

FX majors remain in tight ranges

Yesterday's macro calendar was very much US centric. Data-wise, there were some mixed results. The weekly jobless claims number came in slightly better than expected. Meantime, the regional Philly Fed survey for October missed to the downside of expectations. Lastly, existing home sales for September, fell by less than had been anticipated.

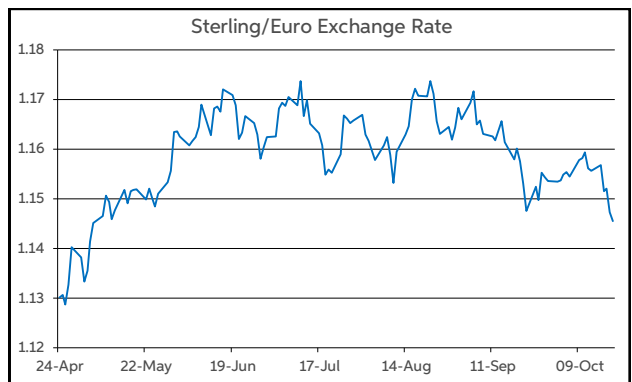
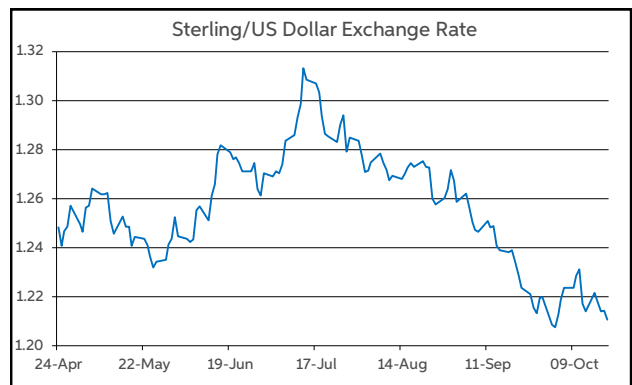
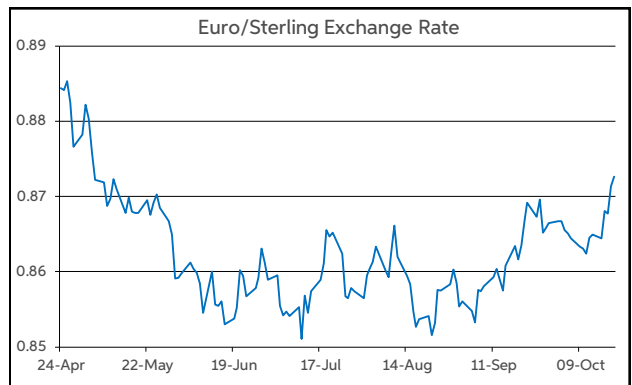
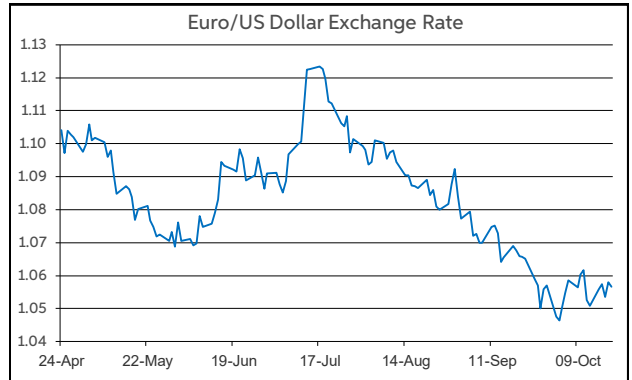
However, the main focus of yesterday's US macro diary was the speech by Fed Chair Powell at the Economics Club of New York. His comments were generally balanced in tone. They suggest that a November rate hike is unlikely. In the Q&A though, Powell did state that he did not think that policy was too tight at the moment. Overall, his remarks reinforce the view of a 'higher for longer' interest rate outlook.

From a bond market perspective, Powell's remarks provided further evidence to its view that the Fed will remain on hold in November. This was reflected in the policy sensitive 2-year Treasury yield falling by around 10bps. Meantime, the US 10-year yield tested the 5% level yesterday, before edging back towards 4.9%.

On the currency front, the action has been confined to relatively narrow ranges over the past 24 hours. Of the limited moves to register, the euro has been generally firmer. In level terms, EUR/USD opens this morning in the upper half of \$1.05-1.06.

Meanwhile, the EUR/GBP pair moved above the 87p threshold over the course of yesterday. This morning's release of weaker than expected UK retail sales for September has provided an unhelpful start to the day for sterling. The remainder of today's macro calendar is very quiet on both sides of the Atlantic.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.0568	0.35	-1.25
EUR/GBP	0.8726	0.46	-1.33
GBP/USD	1.2107	-0.14	0.08
GBP/EUR	1.1455	-0.46	1.35
USD/JPY	149.86	0.04	14.30
EUR/JPY	158.39	0.37	12.89

* 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	5.67	5.32	4.96
EUR	4.50	3.86	3.99	4.12	3.82	3.48
GBP	5.25	5.21	5.27	5.41	5.44	5.07

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

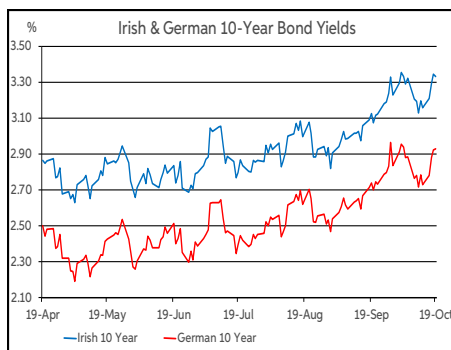
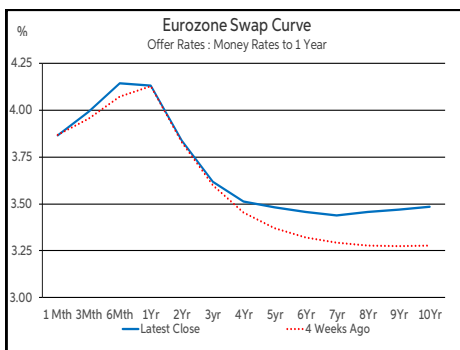
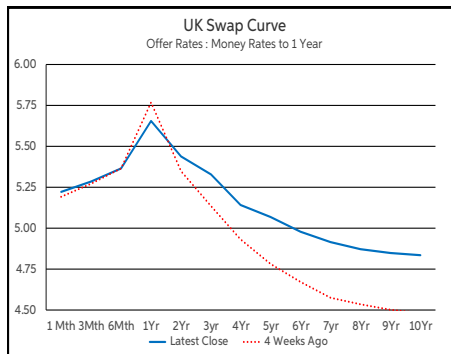
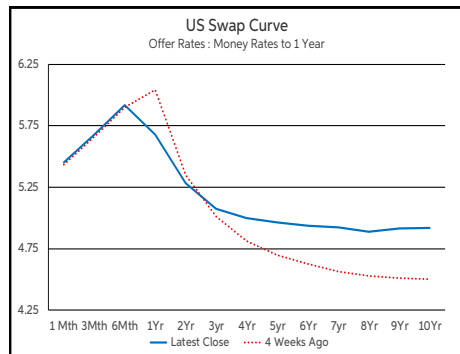
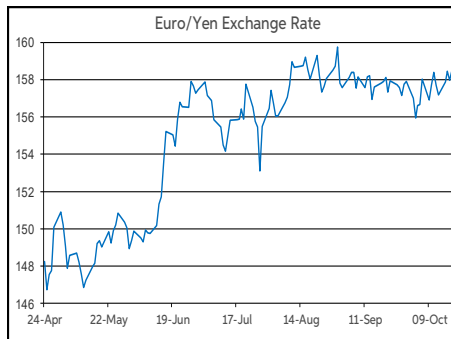
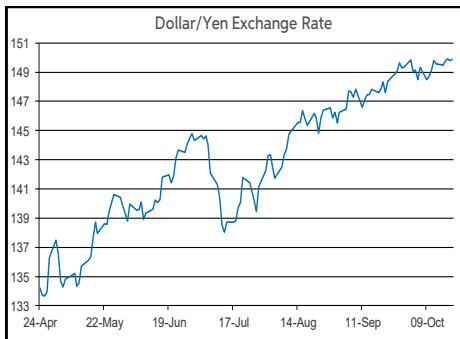
FX Spot	Karl Cooke Shane Gargan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
---------	----------------------------	------------	------------	------------------	---------------------------	-----------------	-----------------------------------

Opening Levels

Friday 20 October 2023
07:18 am



Euro		Sterling		Dollar	
EUR/GBP	0.8726	GBP/EUR	1.1455	USD/JPY	149.86
EUR/USD	1.0568	GBP/USD	1.2107	USD/CAD	1.3723
EUR/JPY	158.39	GBP/CAD	1.6616	USD/CHF	0.8926
EUR/SEK	11.5972	GBP/NZD	2.0791	USD/CNY	7.3179
EUR/DKK	7.4624	GBP/JPY	181.44	USD/BRL	5.0644
EUR/NOK	11.6453	GBP/SEK	13.2903	USD/RUB	96.81
EUR/CHF	0.9433	GBP/DKK	8.5487	USD/INR	83.1925
EUR/AUD	1.6748	GBP/NOK	13.3524		
EUR/HKD	8.2655	GBP/CHF	1.0808	AUD/USD	0.6309
EUR/CAD	1.4502	GBP/AUD	1.9188	NZD/USD	0.5822



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 22
10 Year Yield %				
US	4.99	+8	+50	+111
Germany	2.93	+1	+18	+37
UK	4.66	-1	+35	+99
5 Year Swap %				
US	4.96	+2	+31	+97
Eurozone	3.48	+1	+12	+25
UK	5.07	+11	+29	+77
2 Year Swap %				
US	5.28	-7	-3	+61
Eurozone	3.84	+0	+2	+45
UK	5.44	-0	+9	+76
10 Year Government Bond Spreads to Benchmark bps				
Ireland	44	-2	+3	-15
Belgium	66	-1	+3	+2
France	61	-2	+8	+6
Italy	202	-4	+22	-12
Spain	111	-3	+5	+1
Portugal	72	-1	-2	-32
Greece	145	-1	+1	-58

Commodities				
	% Change			
	Close	Day	4 Weeks	End 22
Brent Oil	92.38	+0.96	-0.99	+7.53
West Texas Oil	89.35	+1.13	-0.23	+11.46
Gold \$	1973.7	+1.34	+2.82	+8.18

This publication is for information purposes and is not an invitation to deal. The information is believed to be reliable but is not guaranteed. Any expressions of opinions are subject to change without notice. This publication is not to be reproduced in whole or in part without prior permission. In the Republic of Ireland it is distributed by Allied Irish Banks, p.l.c. In the UK it is distributed by Allied Irish Banks, p.l.c. and Allied Irish Bank (GB). In Northern Ireland it is distributed by Allied Irish Bank (NI). In the United States of America it is distributed by Allied Irish Banks, p.l.c. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland. Allied Irish Bank (GB) and AIB (NI) are trade marks used under licence by AIB Group (UK) p.l.c. (a wholly owned subsidiary of Allied Irish Banks, p.l.c.), incorporated in Northern Ireland. Registered Office 92 Ann Street, Belfast BT1 3HH. Registered Number NI018800. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In the United States of America, Allied Irish Banks, p.l.c., New York Branch, is a branch licensed by the New York State Department of Financial Services. Deposits and other investment products are not FDIC insured, they are not guaranteed by any bank and they may lose value. Please note that telephone calls may be recorded in line with market practice.