

Flash PMIs in the spotlight today

There was a mixed mood to investor sentiment yesterday after last week's risk averse tone. In Europe, the Euro Stoxx 50 rose by 0.4%. Meanwhile, at the closing bell on Wall Street last night, the S&P 500 was 0.2% lower from where it had started the day.

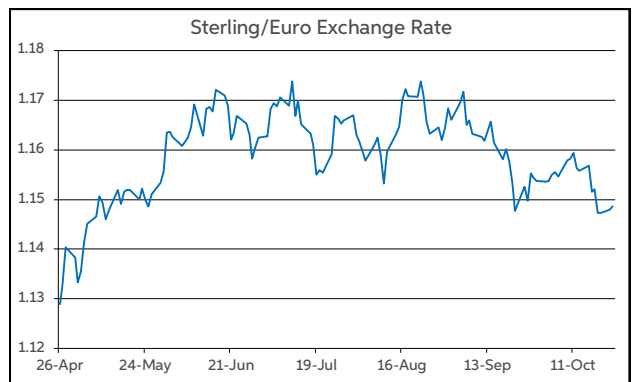
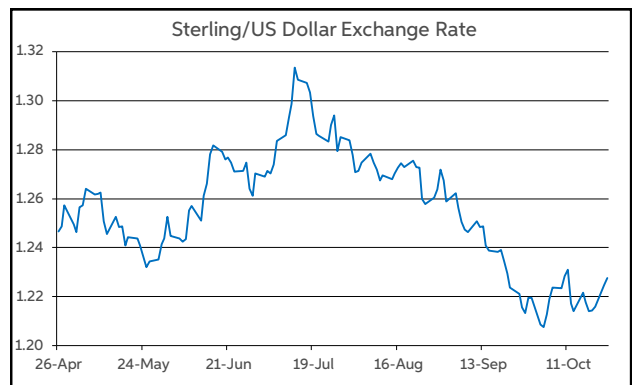
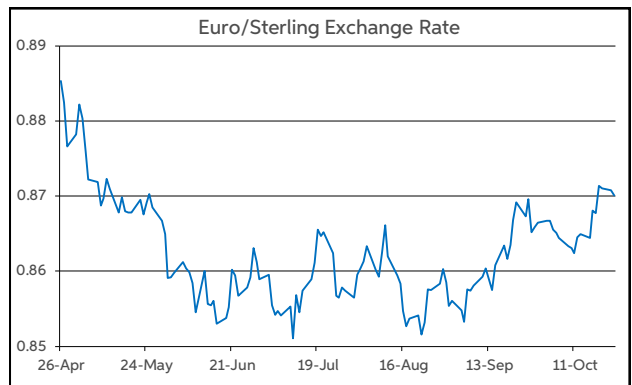
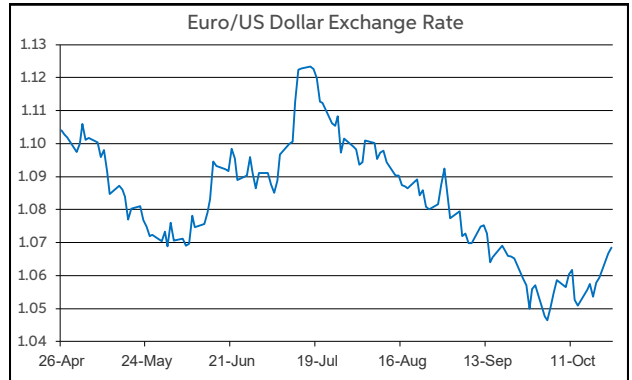
On bond markets, the action was characterised by initially higher US Treasury yields (including the 10-year yield rising above 5% in early trading) prompting some buying as well as demand to cover short positions. These combined to push yields lower overall with the 10-year Treasury yield moving back below the 4.9% mark.

On the currency front, the dollar was holding a softer tone amid the more notable falls in US Treasury yields. As a result, both the euro and sterling managed to register solid gains against the greenback.

In level terms, the weaker dollar over the past 24 hours is reflected in EUR/USD opening this morning up above the midpoint of \$1.06-1.07, while GBP/USD is operating in the upper half of \$1.22-1.23 territory. Meantime, EUR/GBP continues to straddle the 87p handle.

Today's macro diary has already seen the release of UK unemployment, which printed slightly below expectations, at 4.2% for the three month period to August. Meanwhile, over the course of today, we get the flash PMIs from the Eurozone, UK and US. They will provide an early read on how these economies are performing at the start of Q4. The PMIs were generally weak across geographies and sectors (both manufacturing and services) in September. Overall, the consensus is for similarly subdued results across the board in October.

John Fahey, Senior Economist, AIB



| Today's Opening FX Rates | | | |
|--------------------------|--------|----------|----------|
| | | % Change | |
| | | Day * | End 2022 |
| EUR/USD | 1.0682 | 1.02 | -0.19 |
| EUR/GBP | 0.8701 | -0.02 | -1.62 |
| GBP/USD | 1.2275 | 1.05 | 1.47 |
| GBP/EUR | 1.1487 | 0.02 | 1.64 |
| USD/JPY | 149.6 | -0.22 | 14.10 |
| EUR/JPY | 159.85 | 0.81 | 13.93 |

* 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 | 5.44 | 5.64 | 5.62 | 5.23 | 4.82 |
| EUR | 4.50 | 3.86 | 3.97 | 4.07 | 3.75 | 3.39 |
| GBP | 5.25 | 5.20 | 5.25 | 5.34 | 5.31 | 4.94 |

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

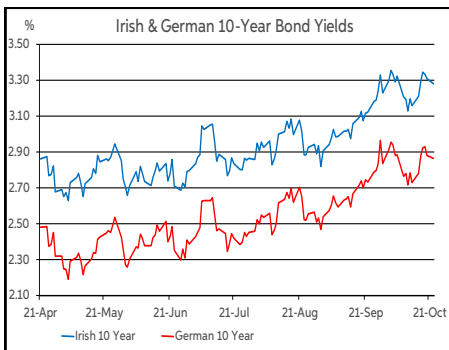
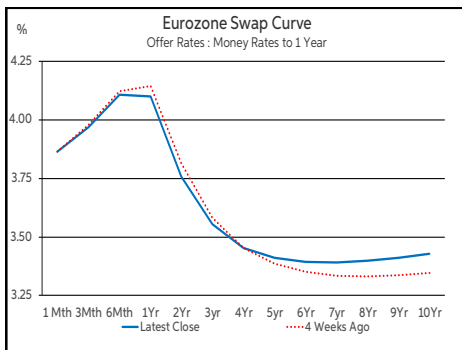
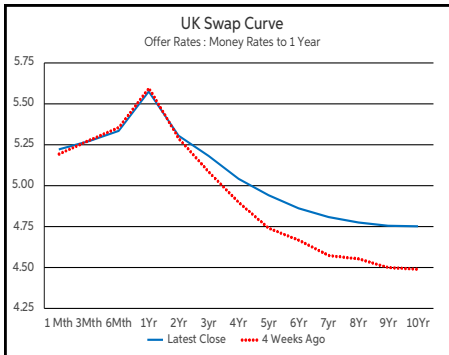
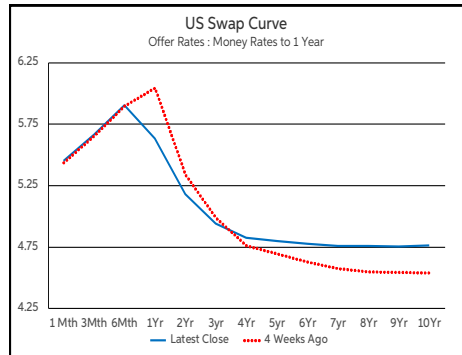
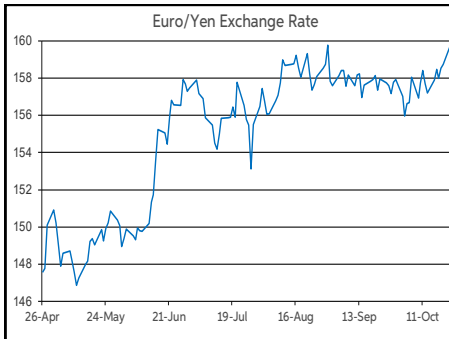
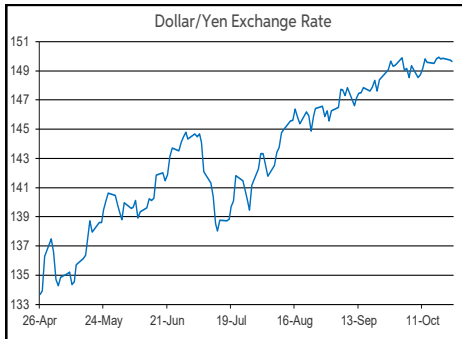
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|---------|----------------------------|------------|------------|------------------|---------------------------|-----------------|-----------------------------------|
| FX Spot | Karl Cooke Shane Gargan | FX Options | Mark Tuite | Reuters Phone |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

Opening Levels

Tuesday 24 October 2023
07:25 am



| Euro | | Sterling | | Dollar | |
|---------|---------|----------|--------|---------|---------|
| EUR/GBP | 0.8701 | GBP/EUR | 1.1487 | USD/JPY | 149.6 |
| EUR/USD | 1.0682 | GBP/USD | 1.2275 | USD/CAD | 1.3673 |
| EUR/JPY | 159.85 | GBP/CAD | 1.6784 | USD/CHF | 0.8901 |
| EUR/SEK | 11.6855 | GBP/NZD | 2.0948 | USD/CNY | 7.305 |
| EUR/DKK | 7.4635 | GBP/JPY | 183.63 | USD/BRL | 5.0138 |
| EUR/NOK | 11.7884 | GBP/SEK | 13.422 | USD/RUB | 93.8825 |
| EUR/CHF | 0.9509 | GBP/DKK | 8.5749 | USD/INR | 83.036 |
| EUR/AUD | 1.6791 | GBP/NOK | 13.555 | | |
| EUR/HKD | 8.3567 | GBP/CHF | 1.0929 | AUD/USD | 0.6361 |
| EUR/CAD | 1.4607 | GBP/AUD | 1.9294 | NZD/USD | 0.5857 |



| Debt Markets | | | | |
|---|-------|------------|---------|--------|
| | Close | Change bps | | |
| | | Day | 4 Weeks | End 22 |
| 10 Year Yield % | | | | |
| US | 4.85 | -7 | +32 | +97 |
| Germany | 2.86 | -2 | +7 | +30 |
| UK | 4.60 | -5 | +27 | +93 |
| 5 Year Swap % | | | | |
| US | 4.80 | -5 | +14 | +80 |
| Eurozone | 3.41 | -2 | +3 | +18 |
| UK | 4.94 | -5 | +25 | +64 |
| 2 Year Swap % | | | | |
| US | 5.18 | -4 | -12 | +50 |
| Eurozone | 3.76 | -1 | -5 | +37 |
| UK | 5.30 | -4 | +2 | +62 |
| 10 Year Government Bond Spreads to Benchmark bps | | | | |
| Ireland | 45 | -1 | +2 | -14 |
| Belgium | 66 | -1 | +2 | +3 |
| France | 62 | -1 | +7 | +7 |
| Italy | 198 | -6 | +12 | -16 |
| Spain | 110 | -1 | +3 | +1 |
| Portugal | 70 | -4 | -6 | -34 |
| Greece | 148 | +0 | -1 | -55 |

| Commodities | | | | |
|----------------|----------|-------|---------|--------|
| | % Change | | | |
| | Close | Day | 4 Weeks | End 22 |
| Brent Oil | 89.83 | -2.53 | -3.71 | +4.56 |
| West Texas Oil | 85.49 | -4.07 | -4.67 | +6.65 |
| Gold \$ | 1972.6 | -0.43 | +2.97 | +8.12 |

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