

Modestly firmer tone to the dollar

There was a quiet start to what is a busy calendar of macro events/data this week. Indeed, there were no releases of any note on either side of the Atlantic yesterday.

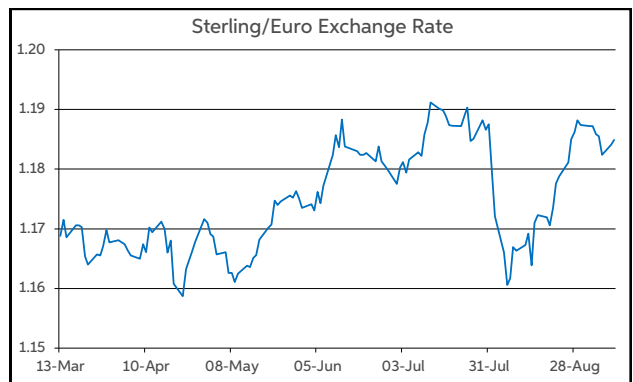
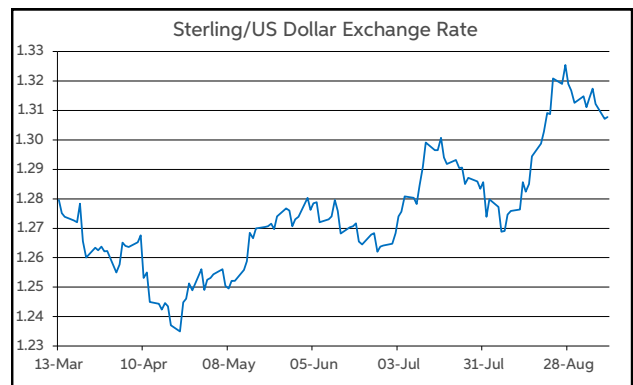
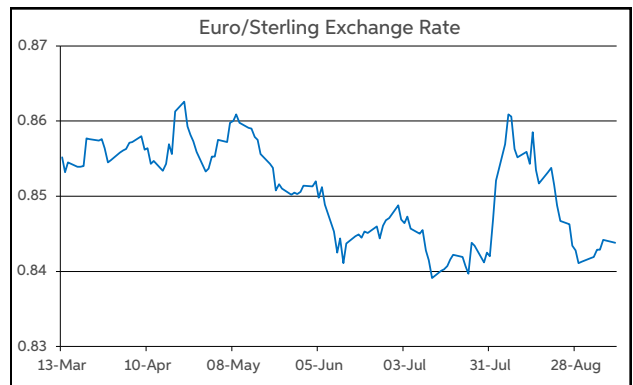
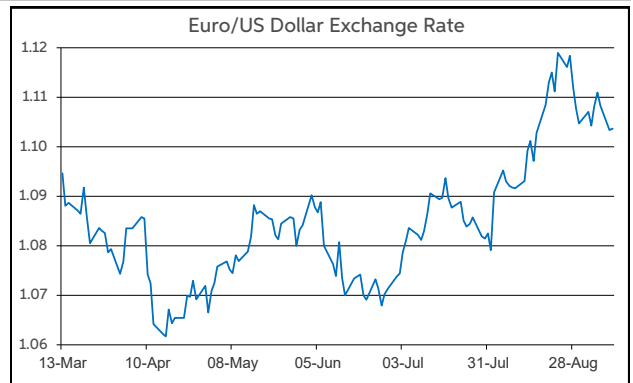
Investor sentiment had come into the week on the defensive, in part due to last Friday's weaker than expected US payroll data reigniting concerns over the outlook for the world's largest economy. The S&P 500 finished last week down over 4%.

However, there was some improvement in risk appetite yesterday amid the sparse macro diary. In Europe, the Euro Stoxx 50 posted a 0.9% daily gain. At close on Wall Street last night, the S&P 500 was 1.2% higher on the day. Meanwhile, on bond markets, the action was uneventful amongst the benchmark sovereigns, with their respective yields registering minimal changes.

On the currency front, the majors operated within fairly confined trading ranges yesterday. The dollar was holding a modestly firmer tone against both the euro and sterling. This was reflected in EUR/USD edging below the midpoint of \$1.10-1.11 and GBP/USD trading under the \$1.31 threshold. Elsewhere, EUR/GBP remained within a very narrow corridor beneath the midpoint of 84-85p.

The schedule of macro data releases starts to pick up today. A raft of key UK labour market updates have already been published this morning. The unemployment rate eased to 4.1% in the three months to July, in line with expectations. Employment surpassed forecasts at +265,000 (vs. f'cast for 123,000). Meantime, average weekly earnings rose by 4.0% y/y (vs. forecast for 4.1%). Sterling is slightly firmer in the immediate aftermath of the data. The remainder of today's macro diary is quiet.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.1037	-0.34	0.01
EUR/GBP	0.8438	-0.05	-2.65
GBP/USD	1.3078	-0.31	2.74
GBP/EUR	1.1848	0.05	2.73
USD/JPY	143.22	0.17	1.53
EUR/JPY	158.08	-0.17	1.57

* 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	5.22	5.19	4.26	3.74	3.48
EUR	4.25	3.52	3.47	2.90	2.49	2.34
GBP	5.00	4.90	4.82	4.29	4.11	3.79

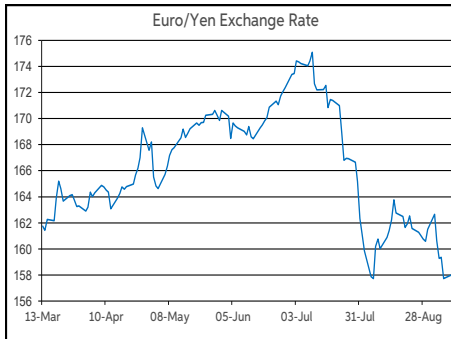
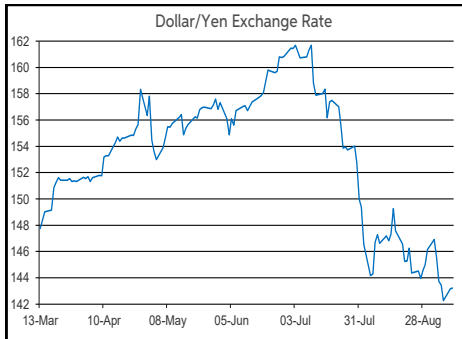
All rates quoted are indicative market rates

See Next Page For More Rates & Charts

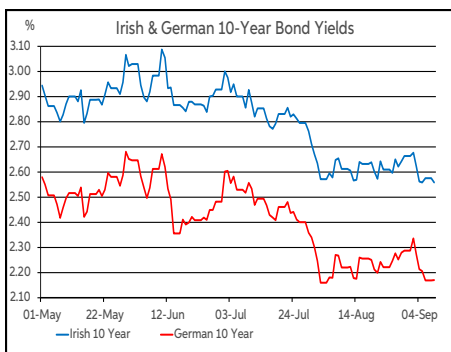
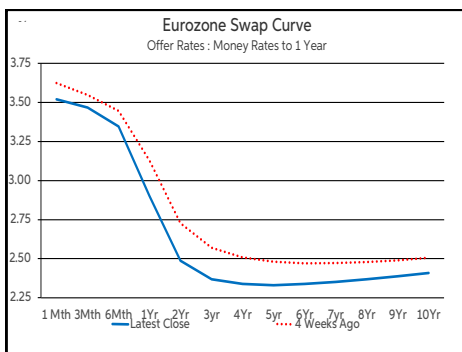
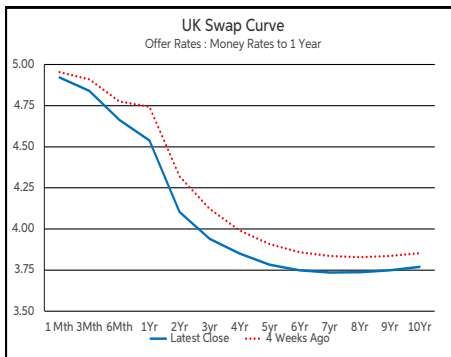
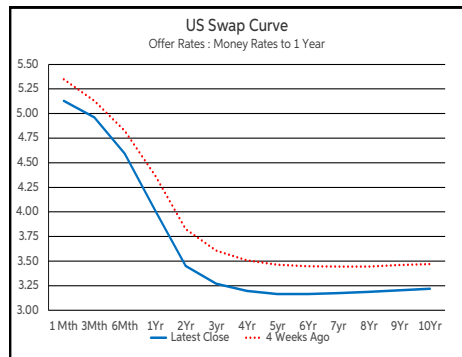
FX Spot	Karl Cooke Shane Gargan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Euro		Sterling		Dollar	
EUR/GBP	0.8438	GBP/EUR	1.1848	USD/JPY	143.22
EUR/USD	1.1037	GBP/USD	1.3078	USD/CAD	1.3564
EUR/JPY	158.08	GBP/CAD	1.7738	USD/CHF	0.8483
EUR/SEK	11.4543	GBP/NZD	2.1253	USD/CNY	7.1192
EUR/DKK	7.461	GBP/JPY	187.3	USD/BRL	5.5833
EUR/NOK	11.9546	GBP/SEK	13.5698	USD/RUB	90.8
EUR/CHF	0.9363	GBP/DKK	8.8412	USD/INR	83.971
EUR/AUD	1.6554	GBP/NOK	14.1643	AUD/USD	0.6667
EUR/HKD	8.6042	GBP/CHF	1.1094	NZD/USD	0.6153
EUR/CAD	1.497	GBP/AUD	1.9615		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 23
10 Year Yield %				
US	3.70	-1	-21	-16
Germany	2.17	+0	-5	+14
UK	3.86	-3	-6	+32
5 Year Swap %				
US	3.43	-0	-26	-36
Eurozone	2.33	-4	-14	-10
UK	3.78	-7	-12	+13
2 Year Swap %				
US	3.69	+3	-38	-64
Eurozone	2.49	-5	-23	-31
UK	4.10	-9	-21	-16
10 Year Government Bond Spreads to Benchmark bps				
Ireland	42	+0	-1	+8
Belgium	61	+1	-0	-5
France	71	-0	-3	+18
Italy	138	-1	-4	-29
Spain	83	-0	-3	-14
Portugal	63	-0	-0	-13
Greece	108	+1	-5	+3



Commodities				
	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	71.84	+1.10	-12.71	-6.75
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2505.3	+0.33	+1.33	+21.46

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