

## Dollar edges slightly lower

Investor sentiment staged a modest rebound yesterday. Equity markets moved higher on both sides of the Atlantic, with the Euro Stoxx 50 gaining 0.3%, while the S&P 500 rose by 0.2%. In terms of fixed income, German Bund yields declined by 1-6bps along the curve. The move coincided with a slight softening in Eurozone futures contracts, amid dovish remarks from a number of ECB officials. US Treasury yields fell by 2-4bps also.

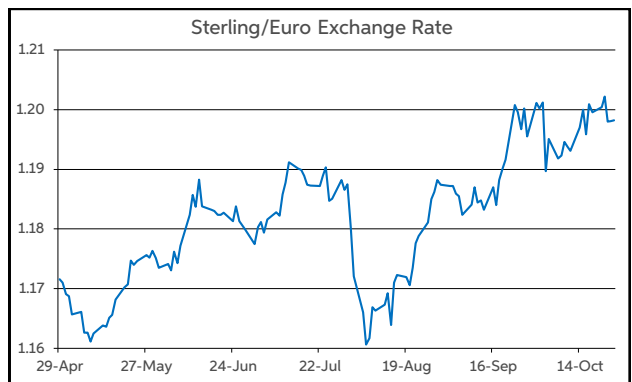
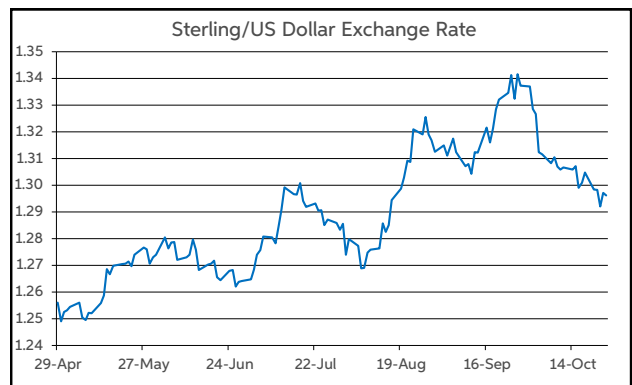
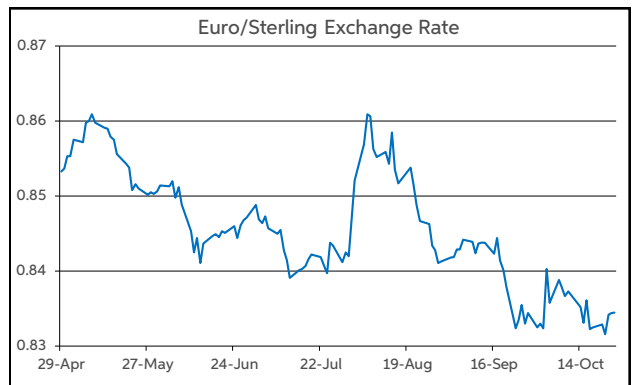
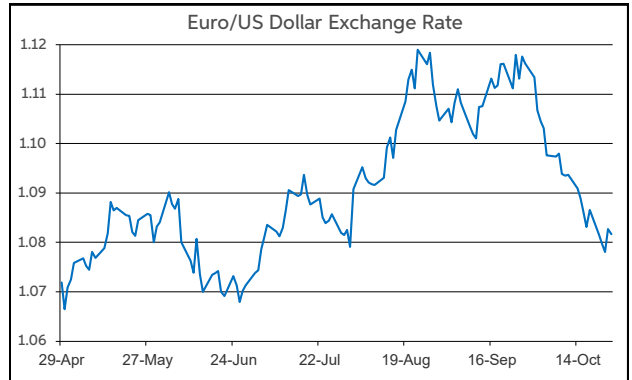
Data-wise, the Eurozone flash PMIs for October printed broadly in-line with expectations. The manufacturing sector remained deep in contraction territory, while the services stayed in expansion mode. In the UK, both sectors came in below the consensus, showing a slower pace of growth in the month. In contrast, the US PMIs were slightly better than anticipated, albeit the data suggest activity in the manufacturing sector declined once again.

On the currency front, the main pairs remained range bound. Against the backdrop of the improvement in risk appetite, the dollar was under some downward pressure. This saw the greenback decline by around 0.2% versus the euro, sterling and yen yesterday.

As trading gets underway this morning, the weaker dollar is reflected by EUR/USD opening up above \$1.08. GBP/USD is operating up in the top half of \$1.29-1.30 also. Meanwhile, USD/JPY is back below the ¥152 handle. EUR/GBP remains in the lower half of the 83-84p corridor.

Today, the main release of note will be the German Ifo survey for October. Meantime in the US, durable goods data for September are due. However, neither release is likely to impact FX markets.

**Daniel Noonan, Economist, AIB**



| Today's Opening FX Rates |        |          |          |
|--------------------------|--------|----------|----------|
|                          |        | % Change |          |
|                          |        | Day *    | End 2023 |
| EUR/USD                  | 1.0817 | 0.22     | -1.98    |
| EUR/GBP                  | 0.8345 | -0.01    | -3.73    |
| GBP/USD                  | 1.2962 | 0.25     | 1.83     |
| GBP/EUR                  | 1.1982 | 0.01     | 3.87     |
| USD/JPY                  | 151.93 | -0.18    | 7.71     |
| EUR/JPY                  | 164.35 | 0.04     | 5.60     |

\* 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                    | 4.88         | 4.70  | 4.59       | 4.14 | 4.14 | 3.97 |
| EUR                    | 3.40         | 3.11  | 3.09       | 2.54 | 2.29 | 2.27 |
| GBP                    | 5.00         | 4.81  | 4.70       | 4.25 | 4.23 | 4.07 |

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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

# Opening Levels

Friday 25 October 2024  
07:32 am



## Euro

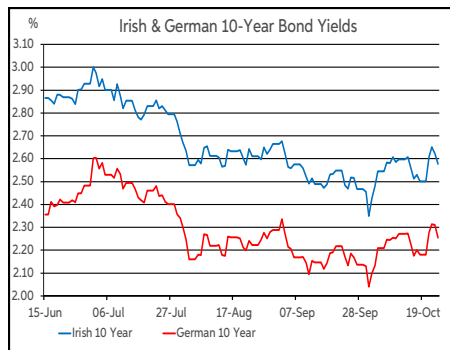
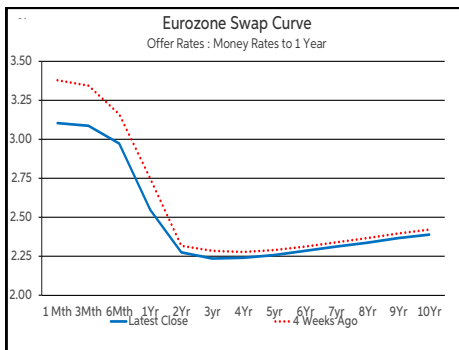
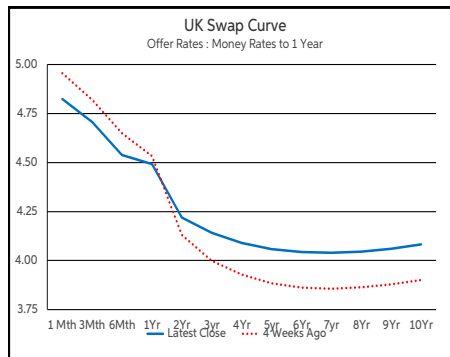
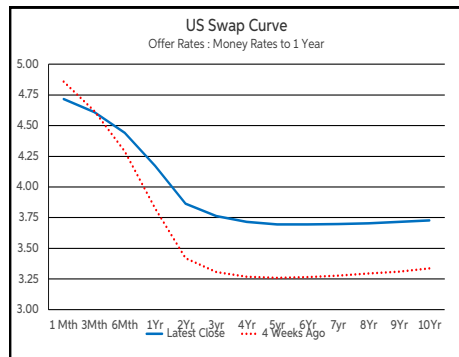
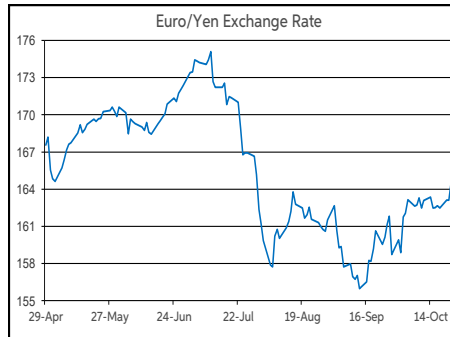
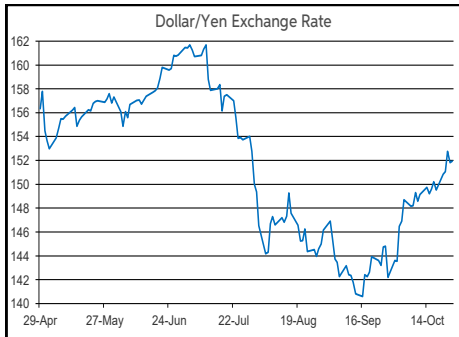
|         |        |
|---------|--------|
| EUR/GBP | 0.8345 |
| EUR/USD | 1.0817 |
| EUR/JPY | 164.35 |
| EUR/SEK | 11.442 |
| EUR/DKK | 7.4594 |
| EUR/NOK | 11.844 |
| EUR/CHF | 0.9365 |
| EUR/AUD | 1.6329 |
| EUR/HKD | 8.4062 |
| EUR/CAD | 1.4986 |

## Sterling

|         |         |
|---------|---------|
| GBP/EUR | 1.1982  |
| GBP/USD | 1.2962  |
| GBP/CAD | 1.7957  |
| GBP/NZD | 2.162   |
| GBP/JPY | 196.93  |
| GBP/SEK | 13.7082 |
| GBP/DKK | 8.9388  |
| GBP/NOK | 14.1971 |
| GBP/CHF | 1.1221  |
| GBP/AUD | 1.9566  |

## Dollar

|         |         |
|---------|---------|
| USD/JPY | 151.93  |
| USD/CAD | 1.3854  |
| USD/CHF | 0.8656  |
| USD/CNY | 7.1265  |
| USD/BRL | 5.6672  |
| USD/RUB | 96.9455 |
| USD/INR | 84.047  |
| AUD/USD | 0.6624  |
| NZD/USD | 0.5993  |



| Debt Markets  |       |            |         |        |
|---|-------|------------|---------|--------|
|   | Close | Change bps |         |        |
|   |       | Day        | 4 Weeks | End 23 |
| <b>10 Year Yield %</b>                                  |       |            |         |        |
| US  | 4.20  | -4         | +41     | +34    |
| Germany   | 2.26  | -6         | +9      | +23    |
| UK  | 4.24  | +4         | +23     | +70    |
| Ireland   | 2.61  | -4         | +6      | +25    |
| Belgium   | 2.84  | -6         | +2      | +15    |
| France  | 2.99  | -5         | +2      | +43    |
| Italy   | 3.47  | -5         | -1      | -23    |
| Spain   | 2.95  | -6         | -1      | -4     |
| Portugal  | 2.69  | -6         | -6      | -10    |
| Greece  | 3.14  | -5         | +4      | +6     |
| <b>5 Year Swap %</b>                                    |       |            |         |        |
| US  | 3.96  | -3         | +46     | +17    |
| Eurozone  | 2.26  | -4         | -2      | -17    |
| UK  | 4.06  | +3         | +18     | +41    |
| <b>2 Year Swap %</b>                                    |       |            |         |        |
| US  | 4.12  | -1         | +45     | -21    |
| Eurozone  | 2.28  | -3         | -4      | -52    |
| UK  | 4.22  | +3         | +9      | -5     |
| <b>10 Year Government Bond Spreads to Benchmark bps</b> |       |            |         |        |
| Ireland   | 36    | +2         | -3      | +2     |
| Belgium   | 58    | -0         | -7      | -8     |
| France  | 73    | +1         | -7      | +20    |
| Italy   | 121   | +0         | -10     | -46    |
| Spain   | 69    | -0         | -10     | -27    |
| Portugal  | 43    | -1         | -14     | -33    |
| Greece  | 88    | +0         | -5      | -17    |

| Commodities    |          |       |         |        |
|----------------|----------|-------|---------|--------|
|                | % Change |       |         |        |
|                | Close    | Day   | 4 Weeks | End 23 |
| Brent Oil      | 74.38    | -0.77 | +3.88   | -3.45  |
| West Texas Oil | 71.65    | -0.17 | -1.90   | -1.27  |
| Gold \$        | 2735.7   | +0.67 | +2.45   | +32.63 |

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.