

Euro on the front-foot

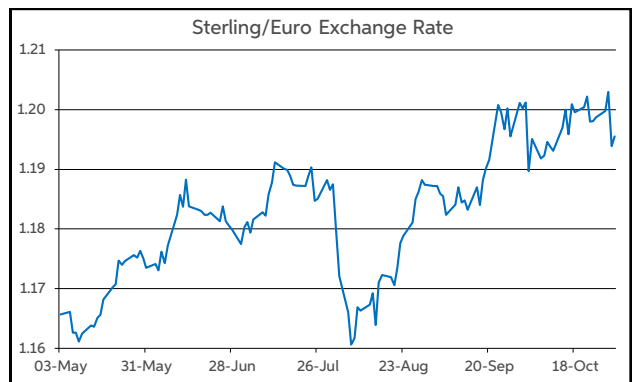
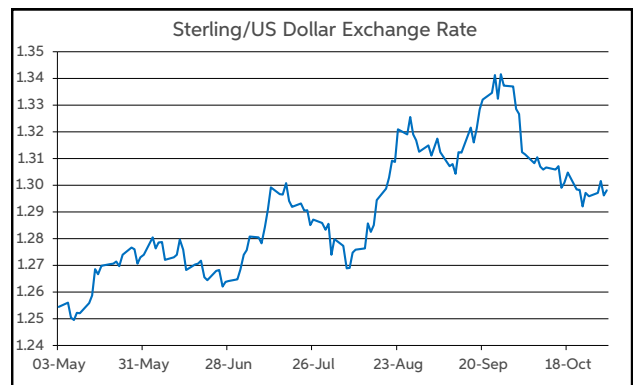
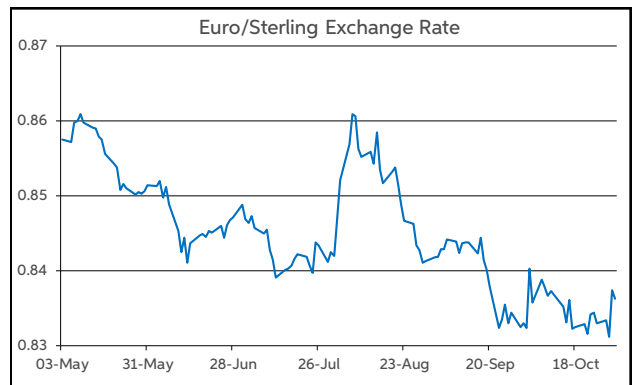
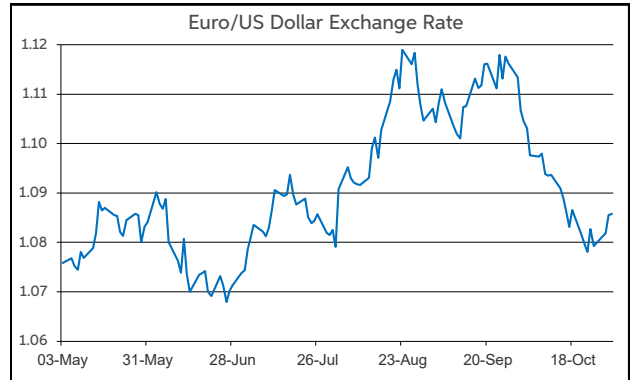
There was a busy macro calendar for markets to digest yesterday. In the UK, the main focus was on the Autumn Budget. As expected, Chancellor Reeves introduced a number of tax hikes, and increased spending on health and investment. The Budget speech coincided with some volatility for UK Gilts, which were also buffeted by a firming in UK futures contracts. Overall, UK Gilt yields settled 5-7bps higher along the curve.

On the data front, The first reading of Eurozone GDP for Q3 printed ahead of the consensus, at +0.3% (vs. +0.2% f'cast). Meantime, German inflation rose by more than anticipated to 2.4% (vs. 2.1% f'cast). Eurozone futures contracts hardened following the releases, with fewer rate cuts now priced-in for next year. Meanwhile, US GDP expanded by 2.8% annualised in Q3 (vs. +3.0% f'cast). The data indicate the US economy maintained solid momentum in the quarter.

Elsewhere on markets, benchmark equity indices moved lower on both sides of the Atlantic, with the Euro Stoxx declining by 1.3%, while the S&P 500 fell by 0.3%. Currency-wise, the euro was on the front-foot. The single currency gained circa 0.4% against the dollar and sterling. As trading gets underway this morning, this sees EUR/USD open in the top half of \$1.08-1.09. EUR/GBP is operating above the midpoint of 83-84p also. At the same time, GBP/USD is changing hands below the \$1.30 threshold.

Turning to the day ahead, updates on inflation in the Eurozone and US will feature. In the Eurozone, HICP inflation is projected to rise to 1.9% in October from 1.7%. However, co-HICP is expected to edge lower to 2.6% from 2.7%. Likewise, US core-PCE inflation is forecast to inch down to 2.6% in September from 2.7%.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0858	0.40	-1.61
EUR/GBP	0.8363	0.53	-3.52
GBP/USD	1.2981	-0.15	1.98
GBP/EUR	1.1954	-0.53	3.65
USD/JPY	152.56	-0.44	8.15
EUR/JPY	165.66	-0.04	6.44

* 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	4.64	4.55	4.18	4.25	4.09
EUR	3.40	3.15	3.06	2.60	2.42	2.42
GBP	5.00	4.78	4.71	4.43	4.46	4.26

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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Euro

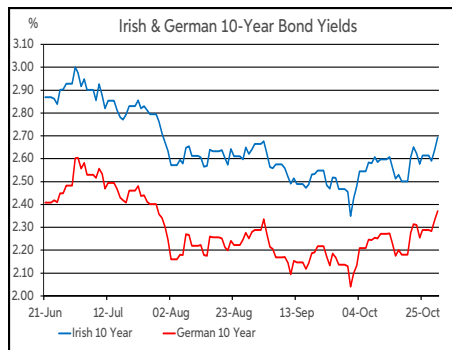
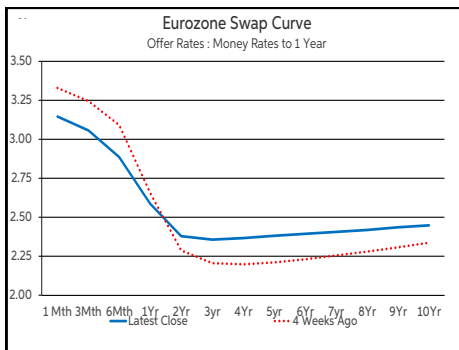
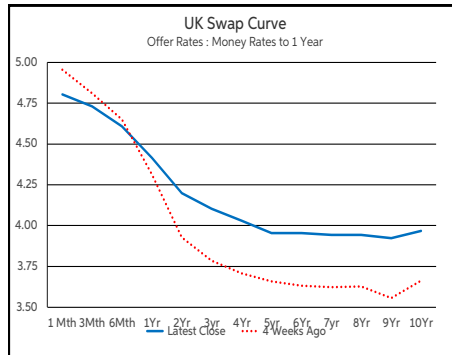
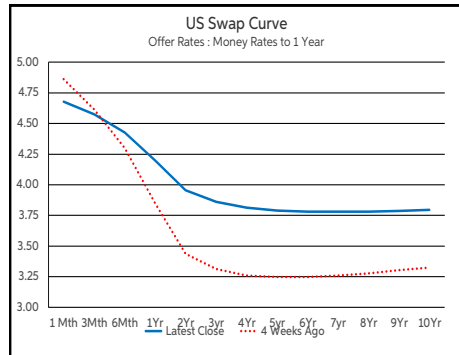
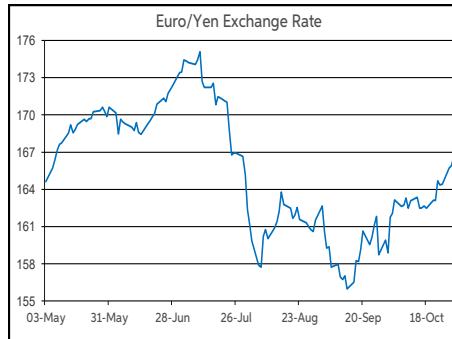
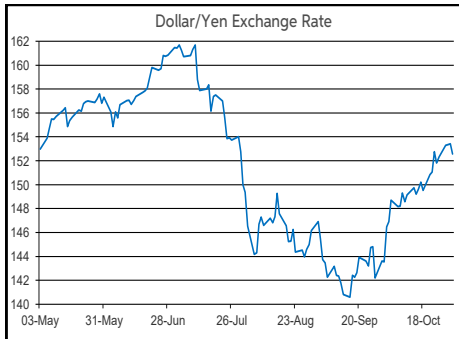
EUR/GBP	0.8363
EUR/USD	1.0858
EUR/JPY	165.66
EUR/SEK	11.5964
EUR/DKK	7.4596
EUR/NOK	11.8994
EUR/CHF	0.9403
EUR/AUD	1.6506
EUR/HKD	8.4393
EUR/CAD	1.5108

Sterling

GBP/EUR	1.1954
GBP/USD	1.2981
GBP/CAD	1.8063
GBP/NZD	2.1712
GBP/JPY	198.04
GBP/SEK	13.862
GBP/DKK	8.919
GBP/NOK	14.226
GBP/CHF	1.1242
GBP/AUD	1.9734

Dollar

USD/JPY	152.56
USD/CAD	1.3916
USD/CHF	0.8659
USD/CNY	7.1208
USD/BRL	5.7624
USD/RUB	97.05
USD/INR	84.0875
AUD/USD	0.6576
NZD/USD	0.5978



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 23
10 Year Yield %				
US	4.26	-1	+48	+40
Germany	2.38	+4	+27	+35
UK	4.35	+3	+32	+81
5 Year Swap %				
US	4.05	+8	+56	+26
Eurozone	2.38	+10	+18	-5
UK	4.23	+8	+32	+58
2 Year Swap %				
US	4.21	+9	+54	-12
Eurozone	2.38	+10	+10	-41
UK	4.42	+13	+26	+16
10 Year Government Bond Spreads to Benchmark bps				
Ireland	34	-0	+1	+0
Belgium	59	-1	-5	-8
France	74	-0	-2	+21
Italy	125	+2	-7	-42
Spain	71	+1	-8	-25
Portugal	41	-0	-16	-35
Greece	91	+2	-10	-14

Commodities				
	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	72.55	+2.01	-1.83	-5.83
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2786.2	+0.40	+4.83	+35.08

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