

## Waiting for US payrolls

There was a generally subdued nature to the action across financial markets for much of yesterday. A contributing factor was the quiet data calendar on both sides of the Atlantic. Indeed, the only release of any note was the weekly US jobless claims data. At the same time, Friday's release of the all-important US non-farm payrolls report for September was looming on the market horizon.

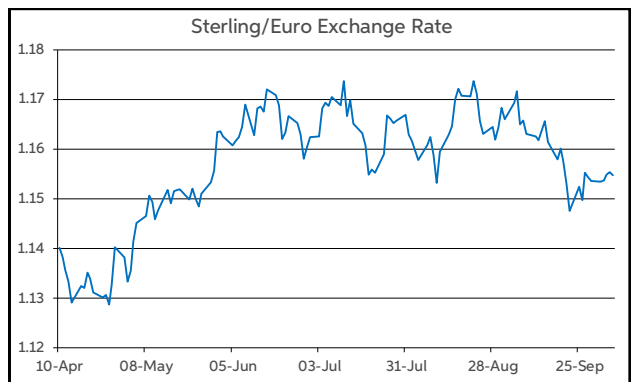
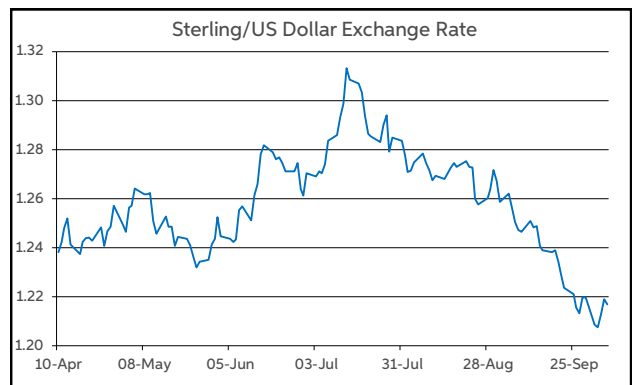
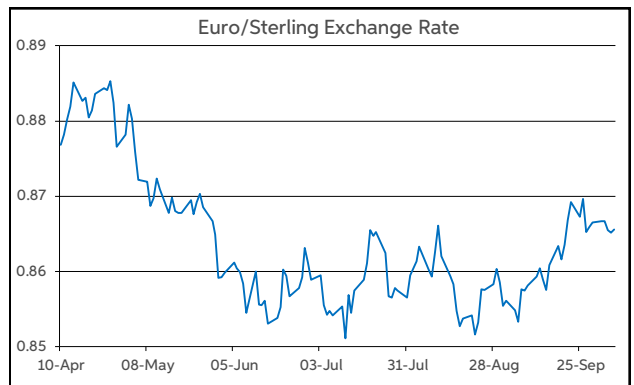
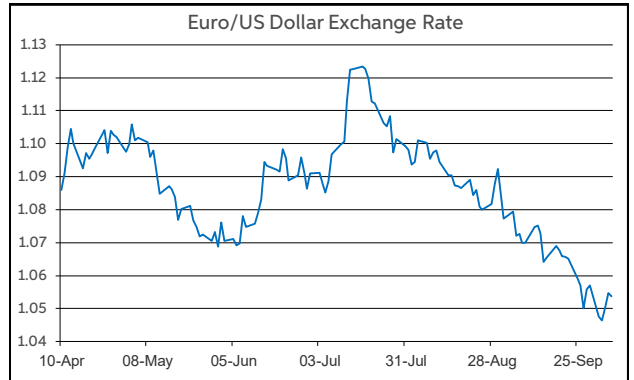
Investor sentiment was holding a cautious tone against the backdrop of still elevated bond yields. In Europe, the Euro Stoxx 50 was flat on the day. Meanwhile, at the closing bell on Wall Street last night, the S&P 500 index finished the US session 0.1% lower. On bond markets, the 10-year US Treasury yield was little changed on the day, remaining above the 4.7% level.

Currency-wise, the main pairs operated within very tight ranges yesterday. EUR/USD held onto its position above the \$1.05 mark. GBP/USD spent the day trading in and around the midpoint of \$1.21-1.22. Meanwhile, EUR/GBP continued to change hands within the upper half of the 86-87p band.

Ahead today, the focus is on the US macro diary, with the main point of interest being the aforementioned payrolls number for September. The consensus forecast is for a 170k increase. US unemployment and average earnings updates for September are also due.

From a currency viewpoint, a stronger than expected payroll number could see the dollar resume its uptrend which has paused over the last two days. In this regard, \$1.04 is a key support level to keep a close eye on for EUR/USD. Elsewhere, in the UK, newsflow in relation to Metro Bank may continue to garner some attention.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.0538	0.18	-1.53
EUR/GBP	0.8657	0.05	-2.11
GBP/USD	1.2172	0.15	0.62
GBP/EUR	1.1547	-0.05	2.16
USD/JPY	148.86	0.22	13.54
EUR/JPY	156.89	0.40	11.82

\* 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	5.45	5.67	5.66	5.23	4.75
EUR	4.50	3.83	3.96	4.10	3.78	3.43
GBP	5.25	5.20	5.28	5.41	5.35	4.92

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

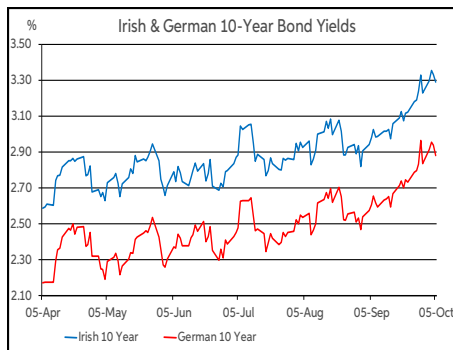
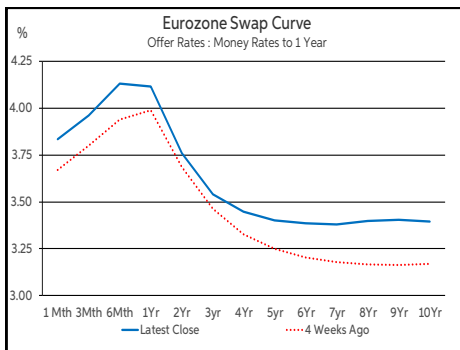
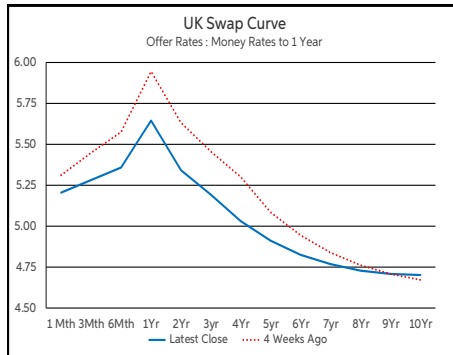
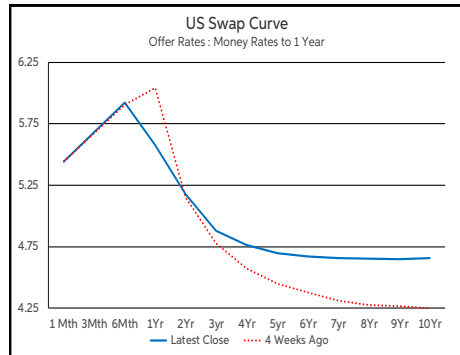
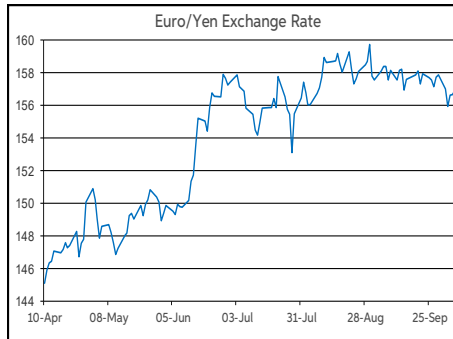
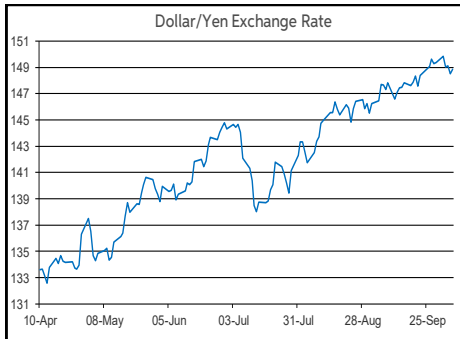
FX Spot	Karl Cooke Shane Gargan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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# Opening Levels

Friday 06 October 2023  
07:20 am



Euro		Sterling		Dollar	
EUR/GBP	0.8657	GBP/EUR	1.1547	USD/JPY	148.86
EUR/USD	1.0538	GBP/USD	1.2172	USD/CAD	1.3715
EUR/JPY	156.89	GBP/CAD	1.6697	USD/CHF	0.9136
EUR/SEK	11.6161	GBP/NZD	2.0428	USD/CNY	7.301
EUR/DKK	7.4574	GBP/JPY	181.18	USD/BRL	5.1658
EUR/NOK	11.5645	GBP/SEK	13.4167	USD/RUB	100.855
EUR/CHF	0.963	GBP/DKK	8.6118	USD/INR	83.2325
EUR/AUD	1.6565	GBP/NOK	13.3614		
EUR/HKD	8.2537	GBP/CHF	1.1124	AUD/USD	0.6361
EUR/CAD	1.4455	GBP/AUD	1.9133	NZD/USD	0.5956



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 22
<b>10 Year Yield %</b>				
US	4.72	-1	+47	+84
Germany	2.88	-6	+26	+32
UK	4.55	-4	+9	+88
<b>5 Year Swap %</b>				
US	4.70	-5	+29	+70
Eurozone	3.40	-5	+16	+17
UK	4.91	+1	-17	+61
<b>2 Year Swap %</b>				
US	5.18	-7	+7	+50
Eurozone	3.76	-4	+8	+37
UK	5.34	-5	-29	+66
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	44	+3	+5	-15
Belgium	69	+3	+6	+6
France	59	+3	+6	+4
Italy	202	+7	+28	-12
Spain	113	+3	+9	+3
Portugal	76	+3	+2	-28
Greece	148	-0	+11	-55

Commodities				
	Close	% Change		
		Day	4 Weeks	End 22
Brent Oil	84.07	-2.03	-6.51	-2.14
West Texas Oil	82.3	-2.40	-5.26	+2.67
Gold \$	1820.0	-0.06	-5.17	-0.24

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