

## Volatile trading conditions persist on bond markets

The mood yesterday among investors was generally muted in tone. Most of the main equity indices were in sideways mode for much of their respective sessions. In Europe, the Euro Stoxx 50 finished the day, with a slight fall, of 0.1%. Meanwhile, at the closing bell on Wall Street last night, the S&P 500 managed to post a modest gain, of 0.3%. On commodity markets, oil prices fell by around 4%, with Brent crude below \$82 per barrel.

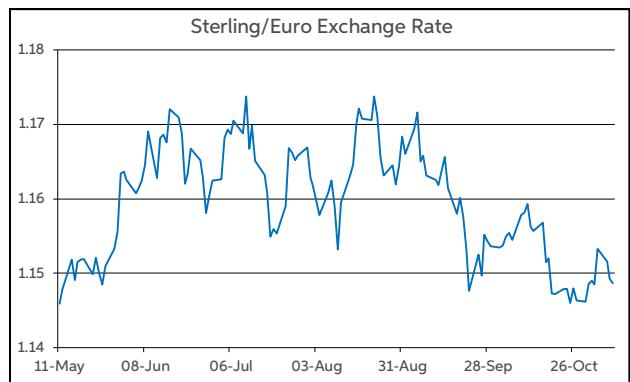
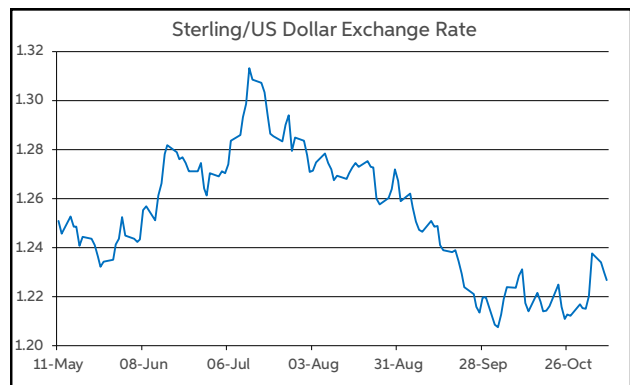
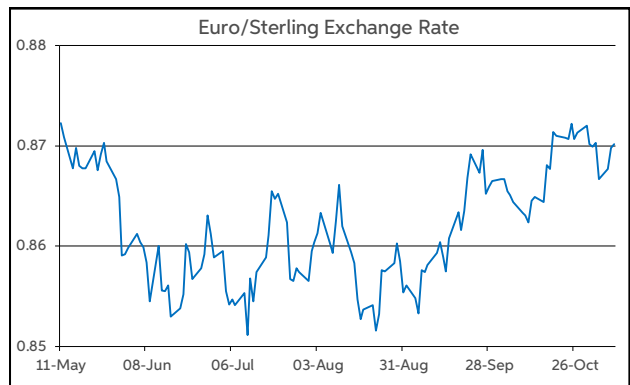
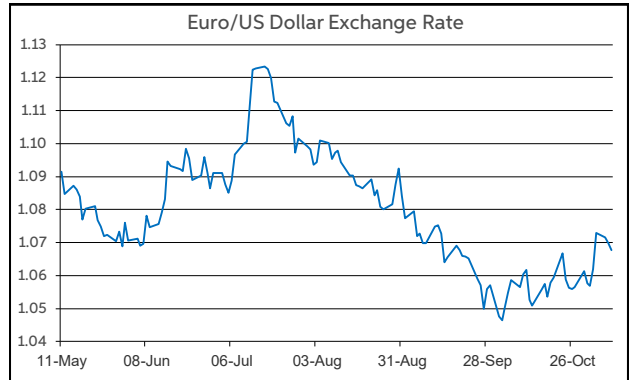
The subdued action on equity markets was not overly surprising given the lack of top tier macro data on either side of the Atlantic. One of the few releases of any note yesterday—Eurozone producer prices—saw headline factory gate inflation for the region fall to -12.4% y/y in September, from -11.5% in August.

Bond markets continued to experience volatile trading conditions yesterday. Yields fell across the board, which was in contrast to Monday, when yields rose. Last week, saw significant declines in yields. In terms of yesterday's moves, the 10-year US Treasury yield fell back below the 4.6% level. The 10-year German Bund yield moved back under the 2.7% threshold.

On currency markets, the majors remained confined to narrow trading ranges yesterday. Of the limited action to register, the dollar was marginally firmer. EUR/USD opens this morning below \$1.07, while GBP/USD starts today within \$1.22-1.23 territory. Meantime, EUR/GBP has edged back up to the 87p mark.

Today's macro data diary continues to be largely uneventful. One of the few highlights is Eurozone retail sales (Sept) which is unlikely to be a dial mover for the euro. On the monetary policy front, BoE Governor Bailey is due to speak.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.0675	-0.33	-0.25
EUR/GBP	0.8703	0.24	-1.59
GBP/USD	1.2265	-0.55	1.39
GBP/EUR	1.1484	-0.24	1.62
USD/JPY	150.72	0.29	14.96
EUR/JPY	160.92	-0.02	14.70

\* 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	5.63	5.54	5.07	4.59
EUR	4.50	3.86	3.96	3.94	3.52	3.13
GBP	5.25	5.18	5.22	5.18	5.00	4.52

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

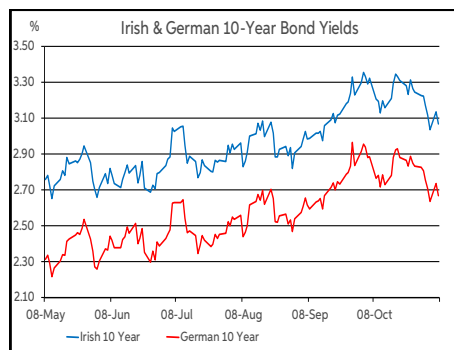
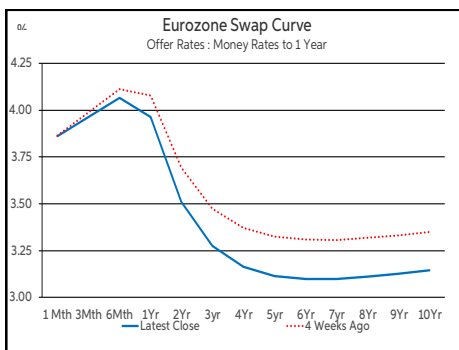
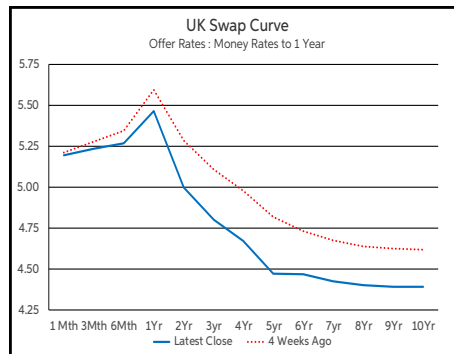
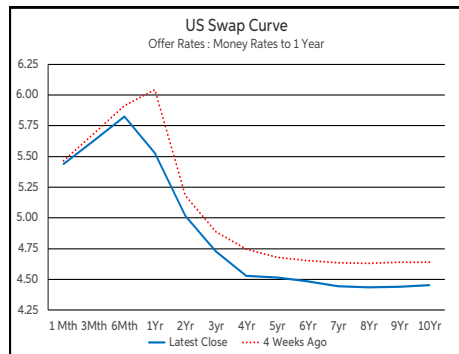
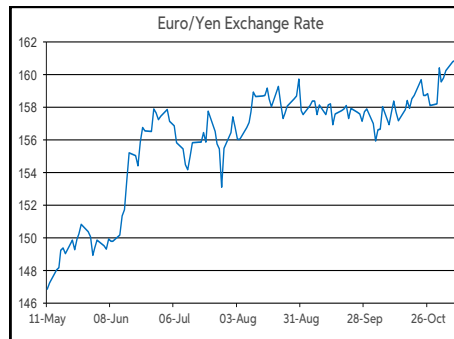
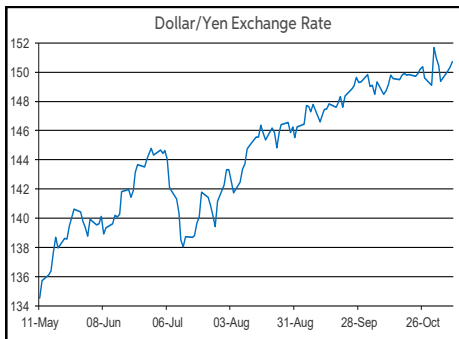
FX Spot	Karl Cooke Shane Gargan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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# Opening Levels

Wednesday 08 November 2023  
07:23 am



Euro		Sterling		Dollar	
EUR/GBP	0.8703	GBP/EUR	1.1484	USD/JPY	150.72
EUR/USD	1.0675	GBP/USD	1.2265	USD/CAD	1.3774
EUR/JPY	160.92	GBP/CAD	1.6898	USD/CHF	0.9019
EUR/SEK	11.6994	GBP/NZD	2.0683	USD/CNY	7.2787
EUR/DKK	7.4572	GBP/JPY	184.87	USD/BRL	4.8724
EUR/NOK	11.9785	GBP/SEK	13.4368	USD/RUB	92.35
EUR/CHF	0.9629	GBP/DKK	8.5658	USD/INR	83.2675
EUR/AUD	1.6606	GBP/NOK	13.761	AUD/USD	0.6428
EUR/HKD	8.3451	GBP/CHF	1.1063	NZD/USD	0.5927
EUR/CAD	1.4708	GBP/AUD	1.9079		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 22
<b>10 Year Yield %</b>				
US	4.57	-8	-9	+69
Germany	2.67	-7	-11	+10
UK	4.28	-10	-15	+61
<b>5 Year Swap %</b>				
US	4.52	-5	-12	+52
Eurozone	3.12	-4	-20	-11
UK	4.47	-10	-34	+17
<b>2 Year Swap %</b>				
US	5.02	-4	-12	+34
Eurozone	3.51	-1	-17	+12
UK	5.00	-8	-28	+32
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	44	-0	+0	-15
Belgium	63	-0	-3	-1
France	59	-1	+3	+4
Italy	183	-2	-12	-31
Spain	106	-0	-4	-4
Portugal	74	+6	+1	-29
Greece	131	+2	-27	-72

Commodities				
	% Change			
	Close	Day	4 Weeks	End 22
Brent Oil	81.61	-4.19	-6.89	-5.01
West Texas Oil	77.96	-4.39	-9.23	-2.74
Gold \$	1968.4	-0.47	+5.82	+7.89

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