Morning Comment

AIB Treasury Economic Research Unit



Tuesday 19 September 2023 07:08 am

Quiet start to a busy week

There was a quiet start, to what is a busy week, on financial markets yesterday. The macro calendar was sparse on both sides of the Atlantic. Indeed, the only release of any note was US homebuilder sentiment for September. Unlike most recent US data, it missed to the downside of expectations.

Investor sentiment was holding a cautious tone as market participants await the outcome of some key central bank meetings this week, including the Fed (Wednesday) and BoE (Thursday). In Europe, the Euro Stoxx 50 finished its session down 1.1%. Meanwhile, at the closing bell on Wall Street last night, the S&P 500 was flat for day.

In terms of bond markets, the 10-year US Treasury yield edged back to 4.3%. Most of the main European sovereign benchmark 10year yields were 2-6bps higher over the course of the day. Meantime, oil prices continued their upward momentum, with Brent crude rising above \$94 per barrel.

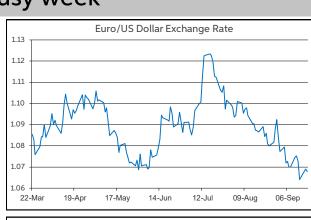
Currency-wise, the majors were confined to narrow trading ranges yesterday. This muted action has continued in overnight trading. As a result, the main pairs open this morning broadly similar to where they started the week 24 hours earlier. EUR/USD continues to trade near to the midpoint of \$1.06-1.07. EUR/GBP remains close to the 86p mark. Elsewhere, GBP/USD is operating in a tight corridor just below \$1.24.

Looking ahead to today, the macro diary remains sparse. Therefore, the main FX pairs could continue to range trade as they adopt a holding pattern in light of the key monetary policy events looming on the horizon.

John Fahey, Senior Economist, AIB

Today's Opening FX Rates				
		% Change		
		Day *	End 2022	
EUR/USD	1.0678	0.10	-0.22	
EUR/GBP	0.8625	0.23	-2.48	
GBP/USD	1.2379	-0.14	2.33	
GBP/EUR	1.1589	-0.23	2.54	
USD/JPY	147.83	0.12	12.75	
EUR/JPY	157.89	0.22	12.54	
* v Previous Day's European Open				
See Next Page for More Rates				

Opening Interest Rates						
	Money Market Swap Rates			5		
	Base Rate	1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	5.38	5.44	5.66	5.60	5.26	4.53
EUR	4.50	3.76	3.88	4.14	3.83	3.34
GBP	5.25	5.36	5.46	5.63	5.53	4.92
0.5.	0.20	0.00	0.10	0.00	0.00	









All rates quoted are indicative market rates

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FX Options

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See Next Page For More Rates & Charts

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Opening Levels

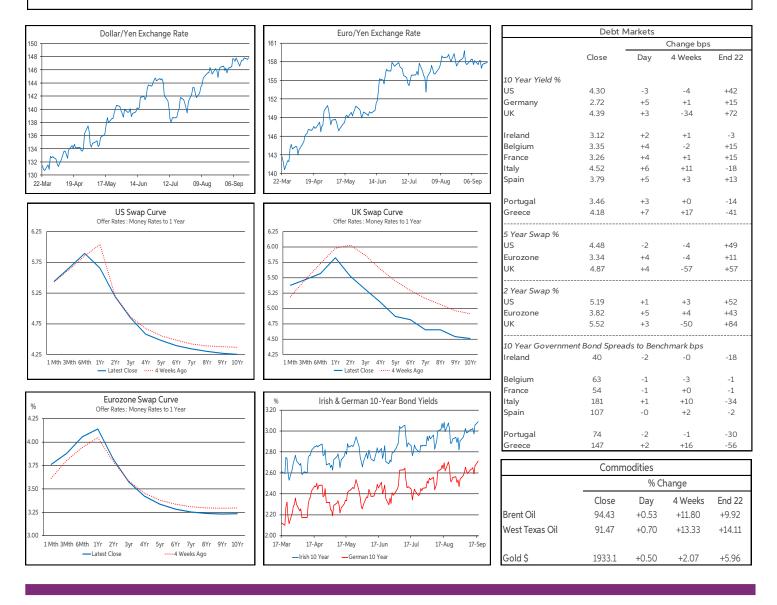
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Euro		
EUR/GBP	0.8625	
EUR/USD	1.0678	
EUR/JPY	157.89	
EUR/SEK	11.9184	
EUR/DKK	7.4528	
EUR/NOK	11.5617	
EUR/CHF	0.9593	
EUR/AUD	1.6601	
EUR/HKD	8.3462	
EUR/CAD	1.4391	

Sterling		
GBP/EUR	1.1589	
GBP/USD	1.2379	
GBP/CAD	1.668	
GBP/NZD	2.0921	
GBP/JPY	183	
GBP/SEK	13.8147	
GBP/DKK	8.6381	
GBP/NOK	13.401	
GBP/CHF	1.1118	
GBP/AUD	1.9242	

Dollar				
USD/JPY	147.83			
USD/CAD	1.3474			
USD/CHF	0.8981			
USD/CNY	7.297			
USD/BRL	4.8544			
USD/RUB	96.395			
USD/INR	83.32			
AUD/USD	0.6432			
NZD/USD	0.5915			



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