

## Firmer tone to the dollar

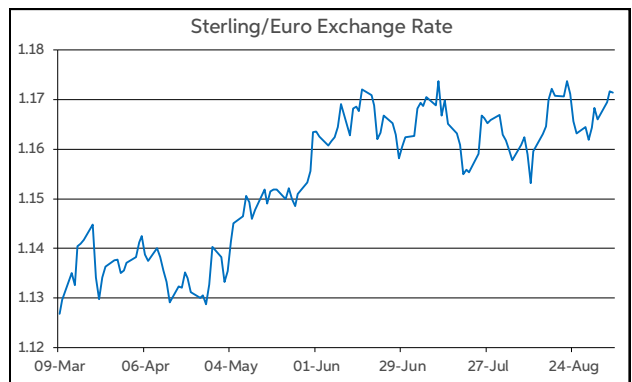
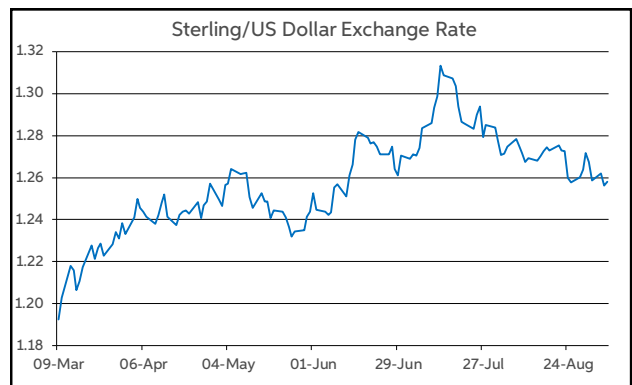
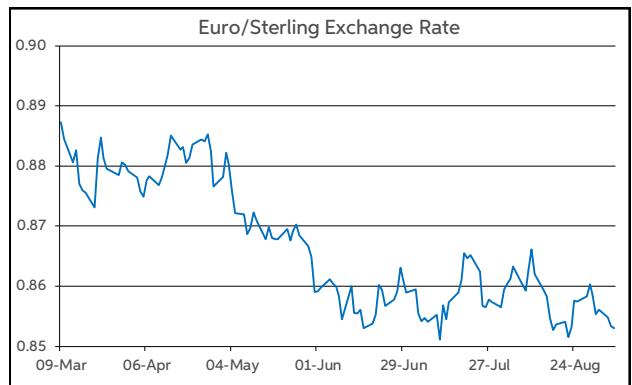
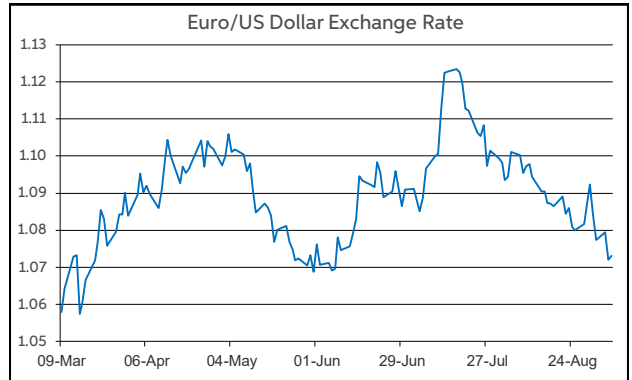
Investor sentiment was holding a cautious tone yesterday. In Europe, for a second day running, the Euro Stoxx 50 finished the day modestly lower, with a 0.3% loss. Meanwhile, Wall Street returned from its long weekend, to register a 0.4% decline on the day. Some disappointing macro data, raising concerns over the global economic outlook was unhelpful to risk appetite. Elsewhere, oil prices continued to rise, with Brent crude above \$90 per barrel.

The weaker data included the Chinese PMI survey on its services sector for August missing to the downside of expectations. Meanwhile, the final reading of the Eurozone August services PMI was revised lower to 47.9 (vs. flash result of 48.3) and this resulted in the composite index being amended down to 46.7. The main highlight from the US macro diary saw factory orders for July contracting by 2.1% which was less than the expected 2.5% decline.

The action on currency markets saw the dollar hold the upper hand amid the cautious tone to market sentiment. The greenback registered gains against the other majors, including the euro, sterling and the yen. In level terms, this is reflected in EUR/USD opening this morning in the lower half of \$1.07-1.08. The firmer dollar sees in GBP/USD trading below \$1.26. Meantime, USD/JPY is operating above the ¥147 mark, having reached a year-to-day high of ¥147.8 yesterday. Elsewhere, EUR/GBP continues to change hands in a tight range just below the midpoint of 85-86p.

Looking ahead to today, the macro data diary is relatively sparse. One of the few highlights is the US non-manufacturing ISM for August. Meanwhile, in terms of monetary policy, BoE Governor Bailey will be appearing at the Treasury Select Committee to discuss the August Monetary Policy Report.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.0731	-0.56	0.27
EUR/GBP	0.8529	-0.21	-3.56
GBP/USD	1.2579	-0.36	3.98
GBP/EUR	1.1718	0.21	3.69
USD/JPY	147.1	0.31	12.20
EUR/JPY	157.9	-0.23	12.54

\* 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	5.65	5.69	5.13	4.43
EUR	4.25	3.64	3.80	3.97	3.66	3.24
GBP	5.25	5.28	5.44	5.76	5.76	5.14

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

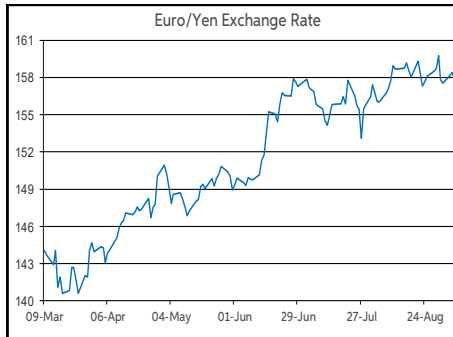
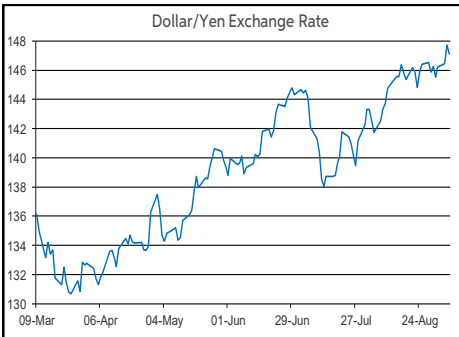
FX Spot	Karl Cooke Shane Gargan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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# Opening Levels

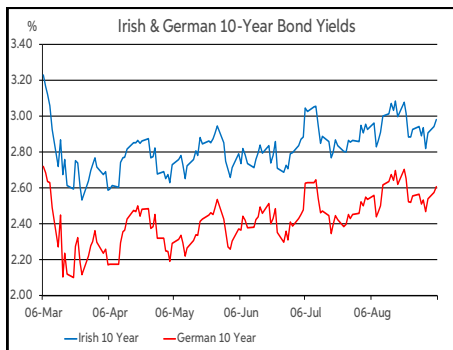
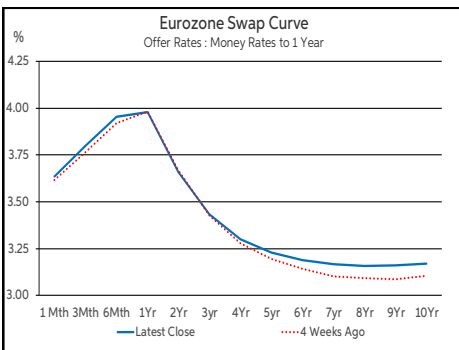
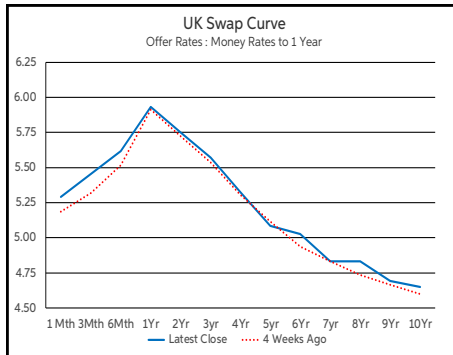
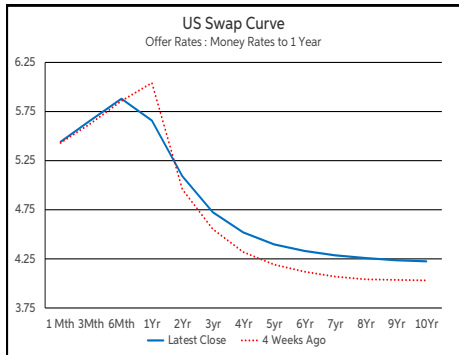
Wednesday 06 September 2023  
07:18 am



Euro		Sterling		Dollar	
EUR/GBP	0.8529	GBP/EUR	1.1718	USD/JPY	147.1
EUR/USD	1.0731	GBP/USD	1.2579	USD/CAD	1.3635
EUR/JPY	157.9	GBP/CAD	1.7154	USD/CHF	0.8887
EUR/SEK	11.9058	GBP/NZD	2.1319	USD/CNY	7.3062
EUR/DKK	7.454	GBP/JPY	185.04	USD/BRL	4.9675
EUR/NOK	11.4957	GBP/SEK	13.9528	USD/RUB	97.7175
EUR/CHF	0.9538	GBP/DKK	8.7352	USD/INR	83.0725
EUR/AUD	1.6781	GBP/NOK	13.472	AUD/USD	0.6394
EUR/HKD	8.4171	GBP/CHF	1.1181	NZD/USD	0.5898
EUR/CAD	1.4635	GBP/AUD	1.9669		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 22
<b>10 Year Yield %</b>				
US	4.27	+8	+24	+39
Germany	2.61	+3	+17	+5
UK	4.52	+6	+14	+85
Ireland	3.01	+4	+15	-14
Belgium	3.23	+4	+11	+3
France	3.14	+4	+14	+3
Italy	4.35	+5	+21	-36
Spain	3.66	+4	+15	-0
Portugal	3.36	+5	+15	-24
Greece	3.93	-1	+13	-66
<b>5 Year Swap %</b>				
US	4.40	+7	+25	+40
Eurozone	3.23	+1	+4	-0
UK	5.09	+5	-2	+78
<b>2 Year Swap %</b>				
US	5.09	+4	+17	+41
Eurozone	3.66	-0	+0	+27
UK	5.75	+6	+3	+107
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	40	+1	-2	-18
Belgium	62	+1	-6	-2
France	53	+0	-3	-2
Italy	174	+2	+5	-40
Spain	105	+1	-2	-5
Portugal	75	+2	-2	-29
Greece	132	-4	-4	-71



Commodities				
	% Change			
	Close	Day	4 Weeks	End 22
Brent Oil	90.04	+1.17	+4.49	+4.81
West Texas Oil	86.74	+1.43	+4.58	+8.21
Gold \$	1925.8	-0.64	+0.05	+5.56

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