

Dollar regains some ground

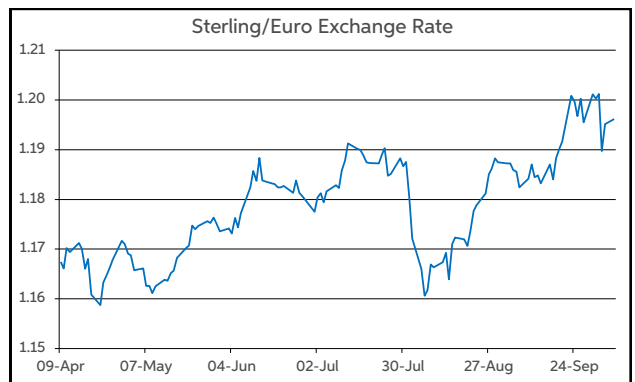
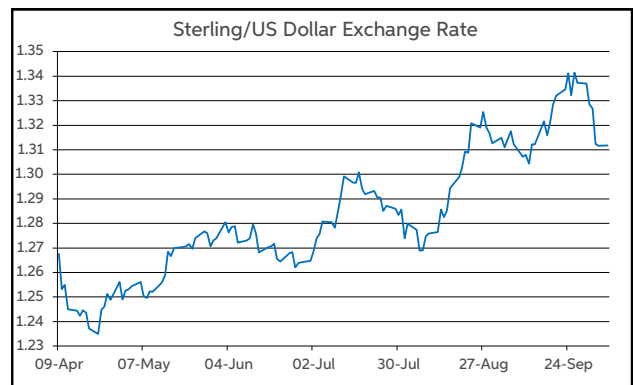
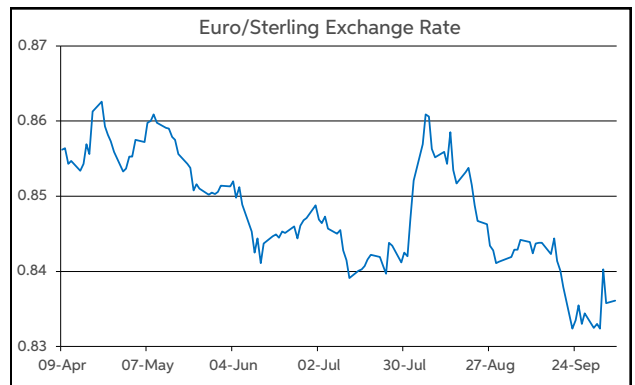
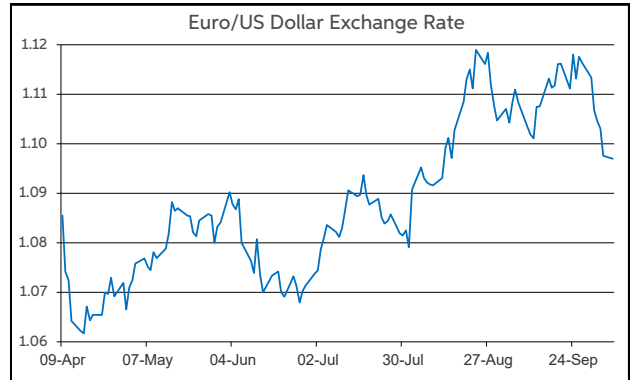
A key feature of markets for much of last week was the risk averse mood. This was against the backdrop of the escalation of the conflict in the Middle East. The nervousness was evident on equity markets, especially on the European indices. The Euro Stoxx 50 declined by 2.2% over the period. Concerns over the potential impact on supply from developments in the Middle East pushed oil prices higher. Brent crude rose by around 9%, to above \$78 per barrel.

On the currency front, the dollar benefitted from the risk averse environment. The greenback got a further leg-up on Friday after the much stronger than expected US payroll data for September. The consensus beating data saw a firming in US futures contracts. The market is now expecting a 25bps cut from the Fed in November rather than 50bps. Elsewhere, sterling's recent ascent was paused by dovish comments from BoE Governor Bailey.

In level terms, EUR/USD fell back from the \$1.12 mark at the start of the week to below the \$1.10 threshold, reaching a trough of \$1.095. Meanwhile, the combination of the firmer dollar and softer sterling saw GBP/USD trade down from near \$1.34 to a low of \$1.307, before settling in the lower half of \$1.31-1.32. The weaker tone to sterling was also reflected in EUR/GBP moving up from the 83p handle, to trade in the upper half of the 83-84p band.

This week, from a dollar perspective, CPI inflation (Sept) will be the key release of note. The Fed meeting minutes will also receive attention from dollar watchers. For the euro, the ECB meeting account is the main agenda item, as market participants look for insight on the near term path for Eurozone rates. From a sterling viewpoint, the data highlight will be GDP figures for August.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.097	-0.51	-0.60
EUR/GBP	0.8361	-0.46	-3.54
GBP/USD	1.3118	-0.07	3.06
GBP/EUR	1.1957	0.47	3.67
USD/JPY	148.36	1.46	5.18
EUR/JPY	162.75	0.92	4.57

* 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	4.81	4.65	4.11	4.04	3.80
EUR	3.65	3.27	3.25	2.68	2.43	2.35
GBP	5.00	4.95	4.78	4.34	4.32	4.06

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

Monday 07 October 2024
07:22 am



Euro

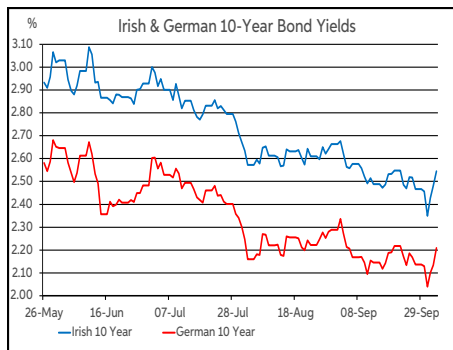
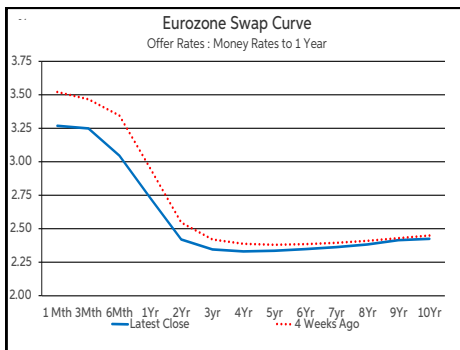
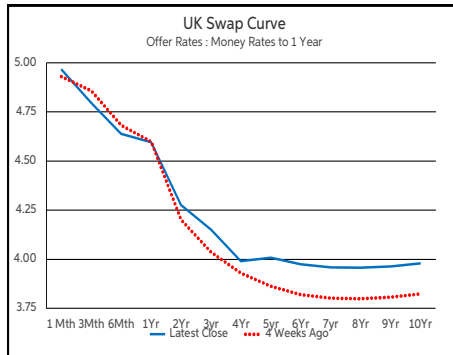
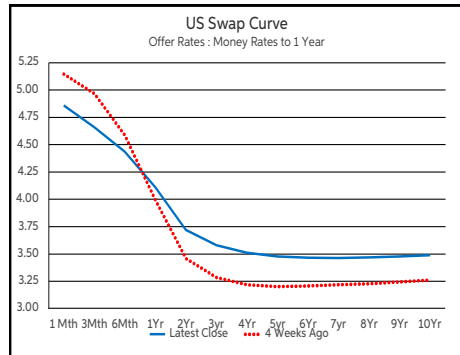
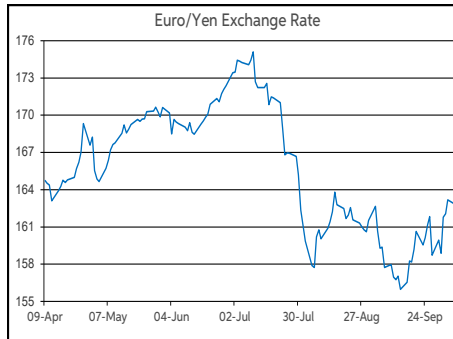
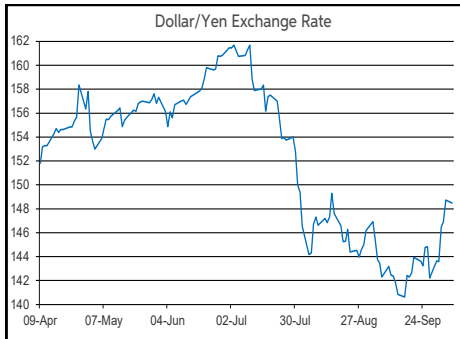
EUR/GBP	0.8361
EUR/USD	1.097
EUR/JPY	162.75
EUR/SEK	11.3755
EUR/DKK	7.4545
EUR/NOK	11.6748
EUR/CHF	0.9408
EUR/AUD	1.6119
EUR/HKD	8.518
EUR/CAD	1.4895

Sterling

GBP/EUR	1.1957
GBP/USD	1.3118
GBP/CAD	1.7814
GBP/NZD	2.1293
GBP/JPY	194.62
GBP/SEK	13.5993
GBP/DKK	8.915
GBP/NOK	13.968
GBP/CHF	1.1252
GBP/AUD	1.9276

Dollar

USD/JPY	148.36
USD/CAD	1.3579
USD/CHF	0.8575
USD/CNY	7.0176
USD/BRL	5.4551
USD/RUB	95.55
USD/INR	83.97
AUD/USD	0.6805
NZD/USD	0.616



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 23
10 Year Yield %				
US	3.98	+13	+27	+12
Germany	2.21	+8	+4	+18
UK	4.13	+12	+24	+59
5 Year Swap %				
Ireland	2.56	+7	-2	+20
Belgium	2.83	+6	+6	+14
France	2.99	+5	+10	+43
Italy	3.51	+4	-4	-19
Spain	2.97	+4	-3	-2
Portugal	2.74	+4	-6	-4
Greece	3.18	+3	-6	+10
2 Year Swap %				
US	3.74	+19	+31	-5
Eurozone	2.34	+9	-4	-9
UK	4.01	+13	+15	+36
10 Year Government Bond Spreads to Benchmark bps				
Ireland	35	-1	-6	+1
Belgium	62	-1	+2	-4
France	78	-2	+6	+25
Italy	130	-4	-8	-37
Spain	76	-3	-7	-20
Portugal	53	-4	-10	-23
Greece	97	-4	-10	-8

Commodities				
	Close	% Change		
		Day	4 Weeks	End 23
Brent Oil	78.05	+0.55	+9.84	+1.31
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2652.2	-0.14	+6.22	+28.59

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