

# Morning Comment

AIB Treasury Economic Research Unit



Friday 17 November 2023  
07:29 am

## Quiet day for FX majors

There was a muted tone to investor sentiment yesterday. This was evident in the modest nature of the moves on equity markets. In Europe, the Euro Stoxx 50 finished 0.3% lower for the day. At the closing bell on Wall Street last night, the S&P 500 was 0.1% higher.

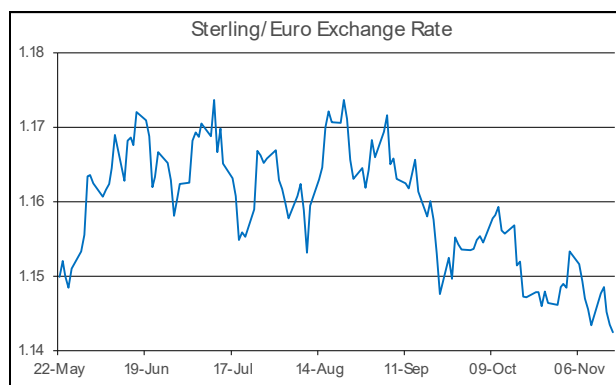
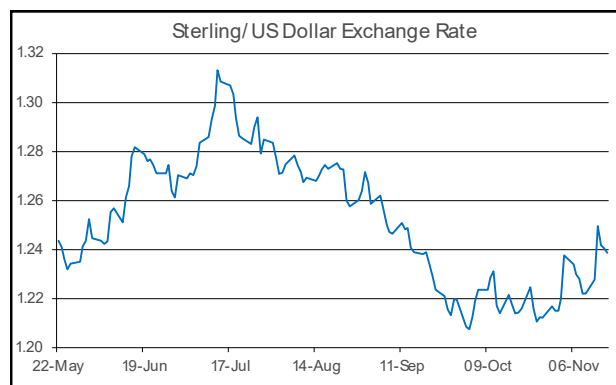
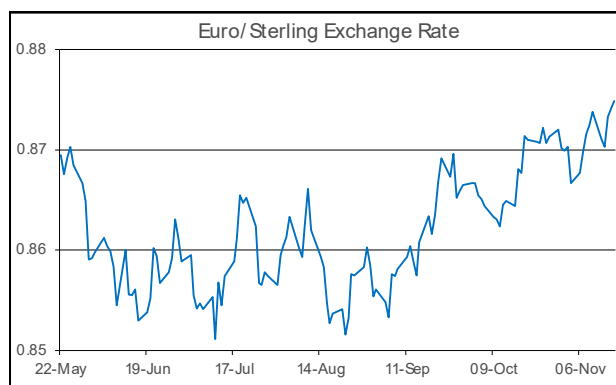
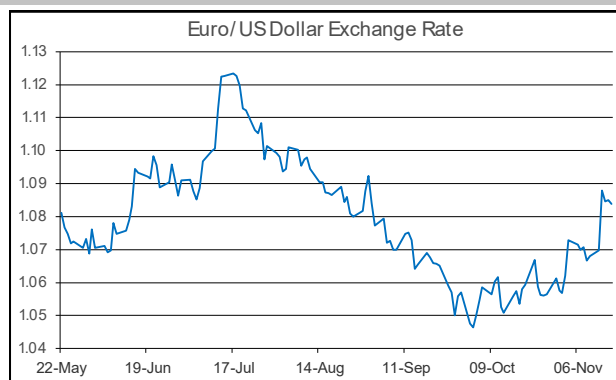
Data-wise, the main releases yesterday all came from the US diary. Overall, the results tended to miss to the downside of expectations. The weekly jobless claims number printed at 231,000 compared to a forecast for 220,000. Industrial production fell by 0.6% in October, versus expectations for a 0.3% decline. Meanwhile, homebuilder sentiment for November declined unexpectedly.

On bond markets, US Treasury yields fell back amid the softer tone to yesterday's US data releases. The US 10-year yield fell by 10bps to back below the 4.5% level. However, yields were generally lower elsewhere as well, with the German 10-year Bund yield moving below the 2.6% mark.

Currency-wise, the action was characterised by relatively confined range trading. In overnight trading, this remained a feature. EUR/USD opens this morning once again near the midpoint of the \$1.08-1.09 band. GBP/USD is trading just below the \$1.24 threshold. Meanwhile, EUR/GBP continues to change hands in a very tight range in and around the halfway mark of 87-88p.

Today's macro diary has already seen the release of UK retail sales data for October. Headline sales registered a fall of -0.3% in the month. The consensus forecast was for a 0.3% increase. The remainder of today's calendar is fairly sparse. We get the final reading of Eurozone inflation for October and US housing starts for October as well.

**John Fahey, Senior Economist, AIB**



### Today's Opening FX Rates

		% Change	
		Day *	End 2022
EUR/ USD	1.0838	0.02	1.27
EUR/ GBP	0.8749	0.07	-1.07
GBP/ USD	1.2386	-0.07	2.39
GBP/ EUR	1.1424	-0.07	1.09
USD/ JPY	150.59	-0.47	14.86
EUR/ JPY	163.24	-0.45	16.35

\* 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	5.45	5.63	5.47	4.95	4.44
EUR	4.50	3.79	3.99	3.92	3.46	3.04
GBP	5.25	5.18	5.21	5.11	4.93	4.44

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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# Opening Levels

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## Euro

EUR/GBP	0.8749
EUR/USD	1.0838
EUR/JPY	163.24
EUR/SEK	11.4921
EUR/DKK	7.4576
EUR/NOK	11.8689
EUR/CHF	0.9633
EUR/AUD	1.6773
EUR/HKD	8.4518
EUR/CAD	1.4916

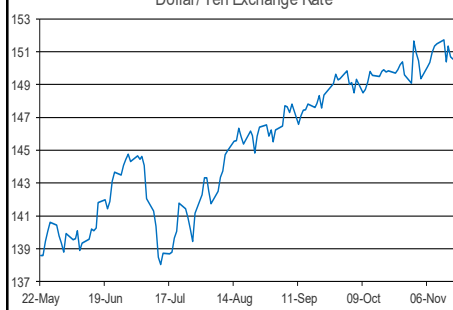
## Sterling

GBP/EUR	1.1424
GBP/USD	1.2386
GBP/CAD	1.7045
GBP/NZD	2.0823
GBP/JPY	186.51
GBP/SEK	13.1346
GBP/DKK	8.5208
GBP/NOK	13.556
GBP/CHF	1.1008
GBP/AUD	1.9164

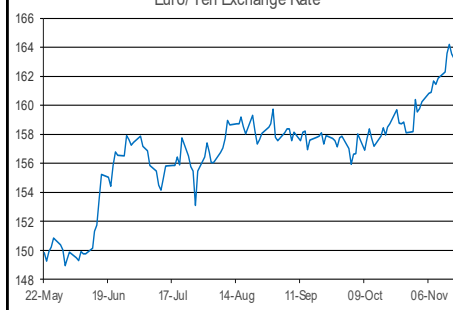
## Dollar

USD/JPY	150.59
USD/CAD	1.376
USD/CHF	0.8886
USD/CNY	7.2487
USD/BRL	4.8632
USD/RUB	89.09
USD/INR	83.2783
AUD/USD	0.6462
NZD/USD	0.5946

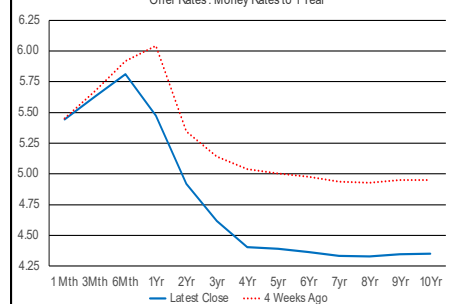
Dollar/Yen Exchange Rate



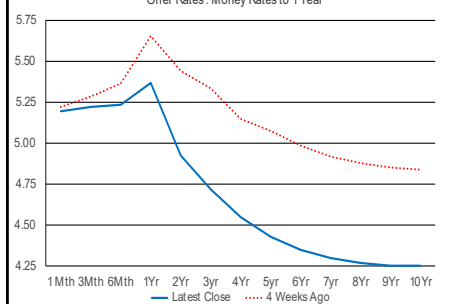
Euro/Yen Exchange Rate



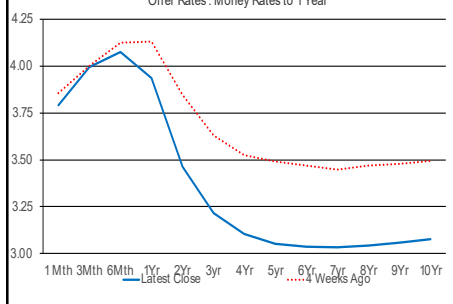
US Swap Curve  
Offer Rates: Money Rates to 1 Year



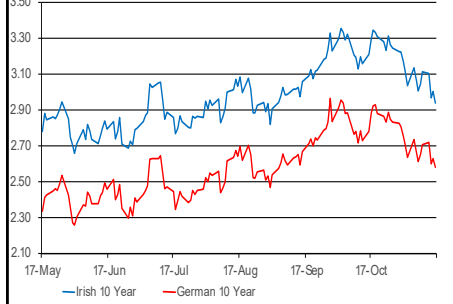
UK Swap Curve  
Offer Rates: Money Rates to 1 Year



Eurozone Swap Curve  
Offer Rates: Money Rates to 1 Year



Irish & German 10-Year Bond Yields



## Debt Markets

	Close	Change bps		
		Day	4 Weeks	End 22
<b>10 Year Yield %</b>				
US	4.44	-10	-55	+56
Germany	2.59	-5	-34	+2
UK	4.15	-8	-50	+49
Ireland	2.97	-5	-39	-17
Belgium	3.19	-6	-40	-1
France	3.15	-6	-40	+3
Italy	4.35	-10	-60	-36
Spain	3.59	-9	-45	-7
Portugal	3.24	-8	-41	-36
Greece	3.85	-3	-53	-74
<b>5 Year Swap %</b>				
US	4.39	-10	-57	+40
Eurozone	3.05	-5	-43	-18
UK	4.43	-2	-64	+13
<b>2 Year Swap %</b>				
US	4.92	-9	-39	+24
Eurozone	3.46	-5	-37	+8
UK	4.92	-5	-51	+24
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	39	-1	-5	-20
Belgium	61	-1	-6	-3
France	56	-2	-5	+1
Italy	176	-6	-25	-38
Spain	100	-4	-10	-9
Portugal	66	-3	-6	-38
Greece	126	+2	-19	-76

## Commodities

	Close	% Change		
		Day	4 Weeks	End 22
Brent Oil	77.42	-4.63	-16.19	-9.88
West Texas Oil	73.5	-4.73	-17.74	-8.31
Gold \$	1980.9	+1.11	+0.36	+8.58

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