

Risk-off mood on markets

Risk appetite soured yesterday amid weakness in the tech-sector which spilled over to other sectors as the day progressed. The Euro Stoxx 50 fell by 1.2%, while the S&P 500 lost 2.1%. On bond markets, US Treasury, German Bund and UK Gilt yields declined by 6-9bps. Elsewhere, oil price moved sharply lower, with Brent crude falling by over 4% to below \$74 per barrel, following reports that a deal which would allow Libya to resume oil exports is close.

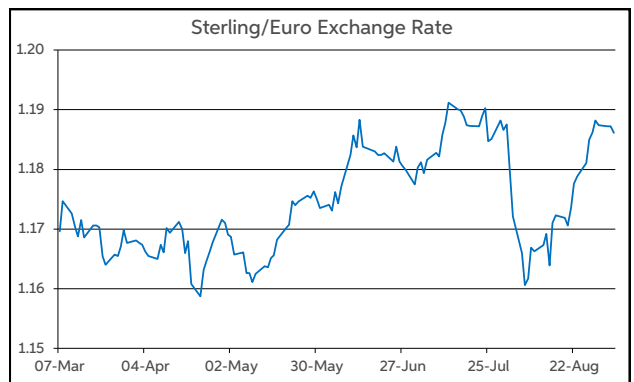
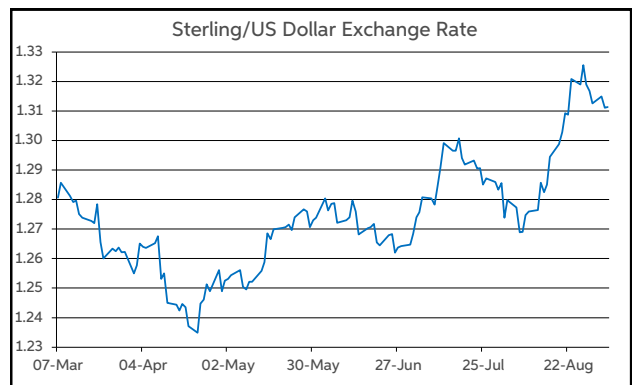
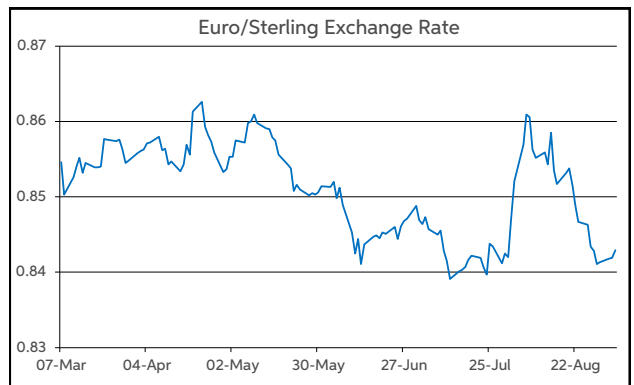
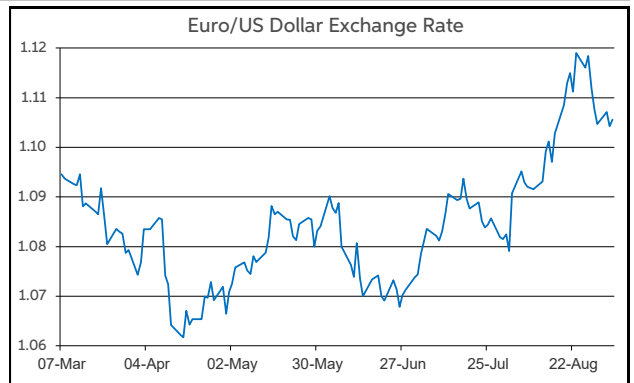
Data-wise, the only release of note was the US manufacturing ISM for August. The headline index printed below the consensus, at 47.2 in the month. Furthermore, the underlying details of the survey indicate firms continued to shed workers, price pressures accelerated and new orders contracted in August. Thus, the release did little to improve the mood on markets.

On the currency front, the main FX pairs remained range bound. Of the limited moves to note, the yen recouped some of its recent losses following some hawkish remarks from BoJ Governor Ueda. Meanwhile, the dollar was holding a marginally firmer tone, but was unable to hold onto its gains overnight.

As trading gets underway this morning, USD/JPY is operating down around the ¥145 mark. Meantime, EUR/USD opens at the midpoint of \$1.10-1.11 once again. EUR/GBP remains in the lower half of 84-85p. GBP/USD is changing hands back near to \$1.31.

Turning to the day ahead, Eurozone producer price inflation is projected to remain deeply negative, at -2.5% in July. Elsewhere, in the US, JOLTS job openings are forecast to be little changed at 8.1m in July. However, barring any major surprises, the data are unlikely to impact on currency markets.

Daniel Noonan, Economist, AIB



| Today's Opening FX Rates | | | |
|--------------------------|--------|----------|----------|
| | | % Change | |
| | | Day * | End 2023 |
| EUR/USD | 1.1056 | 0.02 | 0.18 |
| EUR/GBP | 0.8429 | 0.08 | -2.76 |
| GBP/USD | 1.3114 | -0.08 | 3.02 |
| GBP/EUR | 1.186 | -0.08 | 2.84 |
| USD/JPY | 145.13 | -0.96 | 2.89 |
| EUR/JPY | 160.47 | -0.93 | 3.11 |

* 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 | 5.31 | 5.28 | 4.44 | 3.93 | 3.62 |
| EUR | 4.25 | 3.59 | 3.47 | 3.04 | 2.64 | 2.47 |
| GBP | 5.00 | 4.92 | 4.85 | 4.44 | 4.30 | 3.95 |

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 |
|---------|----------------------------|------------|------------|------------------|---------------------------|-----------------|-----------------------------------|



Euro

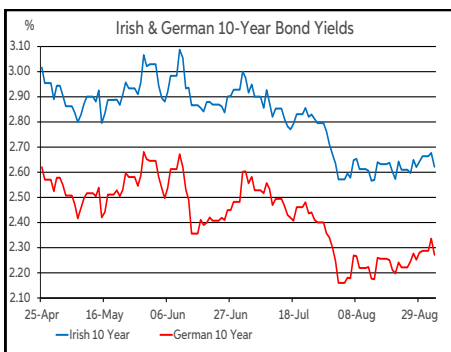
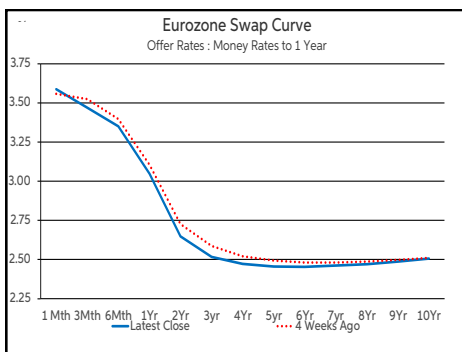
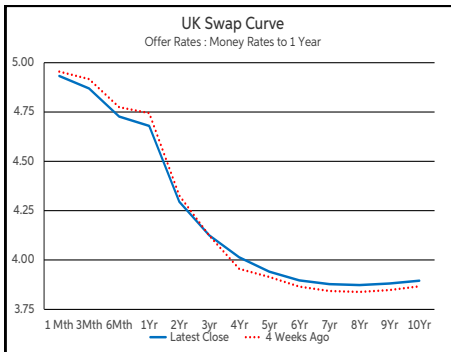
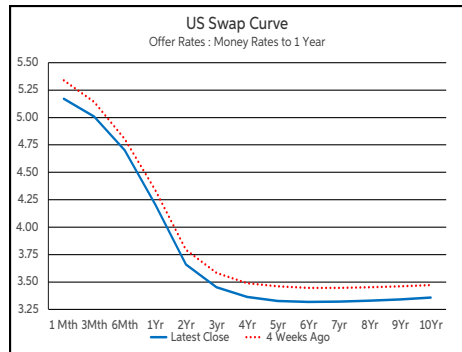
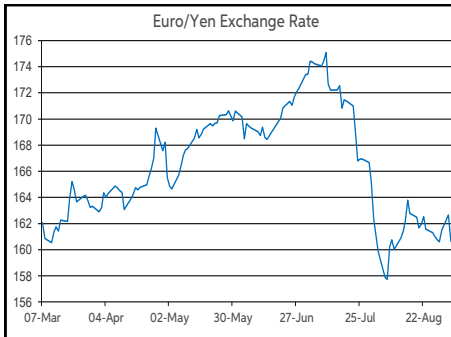
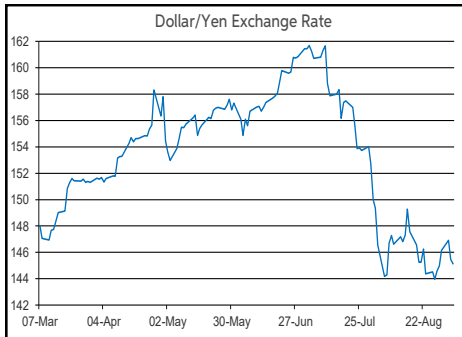
| | |
|---------|---------|
| EUR/GBP | 0.8429 |
| EUR/USD | 1.1056 |
| EUR/JPY | 160.47 |
| EUR/SEK | 11.3817 |
| EUR/DKK | 7.4598 |
| EUR/NOK | 11.8164 |
| EUR/CHF | 0.9375 |
| EUR/AUD | 1.6495 |
| EUR/HKD | 8.6176 |
| EUR/CAD | 1.4967 |

Sterling

| | |
|---------|---------|
| GBP/EUR | 1.186 |
| GBP/USD | 1.3114 |
| GBP/CAD | 1.7752 |
| GBP/NZD | 2.121 |
| GBP/JPY | 190.32 |
| GBP/SEK | 13.4947 |
| GBP/DKK | 8.8454 |
| GBP/NOK | 14.0149 |
| GBP/CHF | 1.1118 |
| GBP/AUD | 1.9563 |

Dollar

| | |
|---------|---------|
| USD/JPY | 145.13 |
| USD/CAD | 1.3537 |
| USD/CHF | 0.8479 |
| USD/CNY | 7.1112 |
| USD/BRL | 5.6489 |
| USD/RUB | 87.85 |
| USD/INR | 83.9625 |
| AUD/USD | 0.6701 |
| NZD/USD | 0.6182 |



| Debt Markets | | | | |
|---|-------|------------|---------|--------|
| | Close | Change bps | | |
| | | Day | 4 Weeks | End 23 |
| 10 Year Yield % | | | | |
| US | 3.84 | -7 | -4 | -2 |
| Germany | 2.27 | -6 | +9 | +25 |
| UK | 3.99 | -6 | +7 | +45 |
| 5 Year Swap % | | | | |
| US | 3.59 | -6 | -11 | -20 |
| Eurozone | 2.46 | -5 | -3 | +3 |
| UK | 3.94 | -5 | +3 | +29 |
| 2 Year Swap % | | | | |
| US | 3.91 | -7 | -14 | -43 |
| Eurozone | 2.65 | -4 | -7 | -15 |
| UK | 4.30 | -4 | -3 | +3 |
| 10 Year Government Bond Spreads to Benchmark bps | | | | |
| Ireland | 38 | +1 | -6 | +4 |
| Belgium | 59 | +2 | -5 | -7 |
| France | 73 | +3 | -4 | +20 |
| Italy | 140 | +3 | -8 | -27 |
| Spain | 83 | +2 | -6 | -13 |
| Portugal | 62 | +3 | -5 | -13 |
| Greece | 108 | +3 | -5 | +3 |

| Commodities | | | | |
|----------------|--------|----------|---------|--------|
| | Close | % Change | | |
| | | Day | 4 Weeks | End 23 |
| Brent Oil | 73.75 | -4.86 | -3.57 | -4.27 |
| West Texas Oil | 71.65 | -0.17 | -1.90 | -1.27 |
| Gold \$ | 2492.8 | -0.26 | +4.33 | +20.86 |

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.