

EUR/USD up above \$1.08

European equity markets recouped some of their recent losses yesterday, with the Euro Stoxx 50 gaining 0.5%. The mood was more cautious on Wall Street, with the S&P 500 rising by a meagre 0.1%. Meantime, on bond markets, yields were little changed across the board. Of the limited action to note, 2-year German Bund yields moved circa 4bps higher.

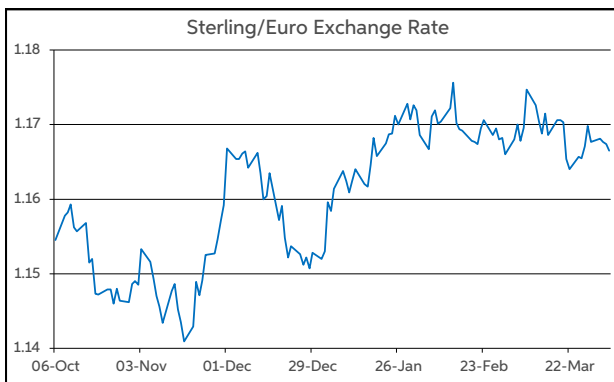
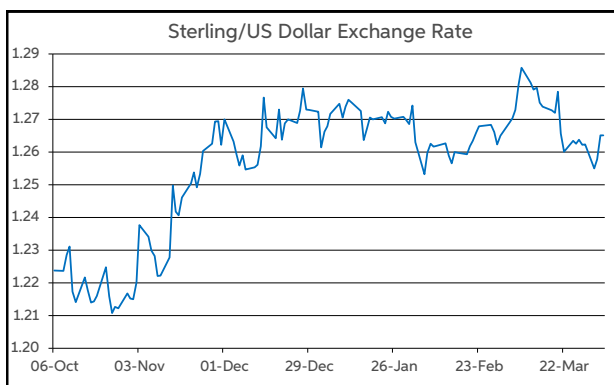
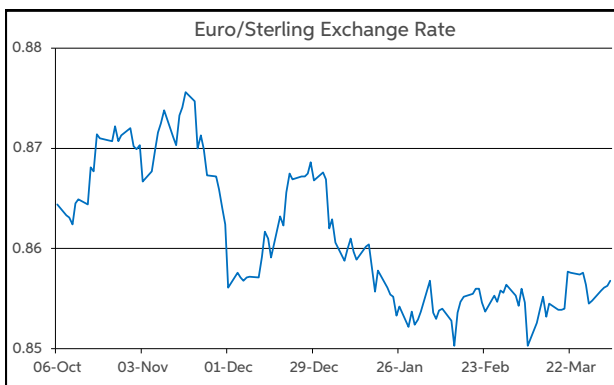
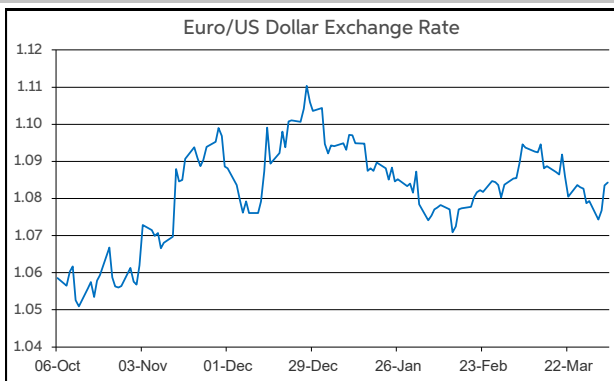
Data-wise, flash Eurozone HICP inflation printed below the consensus in March. The headline rate eased to 2.4% (vs. 2.6% f'cast), while core inflation declined to 2.9% (vs. 3.0% f'cast). It meant the core rate was below 3% for the first time since February 2022. However, services inflation remained elevated, at 4%. Despite the downside surprise, remarks from ECB officials continued to suggest that a rate cut was more likely in June, and not next week.

In the US, Fed official Bostic struck a hawkish chord, stating that the Fed may only cut rates once this year, and that inflation may not hit 2% until 2026. Overnight, Chair Powell hit a more balanced note, indicating that the economy remains strong but that it will likely be appropriate to cut rates this year. In any case, having initially held the upper hand, the dollar has been under some modest downward pressure over the past 24 hours.

In level terms, the softer tone to the dollar sees EUR/USD open this morning up near the midpoint of \$1.08-1.09. GBP/USD is at the halfway mark of \$1.26-1.27. EUR/GBP remains between 85-86p.

Turning to the day ahead, the main data release will be the final reading of the Composite PMIs for March in the Eurozone and UK. Elsewhere, the latest ECB monetary policy meeting account is due. Remarks from Fed officials will also garner attention.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0844	0.65	-1.74
EUR/GBP	0.8568	0.05	-1.15
GBP/USD	1.2652	0.59	-0.60
GBP/EUR	1.1663	-0.05	1.17
USD/JPY	151.63	0.03	7.49
EUR/JPY	164.47	0.70	5.68

* 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	5.57	5.31	4.87	4.40
EUR	4.50	3.86	3.88	3.58	3.15	2.72
GBP	5.25	5.18	5.16	4.87	4.65	4.12

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

Thursday 04 April 2024
07:27 am



Euro

EUR/GBP	0.8568
EUR/USD	1.0844
EUR/JPY	164.47
EUR/SEK	11.5176
EUR/DKK	7.4583
EUR/NOK	11.5772
EUR/CHF	0.9791
EUR/AUD	1.6458
EUR/HKD	8.4903
EUR/CAD	1.4651

Sterling

GBP/EUR	1.1663
GBP/USD	1.2652
GBP/CAD	1.7094
GBP/NZD	2.0959
GBP/JPY	191.84
GBP/SEK	13.4356
GBP/DKK	8.7012
GBP/NOK	13.512
GBP/CHF	1.1427
GBP/AUD	1.9202

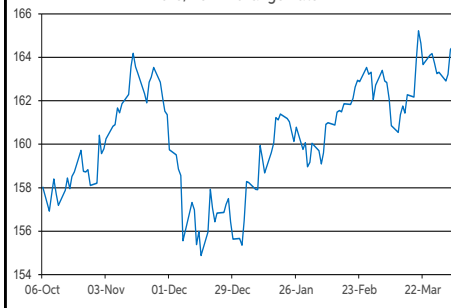
Dollar

USD/JPY	151.63
USD/CAD	1.351
USD/CHF	0.9029
USD/CNY	7.233
USD/BRL	5.0404
USD/RUB	92.405
USD/INR	83.439
AUD/USD	0.6588
NZD/USD	0.6035

Dollar/Yen Exchange Rate

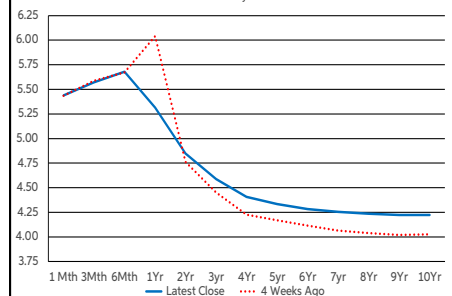


Euro/Yen Exchange Rate



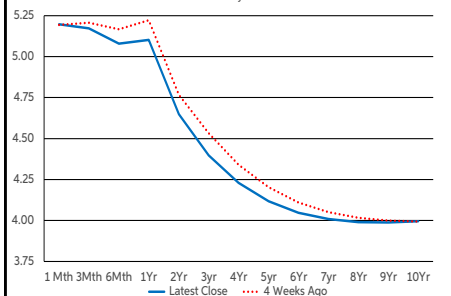
US Swap Curve

Offer Rates : Money Rates to 1 Year



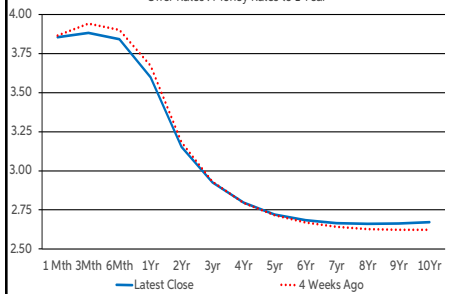
UK Swap Curve

Offer Rates : Money Rates to 1 Year

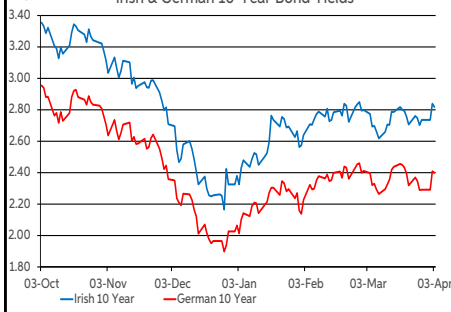


Eurozone Swap Curve

Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



Debt Markets

	Close	Change bps		
		Day	4 Weeks	End 23
10 Year Yield %				
US	4.35	-0	+24	+49
Germany	2.40	-1	+7	+37
UK	4.06	-3	+7	+52
Ireland	2.84	-2	+12	+46
Belgium	2.98	-2	+11	+30
France	2.92	-1	+13	+36
Italy	3.83	+3	+17	+13
Spain	3.27	+0	+11	+28
Portugal	3.10	-0	+11	+32
Greece	3.43	+2	+13	+35

5 Year Swap %				
US	4.33	-2	+21	+54
Eurozone	2.72	+0	+2	+29
UK	4.12	-3	-8	+47

2 Year Swap %				
US	4.85	-1	+13	+51
Eurozone	3.15	+2	-2	+36
UK	4.65	-2	-11	+38

10 Year Government Bond Spreads to Benchmark bps				
Ireland	44	-1	+6	+9
Belgium	58	-0	+4	-7
France	52	+0	+6	-1
Italy	144	+4	+11	-24
Spain	87	+2	+4	-10
Portugal	71	+1	+4	-5
Greece	103	+3	+6	-2

Commodities

	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	89.35	+0.48	+7.70	+15.98
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2299.2	+0.84	+7.02	+11.47

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