

Dollar firmer amid narrow range trading

There was a generally muted tone to the respective trading sessions across the main asset classes yesterday. From an investor sentiment perspective, there was a cautious mood to proceedings on both sides of the Atlantic. In Europe, the Euro Stoxx 50 was flat for the day. Meanwhile, on Wall Street, the S&P 500 was 0.5% lower at the closing bell last night.

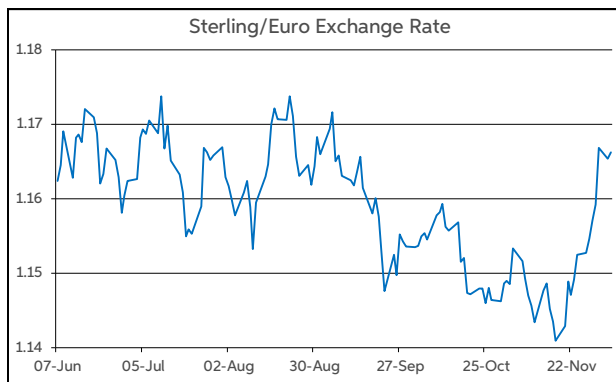
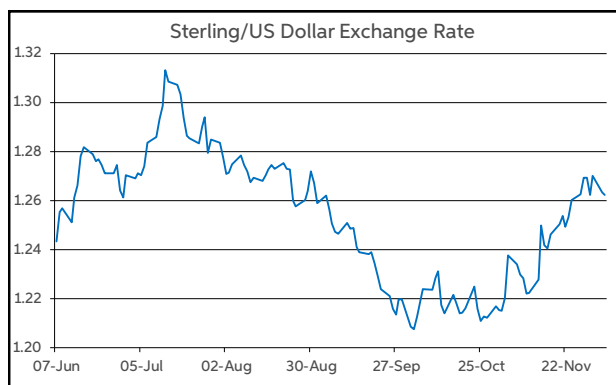
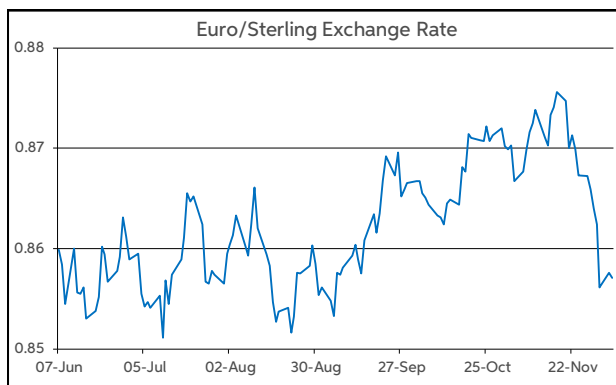
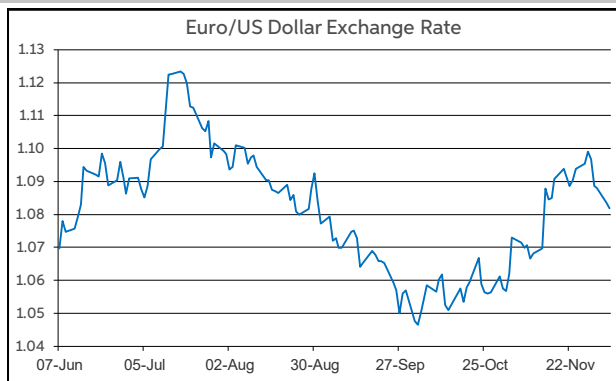
A key reason for the largely uneventful market moves was the lack of any top tier data or events. The only Eurozone macro update was the first survey indicator for December, with the release of the Sentix index. It rose this month, but not by as much as anticipated. Meantime, US factory orders for October printed below expectations, falling by 3.6% m/m (vs. -2.8% forecast).

Given the dearth of key macro updates, the movement in bond yields was relatively limited. The 10-year US Treasury yield edged higher within the 4.2%-4.3% channel, after falling by more than 20bps over the course of last week.

The action on currency markets was also underwhelming. The main pairs were confined to narrow ranges. This pattern continued in overnight trading. Of the FX action to register, the dollar is holding a firmer tone over the past 24 hours. In level terms, EUR/USD is down near the \$1.08, while GBP/USD is changing hands back closer to the \$1.26 threshold. Elsewhere, EUR/GBP continues to trade below the 86p mark.

Looking ahead to today's calendar, we get the final readings of the November composite PMIs. The US diary also features the non-manufacturing ISM for November, as well as the JOLTS job openings data for October.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.0819	-0.45	1.09
EUR/GBP	0.857	-0.02	-3.10
GBP/USD	1.2621	-0.43	4.33
GBP/EUR	1.1663	0.02	3.20
USD/JPY	146.86	0.03	12.01
EUR/JPY	158.93	-0.39	13.28

* 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	5.46	5.64	5.28	4.70	4.18
EUR	4.50	3.87	3.96	3.65	3.11	2.73
GBP	5.25	5.18	5.21	5.12	4.94	4.45

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

Tuesday 05 December 2023
07:17 am



Euro

EUR/GBP	0.857
EUR/USD	1.0819
EUR/JPY	158.93
EUR/SEK	11.3024
EUR/DKK	7.4551
EUR/NOK	11.7506
EUR/CHF	0.9445
EUR/AUD	1.6451
EUR/HKD	8.4579
EUR/CAD	1.4675

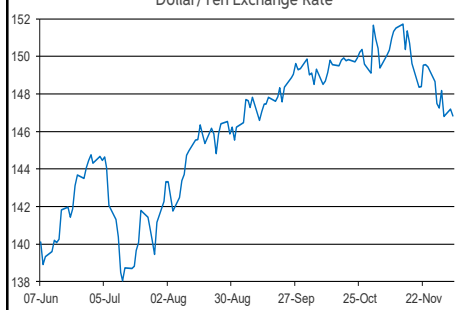
Sterling

GBP/EUR	1.1663
GBP/USD	1.2621
GBP/CAD	1.7119
GBP/NZD	2.0519
GBP/JPY	185.35
GBP/SEK	13.1787
GBP/DKK	8.6961
GBP/NOK	13.712
GBP/CHF	1.1017
GBP/AUD	1.9191

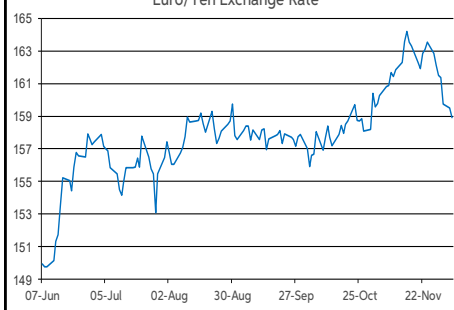
Dollar

USD/JPY	146.86
USD/CAD	1.3562
USD/CHF	0.8729
USD/CNY	7.1486
USD/BRL	4.9444
USD/RUB	91.48
USD/INR	83.3875
AUD/USD	0.6575
NZD/USD	0.6149

Dollar/Yen Exchange Rate

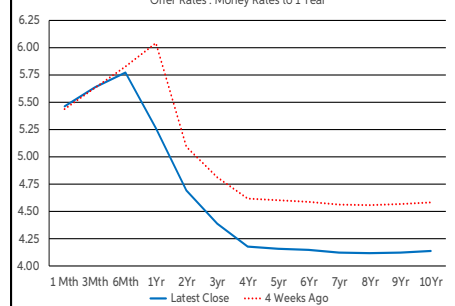


Euro/Yen Exchange Rate



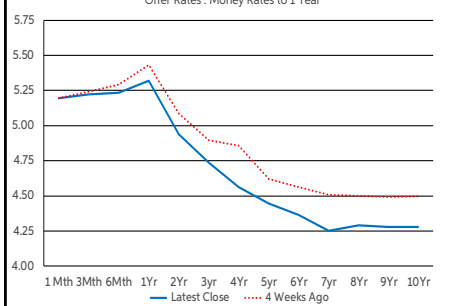
US Swap Curve

Offer Rates : Money Rates to 1 Year



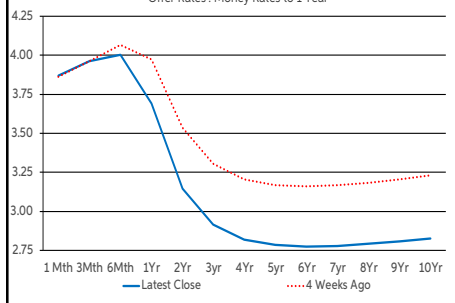
UK Swap Curve

Offer Rates : Money Rates to 1 Year

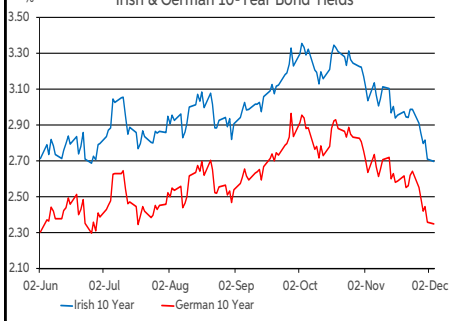


Eurozone Swap Curve

Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



Debt Markets

	Close	Change bps		
		Day	4 Weeks	End 22
10 Year Yield %				
US	4.26	+5	-39	+38
Germany	2.35	-1	-39	-21
UK	4.20	+6	-18	+53
Ireland	2.72	-2	-46	-43
Belgium	2.99	+2	-38	-21
France	2.92	-1	-41	-19
Italy	4.12	+2	-47	-59
Spain	3.37	+0	-43	-29
Portugal	3.03	+1	-39	-57
Greece	3.53	-11	-50	-106
5 Year Swap %				
US	4.16	+5	-40	+17
Eurozone	2.78	-0	-37	-45
UK	4.44	+6	-13	+14
2 Year Swap %				
US	4.69	+6	-36	+1
Eurozone	3.14	-2	-38	-24
UK	4.94	+5	-14	+26
10 Year Government Bond Spreads to Benchmark bps				
Ireland	37	-1	-7	-22
Belgium	64	+3	+1	+0
France	57	+1	-2	+2
Italy	177	+3	-8	-37
Spain	102	+2	-4	-8
Portugal	68	+2	-1	-36
Greece	118	-10	-11	-85

Commodities

	Close	% Change		
		Day	4 Weeks	End 22
Brent Oil	78.03	-1.08	-8.39	-9.17
West Texas Oil	72.73	-1.32	-10.80	-9.27
Gold \$	2029.7	-1.99	+2.63	+11.26

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