

## Positive mood on markets to start the week

There was a positive tone to investor sentiment yesterday, amid a relatively quiet start to the week on financial markets. The Euro Stoxx 50 rose by 0.3%. Meantime, on Wall Street, the S&P 500 gained 1.1%, ahead of a busy week of earnings data.

In terms of fixed income, sovereign yields moved higher across the board yesterday. Most notably, US Treasury and UK Gilt yields rose by 7-11bps. German Bund yields edged up by a more modest 2-6bps. Elsewhere on markets, oil prices inched lower, with Brent crude falling back below \$90 per barrel.

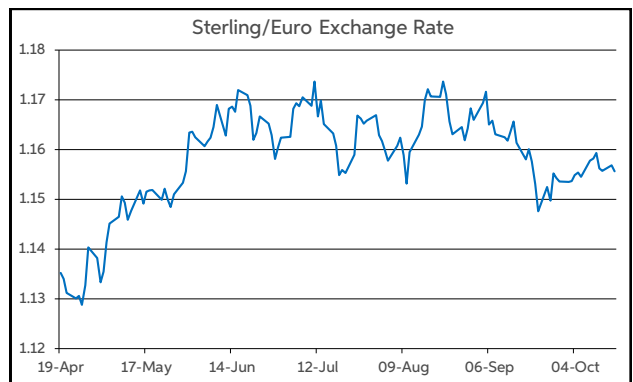
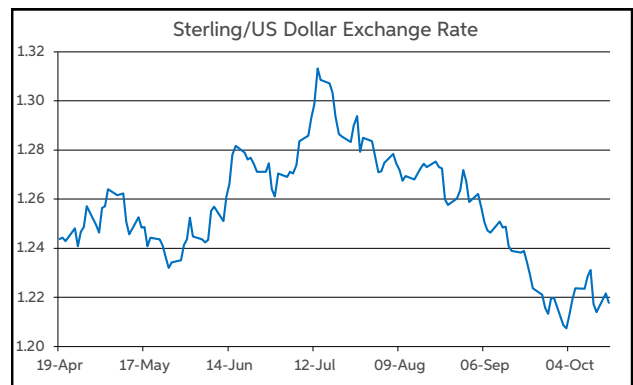
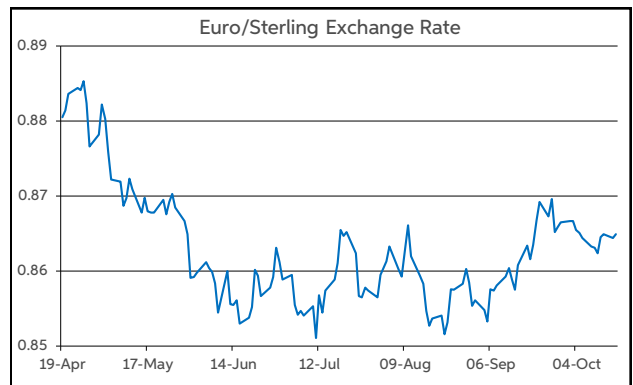
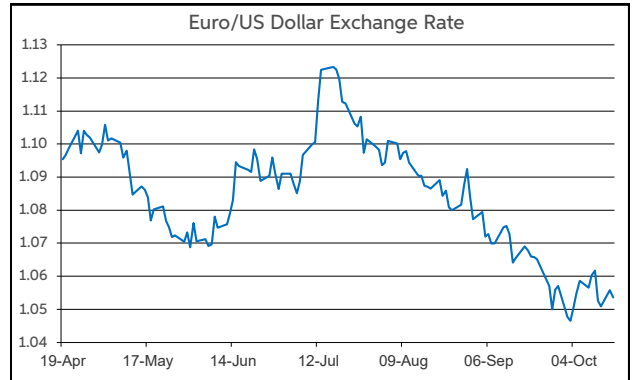
Currency-wise, the main pairs remained tightly range bound. A sparse data schedule likely contributed to the lacklustre price action on the exchanges. Of the limited moves to note, the dollar was very marginally lower.

As trading gets underway this morning, EUR/USD opens up near the midpoint of the \$1.05-1.06 range. GBP/USD is operating higher in the top half of the \$1.22-1.23 trading band also. Meanwhile, EUR/GBP remains at the halfway mark of the 86-87p corridor.

Already today, UK average earnings data have printed below the consensus. Wages rose by 8.1% y/y in the three months to August (vs. +8.3% y/y f'cast). UK rate hike expectations have softened somewhat following the release. Meantime, the ONS has pushed back the publication of other labour market data, such as the unemployment rate, to next week.

Later today, US industrial production and retail sales (both September) and the German ZEW survey (October) are due. Remarks from a host of Fed officials will also garner attention.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.0537	0.12	-1.54
EUR/GBP	0.8651	-0.03	-2.18
GBP/USD	1.218	0.16	0.69
GBP/EUR	1.1555	0.03	2.23
USD/JPY	149.61	0.12	14.11
EUR/JPY	157.66	0.24	12.37

\* 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	5.65	5.29	4.79
EUR	4.50	3.86	3.99	4.09	3.77	3.40
GBP	5.25	5.22	5.29	5.40	5.34	4.84

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

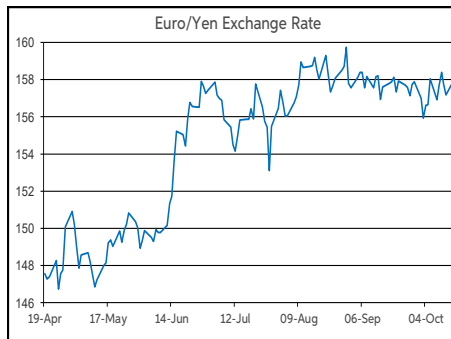
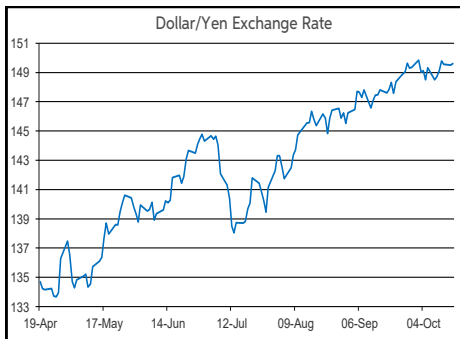
FX Spot	Karl Cooke Shane Gargan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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# Opening Levels

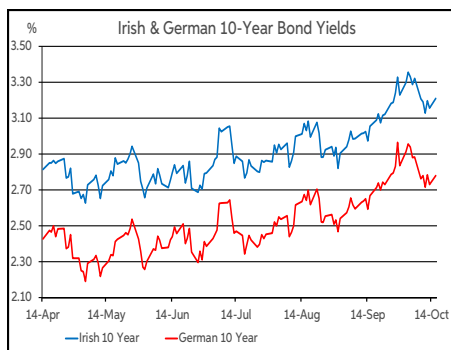
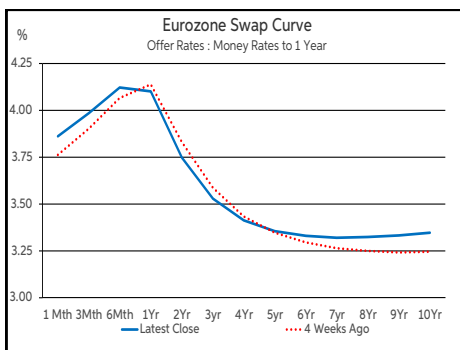
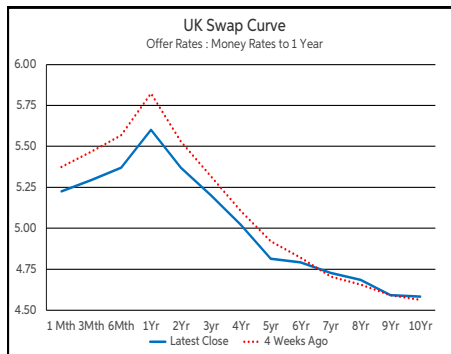
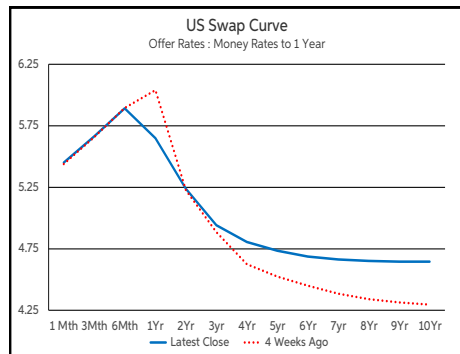
Tuesday 17 October 2023  
07:31 am



Euro		Sterling		Dollar	
EUR/GBP	0.8651	GBP/EUR	1.1555	USD/JPY	149.61
EUR/USD	1.0537	GBP/USD	1.218	USD/CAD	1.3622
EUR/JPY	157.66	GBP/CAD	1.6593	USD/CHF	0.9015
EUR/SEK	11.5308	GBP/NZD	2.0643	USD/CNY	7.3142
EUR/DKK	7.4591	GBP/JPY	182.22	USD/BRL	5.0386
EUR/NOK	11.5329	GBP/SEK	13.332	USD/RUB	97.29
EUR/CHF	0.95	GBP/DKK	8.6205	USD/INR	83.2525
EUR/AUD	1.6585	GBP/NOK	13.323	AUD/USD	0.6353
EUR/HKD	8.2388	GBP/CHF	1.0981	NZD/USD	0.5898
EUR/CAD	1.4356	GBP/AUD	1.9169		



Debt Markets				
	Close	Day	4 Weeks	End 22
<b>10 Year Yield %</b>				
US	4.70	+8	+40	+82
Germany	2.78	+5	+6	+22
UK	4.48	+9	+9	+81
Ireland	3.23	+4	+11	+8
Belgium	3.46	+4	+11	+26
France	3.41	+9	+15	+30
Italy	4.78	+0	+26	+7
Spain	3.91	+3	+12	+26
Portugal	3.51	+3	+5	-9
Greece	4.33	+5	+15	-26
<b>5 Year Swap %</b>				
US	4.73	+7	+25	+74
Eurozone	3.36	+2	+2	+13
UK	4.81	+8	-6	+51
<b>2 Year Swap %</b>				
US	5.24	+5	+5	+56
Eurozone	3.75	-0	-7	+36
UK	5.37	+7	-15	+69
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	45	-1	+5	-14
Belgium	68	-1	+4	+4
France	63	+4	+8	+8
Italy	200	-5	+19	-15
Spain	113	-2	+6	+4
Portugal	73	-2	-1	-31
Greece	155	+0	+9	-48



Commodities				
	Close	Day	4 Weeks	End 22
Brent Oil	89.65	-1.36	-5.06	+4.35
West Texas Oil	86.65	-1.16	-5.27	+8.10
Gold \$	1919.4	-0.63	-0.71	+5.21

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