

## A week of two halves

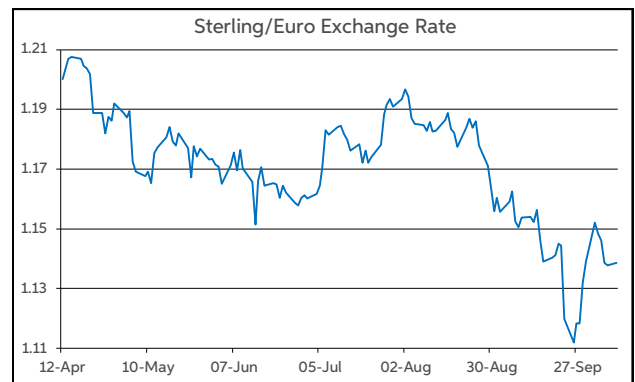
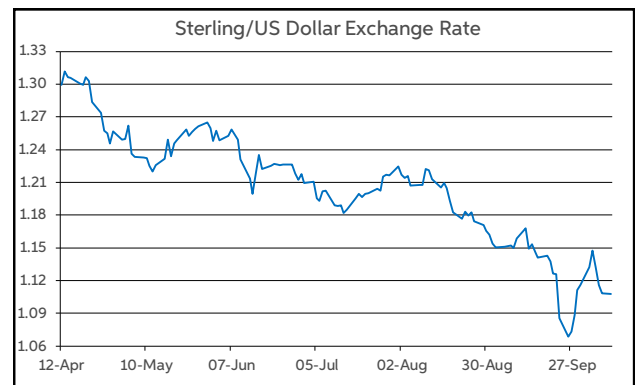
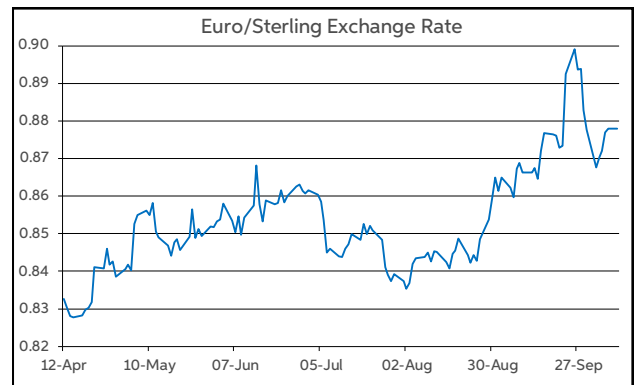
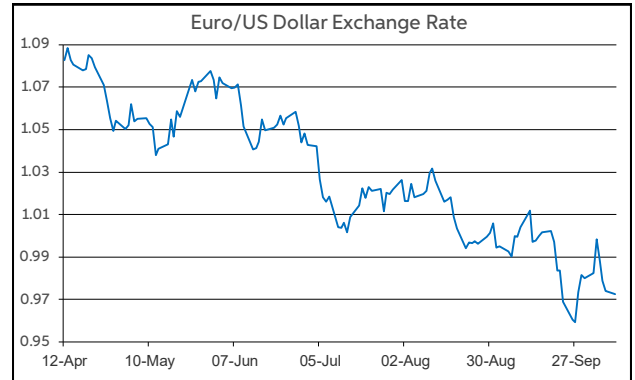
It was a week of two halves to kick-off proceedings on financial markets at the beginning of Q4. Early in the week investor sentiment held a positive tone, resulting in significant moves higher on equity markets, with the S&P 500 and the Euro Stoxx 50 gaining 5% and 7% between Monday on Tuesday. Meanwhile bond yields declined by 15-25bps in the US, Eurozone and UK.

The positive mood on markets appears to have stemmed from the view that the Fed may pivot from tightening monetary policy as aggressively as it has outlined. However, hawkish rhetoric from a number of Fed officials later in the week indicated that the central bank is unlikely to change course anytime soon. Another robust US labour market report last Friday also reduces the chances of a change in tune from the Fed. Sentiment soured as a result, with stock markets falling by around 3-4% in the second half of the week, and government yields rising by 20-40bps.

The moves on currency markets broadly followed the shifts in sentiment last week. The dollar came under some downward pressure, with EUR/USD trading within a whisker of parity for the first time in a fortnight, while GBP/USD rose to \$1.149, its highest level since the middle of September. However, the dollar regained the upper hand in the latter half of the week. This is reflected by EUR/USD opening this morning in the lower half of \$0.97-0.98. Meantime, GBP/USD is changing hands below the \$1.11 threshold. Elsewhere, EUR/GBP is operating in the top half of 87-88p.

This week, the main highlights will be the latest US CPI inflation data and the Fed meeting minutes from the September FOMC policy meeting. Meanwhile in the UK, labour market and GDP data will also feature.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	0.9726	-0.66	-14.44
EUR/GBP	0.8781	0.06	4.54
GBP/USD	1.1076	-0.69	-18.13
GBP/EUR	1.1383	-0.06	-4.34
USD/JPY	145.33	0.21	26.29
EUR/JPY	141.38	-0.44	8.03

\* 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	3.31	3.91	4.65	4.61	4.17
EUR	1.25	0.78	1.29	2.57	2.96	3.10
GBP	2.25	2.40	3.42	5.07	5.58	5.35

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

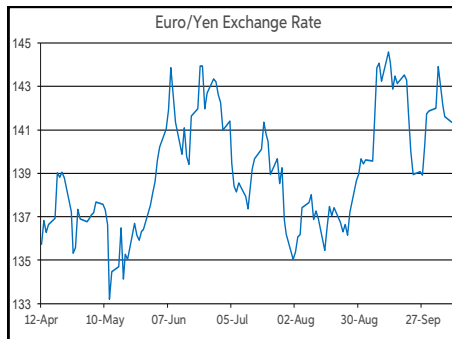
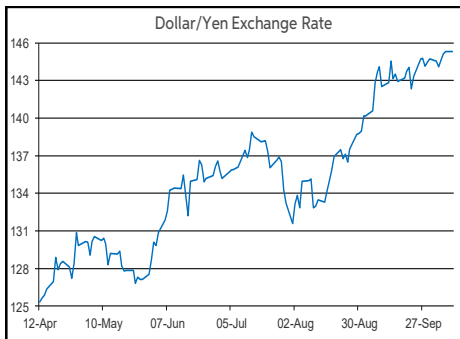
FX Spot	Karl Cooke Shane Gargan Ian Burke	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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# Opening Levels

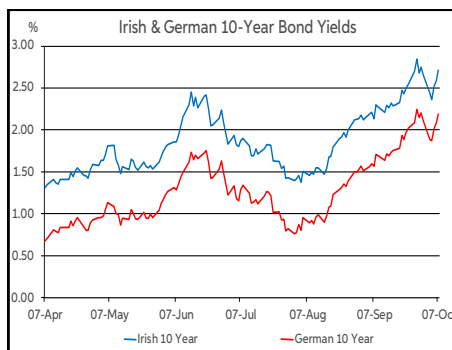
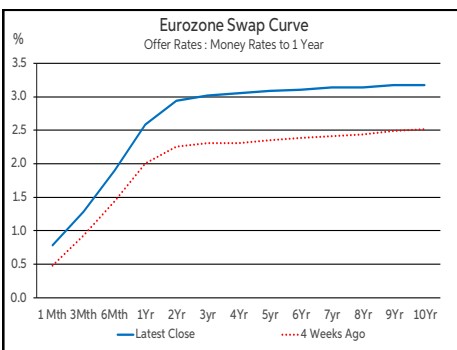
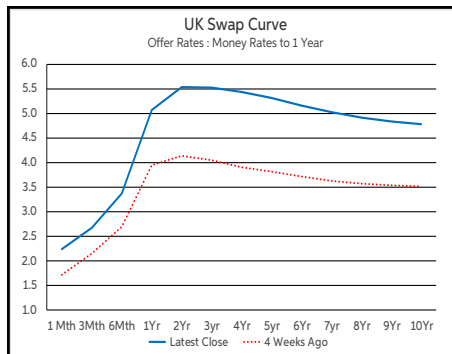
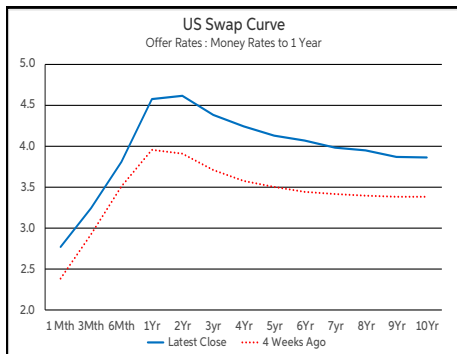
Monday 10 October 2022  
07:12 am



Euro		Sterling		Dollar	
EUR/GBP	0.8781	GBP/EUR	1.1383	USD/JPY	145.33
EUR/USD	0.9726	GBP/USD	1.1076	USD/CAD	1.3742
EUR/JPY	141.38	GBP/CAD	1.5221	USD/CHF	0.994
EUR/SEK	10.9496	GBP/NZD	1.9807	USD/CNY	7.1126
EUR/DKK	7.4383	GBP/JPY	160.97	USD/BRL	5.1996
EUR/NOK	10.4349	GBP/SEK	12.4656	USD/RUB	61.65
EUR/CHF	0.9671	GBP/DKK	8.4669	USD/INR	82.407
EUR/AUD	1.5365	GBP/NOK	11.8815	AUD/USD	0.6329
EUR/HKD	7.6362	GBP/CHF	1.1009	NZD/USD	0.5589
EUR/CAD	1.3369	GBP/AUD	1.7495		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
<b>10 Year Yield %</b>				
US	3.89	+6	+57	+238
Germany	2.20	+11	+50	+238
UK	4.24	+7	+114	+327
<b>5 Year Swap %</b>				
Ireland	2.76	+11	+44	+251
Belgium	2.85	+11	+51	+268
France	2.80	+11	+53	+260
Italy	4.69	+17	+68	+350
Spain	3.40	+12	+54	+281
Portugal	3.32	+13	+54	+283
Greece	4.81	+8	+55	+350
<b>2 Year Swap %</b>				
US	4.13	+7	+67	+280
Eurozone	3.09	+12	+74	+307
UK	5.32	+8	+151	+405
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	56	-0	-5	+13
Belgium	66	+0	+1	+30
France	60	-0	+4	+23
Italy	249	+6	+19	+113
Spain	121	+0	+4	+43
Portugal	112	+2	+4	+45
Greece	261	-3	+5	+112



Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	97.92	+3.71	+5.47	+25.89
West Texas Oil	93.07	+4.69	+6.65	+23.55
Gold \$	1694.5	-0.95	-1.25	-7.32

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