

EUR/USD opens above \$1.07

Last week was a hectic one on markets, as a number of key central bank meetings, significant data releases, and continued volatility on bond markets, impacted investor sentiment. Overall though, risk appetite was quite firm, with the Euro Stoxx 50 gaining 4.0% and the S&P rising by 5.9% on the week.

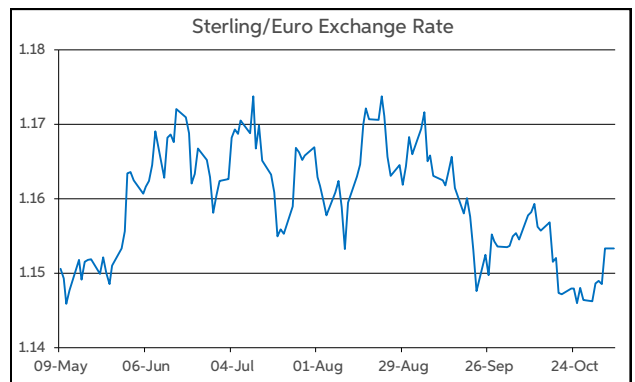
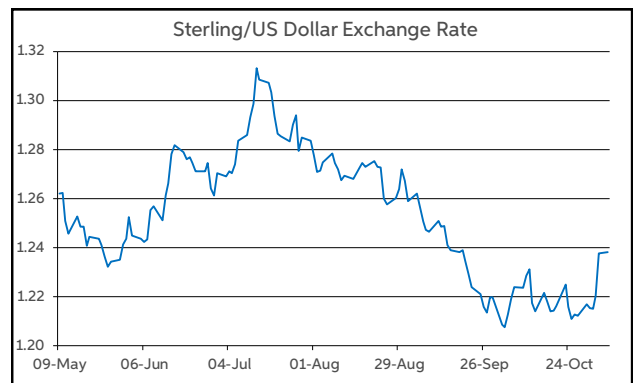
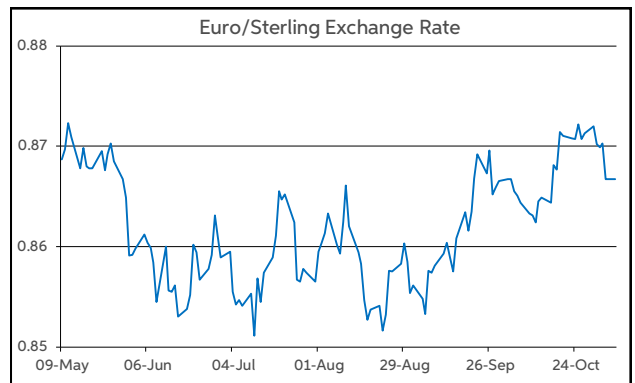
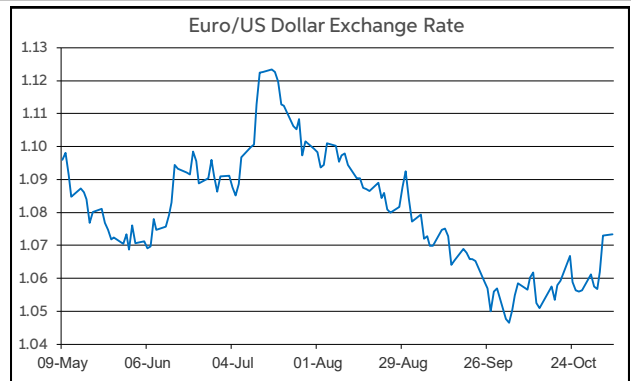
In terms of monetary policy, the BoJ tweaked yield curve control, by removing a pledge to defend the 1% upper bound on 10-year JGB's unconditionally. Elsewhere, as expected, the Fed and BoE kept interest rates unchanged. However, both left the door open to hiking rates again if required. Data-wise, Eurozone GDP contracted by 0.1% in Q3, and inflation eased in October. In the US, labour market figures for October showed conditions in the jobs sector moderated, with payrolls printing below the consensus.

Against this backdrop, futures contracts softened across the board. Current pricing indicates that markets have considerably reduced bets that either the Fed or BoE will raise rates again. Meanwhile, a greater magnitude of rate cuts are priced-in for 2024, especially in the US. The softening in rates coincided with sharp falls in bond yields, particularly at the long-end of the curves. 10-30 year benchmark yields finished the week down by 15-30bps.

On the currency front, both the yen and dollar were on the defensive. Elsewhere, sterling was holding a firmer tone. EUR/USD opens this morning up above \$1.07. EUR/GBP is below 87p. Meantime, GBP/USD is in the top half of \$1.23-1.24 also. EUR/JPY is operating above ¥160, having been below ¥158 last Monday.

This week, there is a quieter macro calendar. However, UK Q3 GDP, and remarks from a plethora of central bankers will be of interest.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.0734	1.00	0.30
EUR/GBP	0.8666	-0.45	-2.01
GBP/USD	1.2382	1.43	2.36
GBP/EUR	1.1531	0.45	2.05
USD/JPY	149.59	-0.43	14.10
EUR/JPY	160.59	0.54	14.46

* 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	5.64	5.50	5.02	4.56
EUR	4.50	3.88	3.96	3.96	3.51	3.14
GBP	5.25	5.18	5.23	5.22	5.07	4.57

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

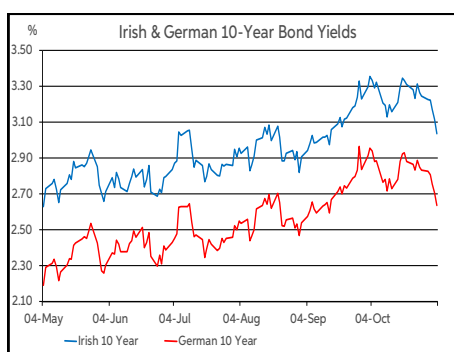
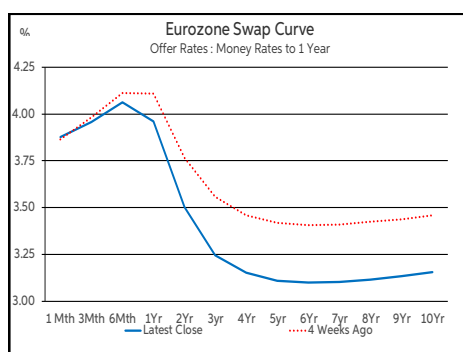
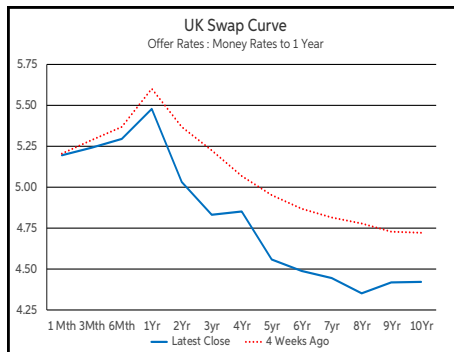
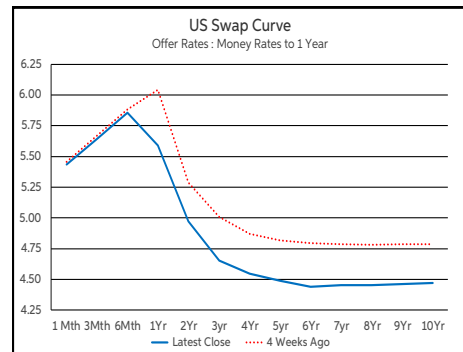
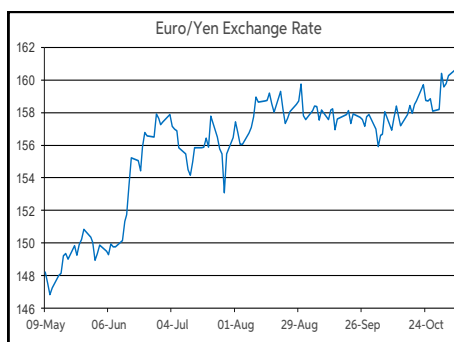
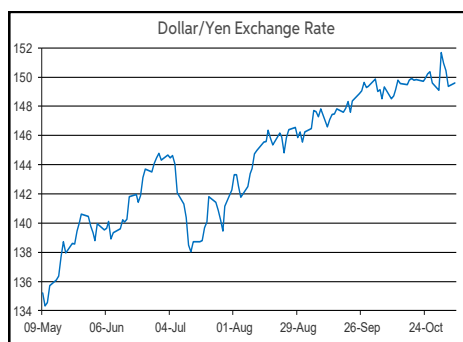
FX Spot	Karl Cooke Shane Gargan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

Monday 06 November 2023
07:16 am



Euro		Sterling		Dollar	
EUR/GBP	0.8666	GBP/EUR	1.1531	USD/JPY	149.59
EUR/USD	1.0734	GBP/USD	1.2382	USD/CAD	1.3655
EUR/JPY	160.59	GBP/CAD	1.6909	USD/CHF	0.897
EUR/SEK	11.6772	GBP/NZD	2.0663	USD/CNY	7.283
EUR/DKK	7.4608	GBP/JPY	185.22	USD/BRL	4.9007
EUR/NOK	11.8494	GBP/SEK	13.4622	USD/RUB	92.52
EUR/CHF	0.9629	GBP/DKK	8.6063	USD/INR	83.201
EUR/AUD	1.6493	GBP/NOK	13.662	AUD/USD	0.6507
EUR/HKD	8.3943	GBP/CHF	1.1108	NZD/USD	0.5991
EUR/CAD	1.4658	GBP/AUD	1.9029		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 22
10 Year Yield %				
US	4.58	-8	-22	+70
Germany	2.64	-7	-25	+7
UK	4.29	-10	-29	+62
5 Year Swap %				
US	4.49	-14	-29	+49
Eurozone	3.11	-5	-30	-12
UK	4.56	-9	-39	+26
2 Year Swap %				
US	4.97	-12	-28	+30
Eurozone	3.50	-3	-25	+11
UK	5.03	-8	-33	+35
10 Year Government Bond Spreads to Benchmark bps				
Ireland	45	+1	-2	-13
Belgium	63	-0	-6	-1
France	60	-0	-0	+5
Italy	181	-4	-23	-33
Spain	104	-1	-9	-5
Portugal	67	-2	-8	-37
Greece	133	-4	-22	-70

Commodities				
	% Change			
	Close	Day	4 Weeks	End 22
Brent Oil	84.89	-2.26	+0.37	-1.19
West Texas Oil	81.19	-2.23	-1.98	+1.28
Gold \$	1992.3	+0.34	+8.73	+9.20

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