

ECB policy decision due today

There was a mixed mood on markets yesterday. The Euro Stoxx 50 edged up 0.2%. Meantime, the S&P 500 fell by 1.4% following the release of some disappointing quarterly earnings data.

In terms of fixed income, sovereign yields rose across the board. UK Gilt and German Bund yields climbed 4-10bps higher. In the US, Treasury yields rose by 6-16bps, with the 10-year yield moving back up to just below 5%. Elsewhere, Brent crude prices erased their losses from the day before, rising to \$90 per barrel.

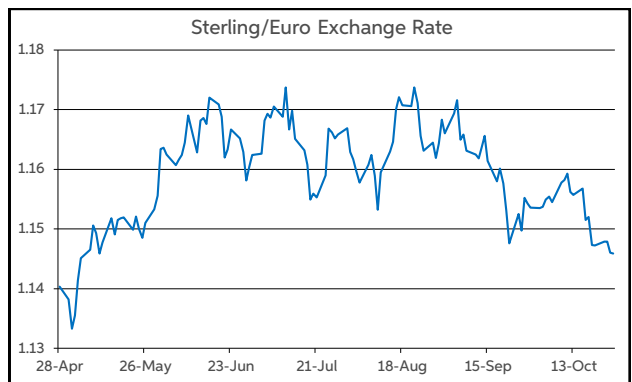
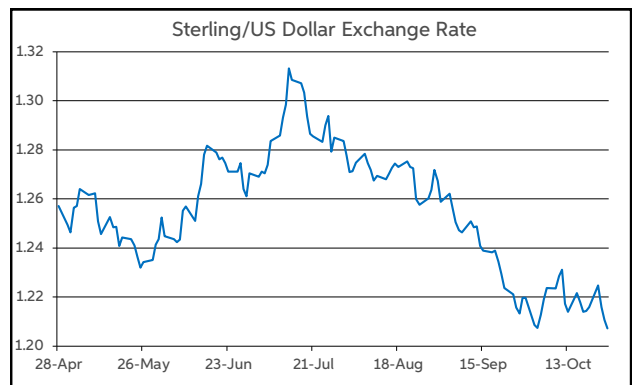
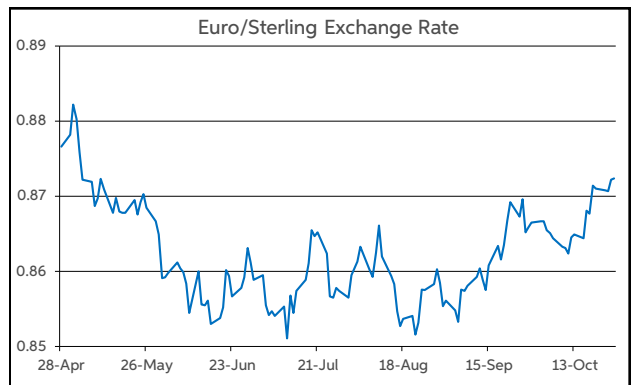
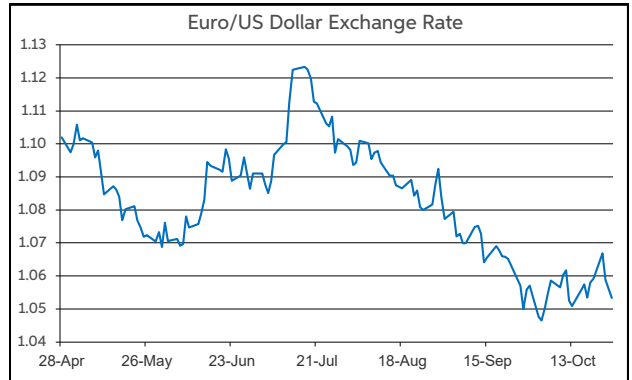
On the currency front, the main pairs operated in fairly tight ranges throughout the European session. Of the limited moves to register, the dollar was holding a slightly firmer tone. Overnight, the dollar extended its gains further. Overall, the greenback gained circa 0.7% against the euro and around 0.9% versus sterling, amid the larger rise in US yields compared to elsewhere over the past 24 hours.

In level terms, the firmer dollar tone is evidenced by EUR/USD opening this morning down in the lower half of \$1.05-1.06. GBP/USD is operating back below the \$1.21 threshold. Meantime, EUR/GBP continues to change hands above the 87p mark.

Turning to the day ahead, the main focus will be the ECB policy meeting outcome. The ECB is widely expected to leave interest rates on hold. However, the post-meeting press conference will garner close attention.

Elsewhere, a busy data schedule in the US includes the first reading of Q3 GDP. The consensus is that the economy expanded strongly by 4.3% annualised in the quarter. The latest initial jobless claims and durable goods data (Sep) also feature.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.0534	-0.66	-1.57
EUR/GBP	0.8724	0.16	-1.36
GBP/USD	1.2072	-0.85	-0.21
GBP/EUR	1.1456	-0.16	1.38
USD/JPY	150.75	0.61	14.98
EUR/JPY	158.82	-0.06	13.20

* 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	5.65	5.31	4.94
EUR	4.50	3.84	3.94	4.07	3.76	3.40
GBP	5.25	5.20	5.26	5.33	5.29	4.92

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

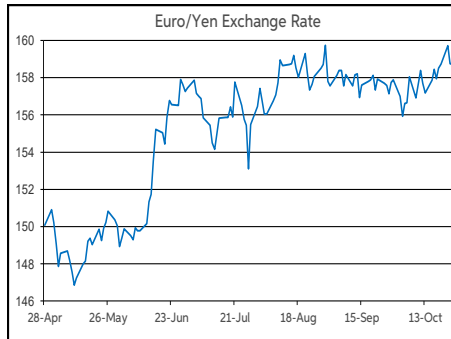
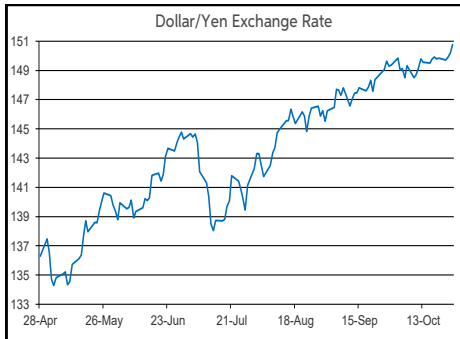
FX Spot	Karl Cooke Shane Gargan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

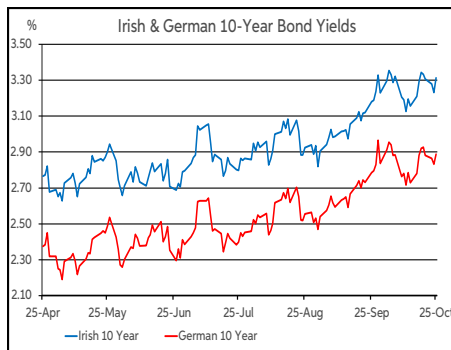
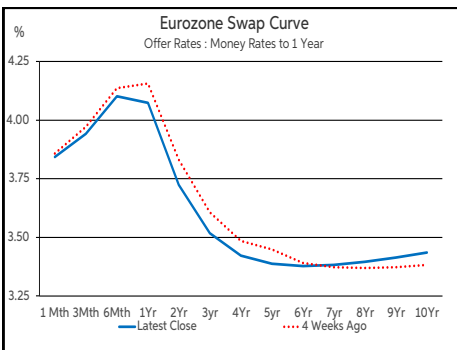
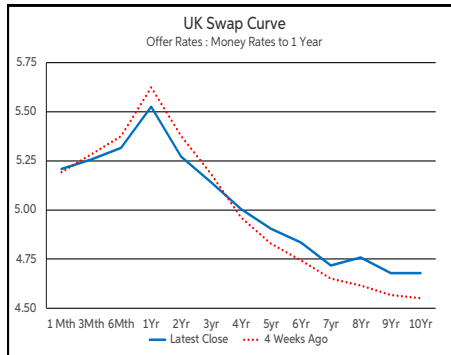
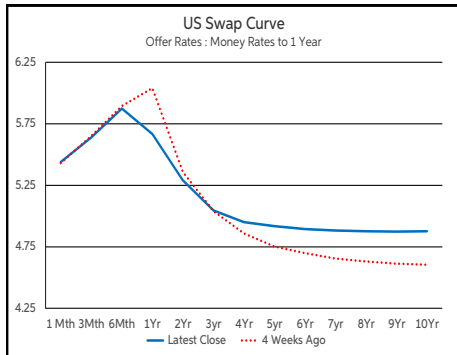
Thursday 26 October 2023
07:45 am



Euro		Sterling		Dollar	
EUR/GBP	0.8724	GBP/EUR	1.1456	USD/JPY	150.75
EUR/USD	1.0534	GBP/USD	1.2072	USD/CAD	1.3814
EUR/JPY	158.82	GBP/CAD	1.6678	USD/CHF	0.899
EUR/SEK	11.7856	GBP/NZD	2.0859	USD/CNY	7.3187
EUR/DKK	7.4623	GBP/JPY	181.99	USD/BRL	4.9947
EUR/NOK	11.8539	GBP/SEK	13.5104	USD/RUB	93.825
EUR/CHF	0.947	GBP/DKK	8.5511	USD/INR	83.206
EUR/AUD	1.6755	GBP/NOK	13.5838	AUD/USD	0.6287
EUR/HKD	8.2411	GBP/CHF	1.0856	NZD/USD	0.5785
EUR/CAD	1.4552	GBP/AUD	1.9202		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 22
10 Year Yield %				
US	4.96	+14	+35	+108
Germany	2.89	+6	+6	+33
UK	4.61	+7	+25	+94
5 Year Swap %				
US	4.92	+11	+21	+92
Eurozone	3.39	+3	-6	+16
UK	4.91	+6	+13	+60
2 Year Swap %				
US	5.29	+5	-3	+62
Eurozone	3.72	+1	-10	+34
UK	5.27	+4	-10	+59
10 Year Government Bond Spreads to Benchmark bps				
Ireland	45	+2	+1	-14
Belgium	67	-2	+1	+3
France	63	-0	+6	+8
Italy	203	+1	+7	-11
Spain	112	-0	+1	+2
Portugal	72	+0	-6	-32
Greece	139	-2	-9	-64



Commodities				
	% Change			
	Close	Day	4 Weeks	End 22
Brent Oil	90.13	+2.34	-6.65	+4.91
West Texas Oil	86.07	+1.76	-8.11	+7.37
Gold \$	1979.6	+0.48	+5.60	+8.51

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