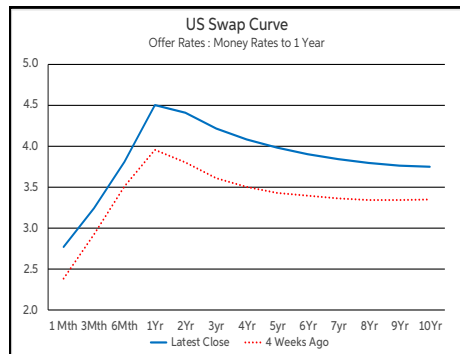
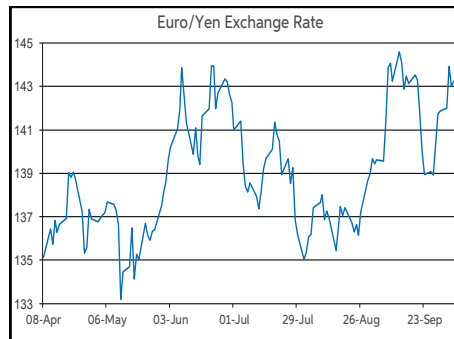
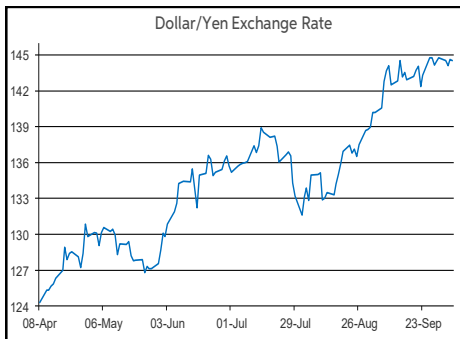
FX Spot	Karl Cooke Shane Gargan Ian Burke	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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# Opening Levels

Thursday 06 October 2022  
07:39 am



Euro		Sterling		Dollar	
EUR/GBP	0.8751	GBP/EUR	1.1419	USD/JPY	144.53
EUR/USD	0.9908	GBP/USD	1.1319	USD/CAD	1.3591
EUR/JPY	143.23	GBP/CAD	1.5389	USD/CHF	0.9792
EUR/SEK	10.8345	GBP/NZD	1.9574	USD/CNY	7.1135
EUR/DKK	7.438	GBP/JPY	163.6	USD/BRL	5.1961
EUR/NOK	10.3983	GBP/SEK	12.377	USD/RUB	60.4
EUR/CHF	0.9703	GBP/DKK	8.4973	USD/INR	81.7
EUR/AUD	1.5196	GBP/NOK	11.8767	AUD/USD	0.6517
EUR/HKD	7.7786	GBP/CHF	1.1085	NZD/USD	0.5781
EUR/CAD	1.3468	GBP/AUD	1.7366		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
<b>10 Year Yield %</b>				
US	3.75	+12	+49	+224
Germany	2.02	+14	+44	+220
UK	4.04	+18	+101	+306
<b>5 Year Swap %</b>				
US	3.98	+13	+59	+265
Eurozone	2.86	+17	+58	+285
UK	5.06	+7	+130	+379
<b>2 Year Swap %</b>				
US	4.41	+7	+64	+346
Eurozone	2.70	+11	+55	+300
UK	5.38	+17	+125	+418
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	56	+0	-4	+13
Belgium	68	+2	+5	+32
France	62	+3	+4	+25
Italy	244	+14	+15	+108
Spain	122	+5	+5	+45
Portugal	111	+4	+3	+44
Greece	263	-13	+6	+114

Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	93.37	+1.71	+6.10	+20.04
West Texas Oil	88.22	+1.55	+6.93	+17.11
Gold \$	1715.8	-0.60	-0.11	-6.16

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