

EUR/USD clings to \$1.07

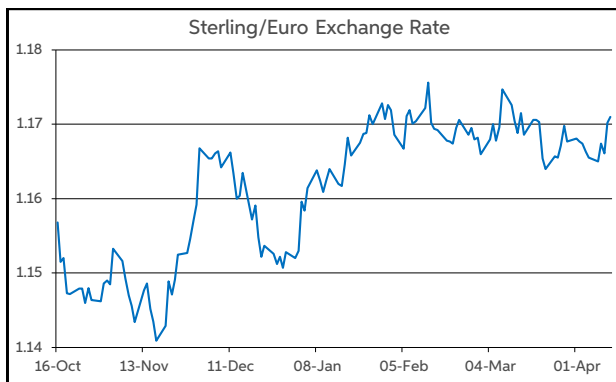
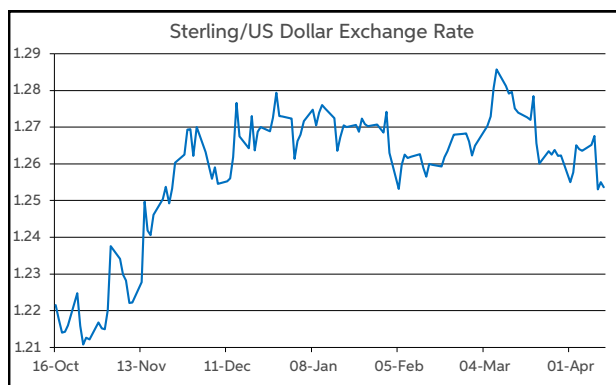
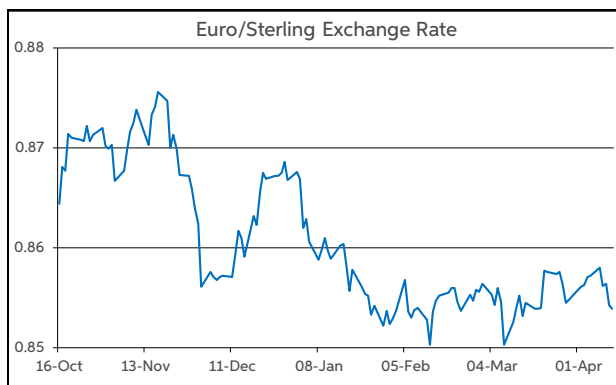
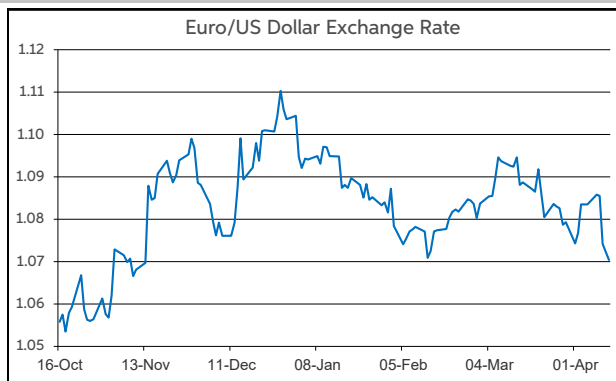
As expected, the ECB left monetary policy unchanged yesterday. However, the meeting statement noted that if the ECB's updated assessment of the inflation outlook (due in June) gives it further confidence that underlying inflation is converging to its 2% target, it would be "appropriate to reduce the current level of monetary policy restrictions". President Lagarde stated though, that the ECB is not "pre-committing to a particular rate path".

However, the impact from the ECB meeting on market rate expectations was somewhat muted. Indeed, remarks from BoE official Greene yesterday have had a greater impact on futures pricing. Greene stated that in her view, UK rate cuts were still "a way off". Meantime, in the US, a number of officials, including Williams, Collins and Barkin, have struck hawkish chords in speeches over the past 24 hours. Against this backdrop, current futures pricing is for rate cuts in the region of 75-80bps in the Eurozone, and circa 45-50bps in the US and UK, by year end.

On the currency front, the euro has been under some modest downward pressure. The softer tone to the euro is evidenced by EUR/USD opening this morning back at the \$1.07 threshold. GBP/USD continues to operate in the \$1.25-1.26 band. Elsewhere, EUR/GBP is in the lower half of 85-86p. USD/JPY remains above ¥153.

Already today, the monthly reading of UK GDP for February has printed at +0.1%, in-line with expectations. Meanwhile, industrial output rose by 1.1% in February, well above the consensus for stagnation. However, the release has not impacted sterling so far in early trading. Later today, the main highlight will be the preliminary reading of US consumer sentiment for April. Barring any major surprises though, the data are unlikely to effect the dollar.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0704	-0.39	-3.01
EUR/GBP	0.8537	-0.29	-1.51
GBP/USD	1.2536	-0.08	-1.52
GBP/EUR	1.1705	0.29	1.53
USD/JPY	153.23	0.22	8.63
EUR/JPY	164.05	-0.15	5.41

* 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	5.45	5.14	4.65
EUR	4.50	3.85	3.91	3.67	3.28	2.84
GBP	5.25	5.19	5.19	5.00	4.88	4.33

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

Friday 12 April 2024
07:24 am



Euro

EUR/GBP	0.8537
EUR/USD	1.0704
EUR/JPY	164.05
EUR/SEK	11.5318
EUR/DKK	7.4592
EUR/NOK	11.6129
EUR/CHF	0.9753
EUR/AUD	1.6414
EUR/HKD	8.3872
EUR/CAD	1.4676

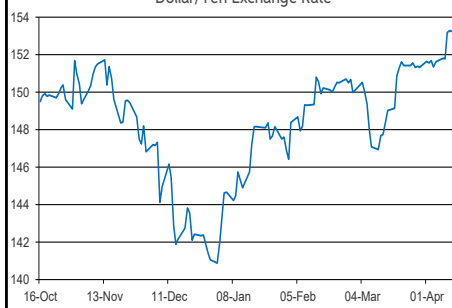
Sterling

GBP/EUR	1.1705
GBP/USD	1.2534
GBP/CAD	1.7187
GBP/NZD	2.094
GBP/JPY	192.06
GBP/SEK	13.5018
GBP/DKK	8.7344
GBP/NOK	13.6
GBP/CHF	1.1423
GBP/AUD	1.9222

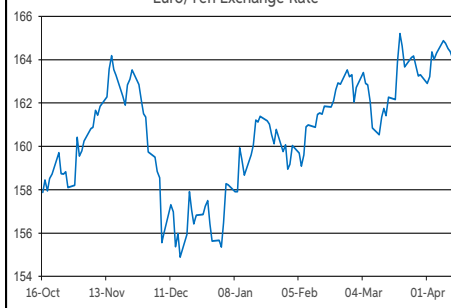
Dollar

USD/JPY	153.23
USD/CAD	1.3707
USD/CHF	0.911
USD/CNY	7.2368
USD/BRL	5.0917
USD/RUB	93.63
USD/INR	83.3725
AUD/USD	0.6521
NZD/USD	0.5986

Dollar/Yen Exchange Rate

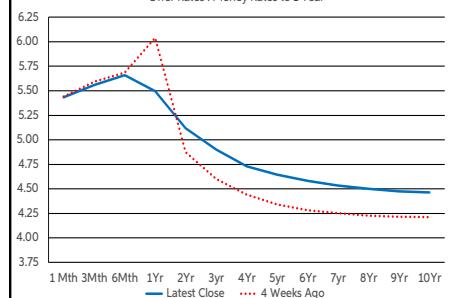


Euro/Yen Exchange Rate



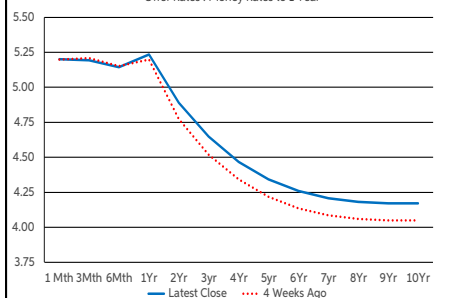
US Swap Curve

Offer Rates : Money Rates to 1 Year



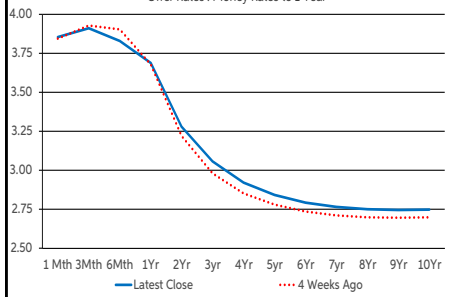
UK Swap Curve

Offer Rates : Money Rates to 1 Year

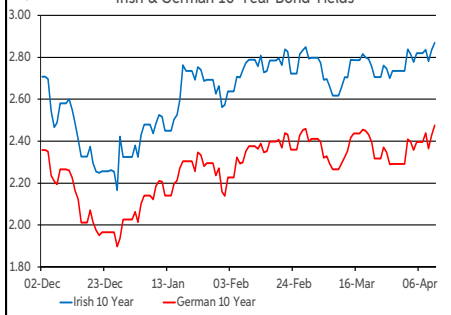


Eurozone Swap Curve

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	4.58	+2	+28	+72
Germany	2.48	+5	+6	+45
UK	4.21	+5	+12	+67
Ireland	2.90	+4	+8	+54
Belgium	2.98	+0	+3	+29
France	2.94	+2	+7	+38
Italy	3.85	+8	+16	+15
Spain	3.29	+5	+6	+30
Portugal	3.16	+6	+11	+38
Greece	3.40	+4	+15	+32
5 Year Swap %				
US	4.65	+2	+35	+85
Eurozone	2.84	+4	+7	+41
UK	4.34	+8	+13	+69
2 Year Swap %				
US	5.12	-2	+29	+79
Eurozone	3.28	+2	+7	+49
UK	4.89	+9	+12	+63
10 Year Government Bond Spreads to Benchmark bps				
Ireland	42	-1	+2	+9
Belgium	51	-5	-3	-16
France	46	-3	+1	-7
Italy	137	+3	+10	-30
Spain	81	-0	+0	-15
Portugal	69	+2	+6	-7
Greece	92	-1	+9	-13

Commodities

	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	89.74	-0.82	+5.06	+16.48
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2373.2	+1.73	+9.82	+15.06

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