

The dollar has the last laugh

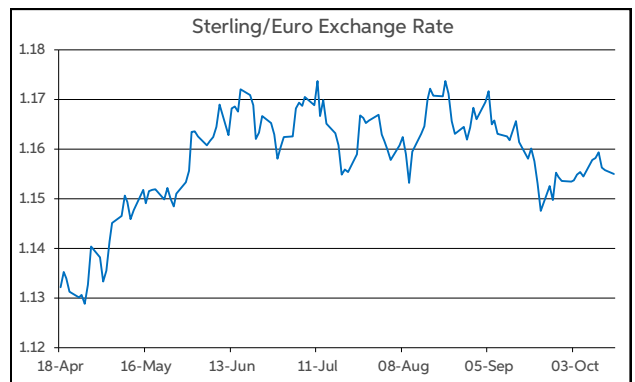
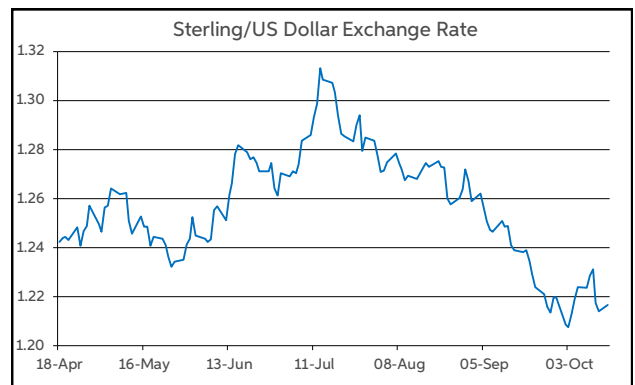
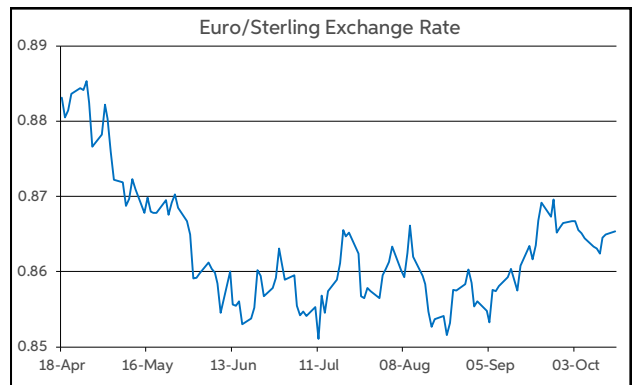
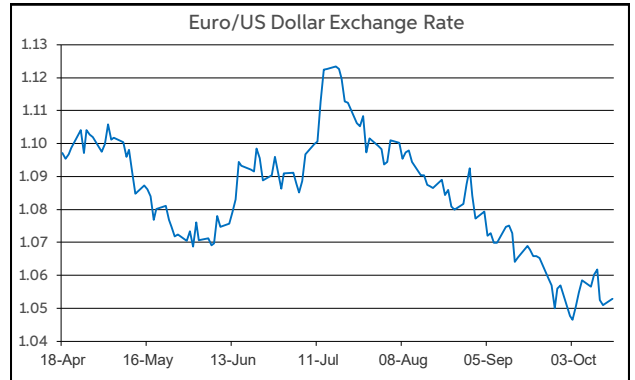
There was a mixed mood on markets last week, as remarks from Fed officials and US inflation data impacted sentiment throughout. Overall, the Euro Stoxx 50 finished down by 0.2% for the week, while the S&P 500 gained 0.4%. Meantime, oil prices rose sharply, with Brent crude climbing above \$90 per barrel.

In the early part of last week, dovish comments from a number of Fed officials and general risk aversion on markets, saw US Treasury yields move sharply lower. However, some above consensus US CPI inflation data for September, resulted in Treasury yields rising up from their troughs near the end of the week. Overall though, US Treasury yields fell by 4-15bps last week. However, the volatility in the US Treasury market spilled over to European bonds, with German Bund and UK Gilt yields declining by circa 4-20bps also.

Similarly, fluctuating US sovereign yields continued to heavily influence the dollar. EUR/USD traded to a high of \$1.064, before edging all the way back below \$1.05 on Friday. Meantime, GBP/USD rose to a peak of \$1.234, only to end the week down in the lower half of \$1.21-1.22. Elsewhere, EUR/GBP remained tightly range bound between 86-87p. As trading gets underway this morning, EUR/USD opens above \$1.05, GBP/USD is up in the top half of \$1.21-1.22, and EUR/GBP is at the midpoint of 86-87p.

This week, a busy UK macro calendar, which includes the CPI (Sep) and wage (Aug) inflation releases, will garner close attention. Other UK labour market and retail sales data will also feature. In the US, retail sales and industrial production for September, as well as a number of housing market updates are due. However, remarks from a number of Fed speakers may have a greater impact on the dollar. In the Eurozone, the data calendar is relatively sparse.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.0533	-0.14	-1.58
EUR/GBP	0.8653	0.12	-2.16
GBP/USD	1.2167	-0.30	0.58
GBP/EUR	1.1549	-0.12	2.21
USD/JPY	149.47	-0.12	14.00
EUR/JPY	157.43	-0.28	12.21

* 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	5.66	5.66	5.25	4.73
EUR	4.50	3.86	3.99	4.09	3.76	3.38
GBP	5.25	5.21	5.28	5.38	5.34	4.79

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

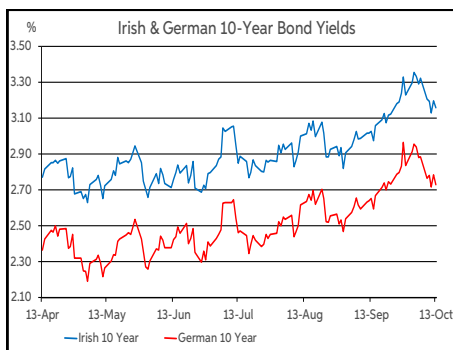
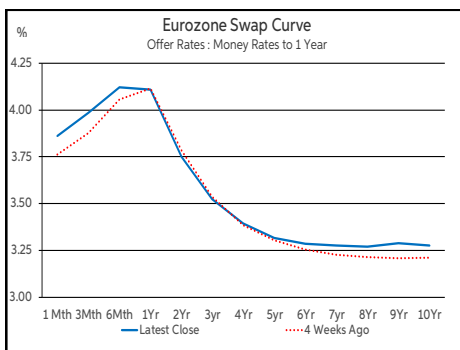
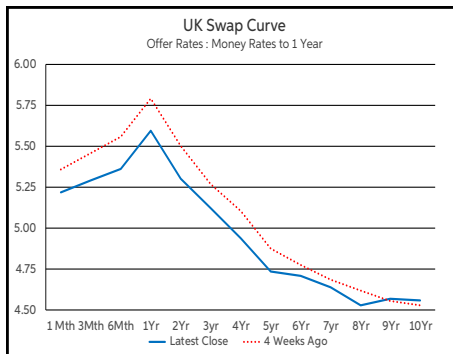
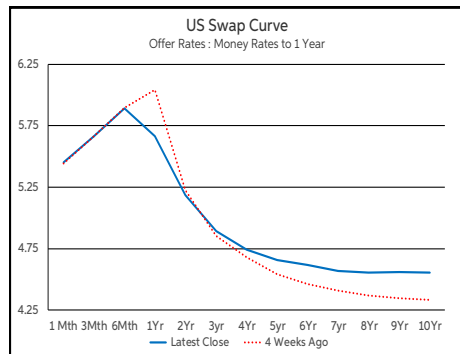
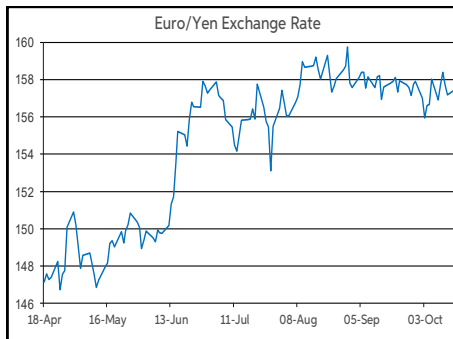
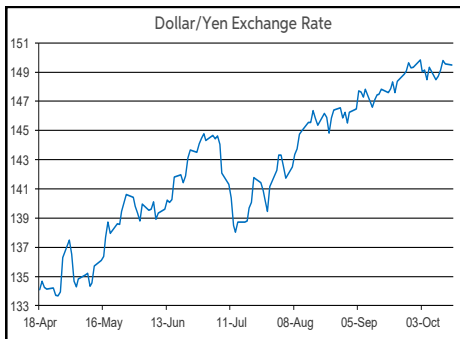
FX Spot	Karl Cooke Shane Gargan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

Monday 16 October 2023
07:16 am



Euro		Sterling		Dollar	
EUR/GBP	0.8653	GBP/EUR	1.1549	USD/JPY	149.47
EUR/USD	1.0533	GBP/USD	1.2167	USD/CAD	1.3634
EUR/JPY	157.43	GBP/CAD	1.6591	USD/CHF	0.9013
EUR/SEK	11.565	GBP/NZD	2.0536	USD/CNY	7.3092
EUR/DKK	7.458	GBP/JPY	181.86	USD/BRL	5.0812
EUR/NOK	11.492	GBP/SEK	13.3611	USD/RUB	97.435
EUR/CHF	0.9492	GBP/DKK	8.6166	USD/INR	83.26
EUR/AUD	1.664	GBP/NOK	13.273	AUD/USD	0.6328
EUR/HKD	8.2366	GBP/CHF	1.0967	NZD/USD	0.5923
EUR/CAD	1.4361	GBP/AUD	1.9225		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 22
10 Year Yield %				
US	4.62	-8	+28	+74
Germany	2.73	-5	+6	+17
UK	4.39	-3	+3	+72
5 Year Swap %				
US	4.66	-6	+15	+66
Eurozone	3.32	-5	+2	+9
UK	4.74	-4	-9	+43
2 Year Swap %				
US	5.19	-3	+0	+51
Eurozone	3.75	-2	-2	+36
UK	5.30	-1	-20	+62
10 Year Government Bond Spreads to Benchmark bps				
Ireland	45	+2	+3	-13
Belgium	69	+3	+4	+5
France	59	+3	+4	+4
Italy	204	+7	+25	-10
Spain	115	+4	+8	+6
Portugal	75	+3	-0	-29
Greece	155	+8	+11	-48

Commodities				
	Close	% Change		
		Day	4 Weeks	End 22
Brent Oil	90.89	+5.69	-3.24	+5.80
West Texas Oil	87.67	+5.79	-3.48	+9.37
Gold \$	1931.7	+3.37	+0.42	+5.88

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