

ECB in focus this week

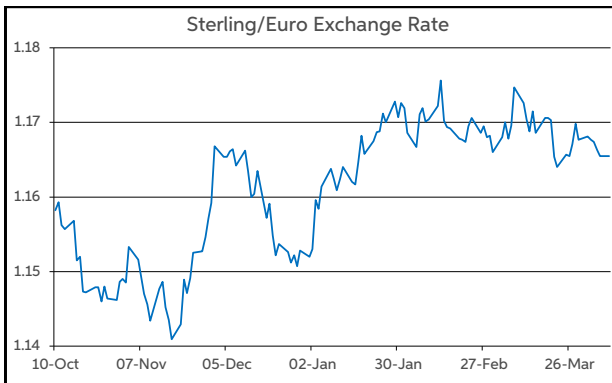
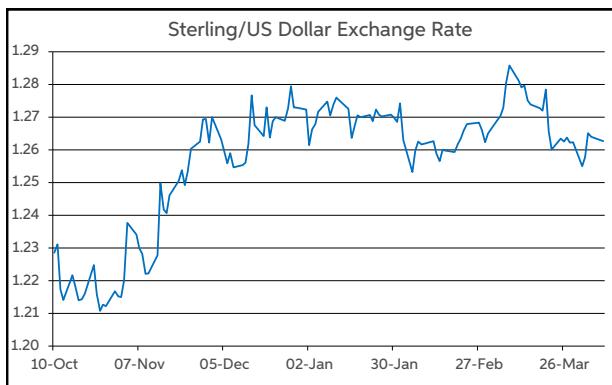
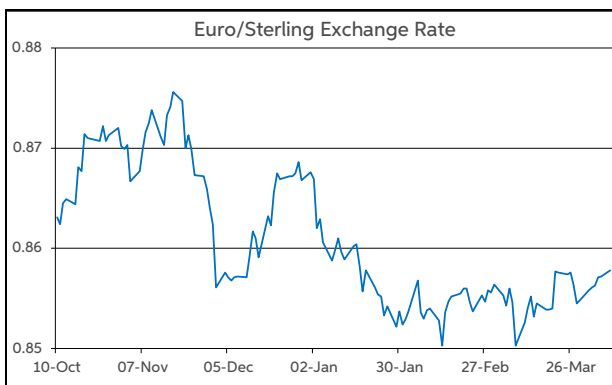
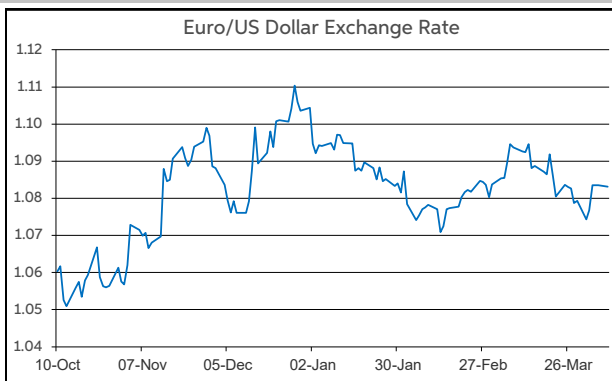
There was a risk averse mood to investor sentiment for much of last week. This was due to market participants becoming less certain of an early summer Fed rate cut amid a raft of hawkish comments from FOMC speakers and strong March labour market data. Geopolitical concerns, in relation to developments in the Middle East also had a dampening impact on risk appetite.

The 'risk off' mode was reflected in equity markets on both sides of the Atlantic posting weekly falls. In Europe, the Euro Stoxx 50 index was down 1.4%. Meanwhile, by the close on Wall Street on Friday night, the S&P 500 was 1.0% lower from where it had started the week. On bond markets, sovereign yields moved higher. This was against the backdrop of the firming in US rate expectations, some safe haven demand and Friday's stronger than expected US March payrolls. The 10-year US Treasury yield rose back up to the 4.4% level, while the 10-year German Bund moved up to the 2.4% mark.

From a currency viewpoint, the majors remained confined to fairly narrow ranges. The dollar started the week with some upward momentum, supported by rising US yields/rates. It experienced some volatility in the immediate aftermath of Friday's payrolls surprise. However, over the course of the week, of the limited action to be sustained, the euro registered some modest gains. In level terms EUR/USD regained the \$1.08 threshold, while EUR/GBP edged higher into the upper half of its very persistent 85-86p band.

Looking ahead to this week, the ECB meeting (Thurs) will be very much front and centre of attention. At the March meeting, President Lagarde indicated a rate cut was unlikely this month and more likely in June. Therefore, the meeting statement and press conference will be scrutinised for guidance that this will happen.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0829	0.04	-1.88
EUR/GBP	0.8576	0.02	-1.06
GBP/USD	1.2625	0.00	-0.82
GBP/EUR	1.1654	-0.02	1.07
USD/JPY	151.81	0.40	7.62
EUR/JPY	164.43	0.44	5.65

* 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	5.43	5.56	5.34	4.96	4.48
EUR	4.50	3.89	3.89	3.63	3.20	2.79
GBP	5.25	5.18	5.15	4.84	4.70	4.17

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 08 April 2024
07:26 am



Euro

EUR/GBP	0.8576
EUR/USD	1.0829
EUR/JPY	164.43
EUR/SEK	11.5264
EUR/DKK	7.4583
EUR/NOK	11.6436
EUR/CHF	0.9789
EUR/AUD	1.646
EUR/HKD	8.4799
EUR/CAD	1.473

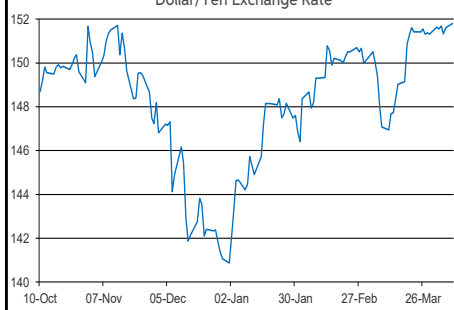
Sterling

GBP/EUR	1.1654
GBP/USD	1.2625
GBP/CAD	1.7173
GBP/NZD	2.0998
GBP/JPY	191.66
GBP/SEK	13.4347
GBP/DKK	8.6932
GBP/NOK	13.568
GBP/CHF	1.1414
GBP/AUD	1.9188

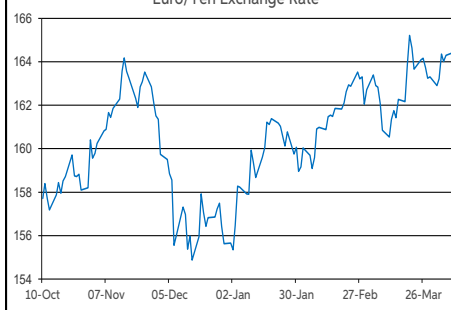
Dollar

USD/JPY	151.81
USD/CAD	1.36
USD/CHF	0.9039
USD/CNY	7.2338
USD/BRL	5.0659
USD/RUB	92.505
USD/INR	83.31
AUD/USD	0.6579
NZD/USD	0.6011

Dollar/Yen Exchange Rate

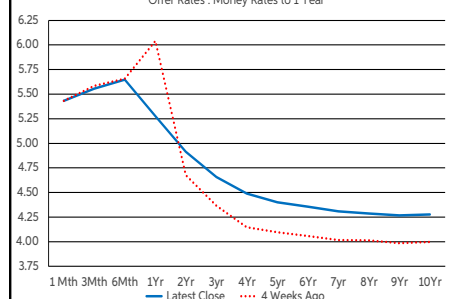


Euro/Yen Exchange Rate



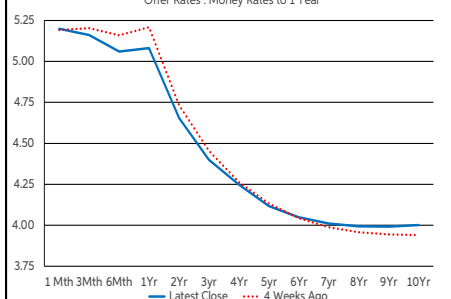
US Swap Curve

Offer Rates : Money Rates to 1 Year



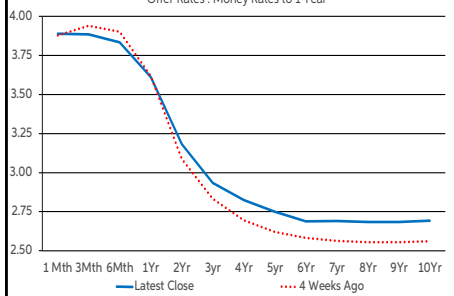
UK Swap Curve

Offer Rates : Money Rates to 1 Year

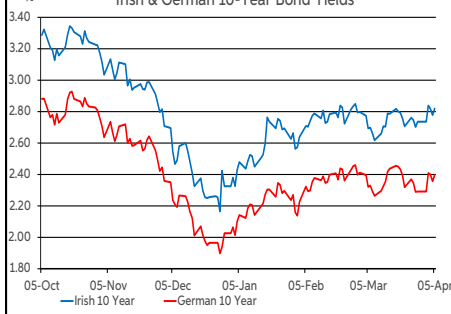


Eurozone Swap Curve

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	4.40	+9	+32	+53
Germany	2.40	+4	+13	+37
UK	4.07	+5	+9	+53
Ireland	2.86	+4	+20	+47
Belgium	3.00	+7	+19	+32
France	2.91	+4	+19	+35
Italy	3.79	+7	+21	+9
Spain	3.24	+4	+16	+25
Portugal	3.09	+5	+16	+30
Greece	3.36	+4	+17	+28
5 Year Swap %				
US	4.40	+9	+34	+61
Eurozone	2.75	+4	+14	+32
UK	4.12	+2	-1	+47
2 Year Swap %				
US	4.91	+10	+28	+58
Eurozone	3.18	+6	+10	+39
UK	4.66	+1	-7	+39
10 Year Government Bond Spreads to Benchmark bps				
Ireland	46	+0	+6	+10
Belgium	60	+3	+6	-5
France	51	+0	+6	-2
Italy	139	+3	+7	-29
Spain	84	+0	+3	-13
Portugal	69	+1	+3	-7
Greece	96	+0	+4	-9

Commodities

	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	91.17	+0.57	+11.07	+18.34
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2329.5	+1.75	+6.98	+12.94

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