

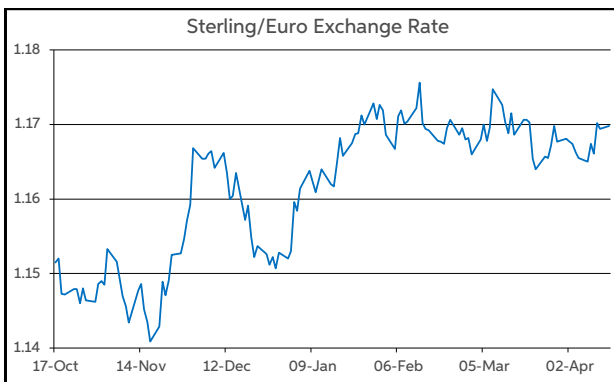
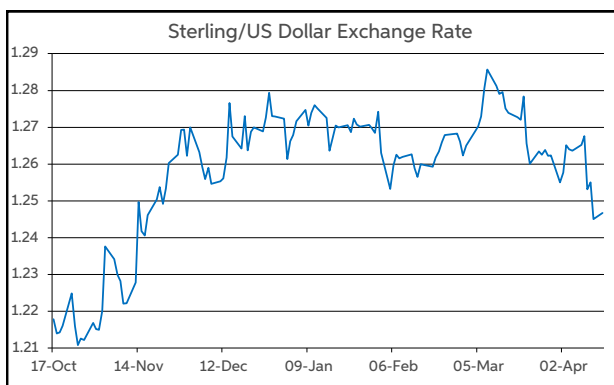
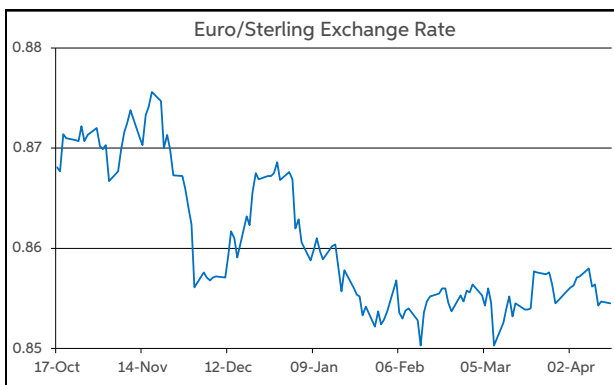
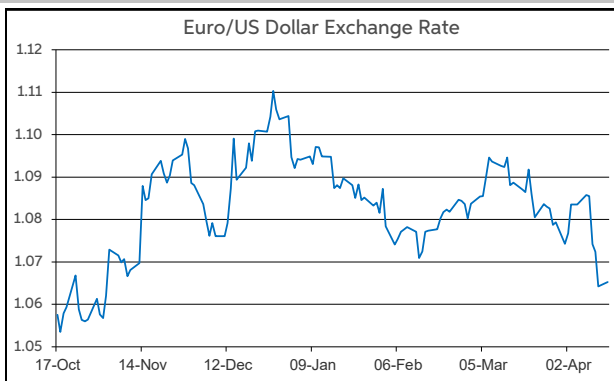
## Dollar juiced up

There was some notable moves on currency and futures markets last week. The dollar strengthened, the euro was softer, while there was a pairing back of rate cut expectations. The initial catalyst was US CPI inflation for March printing to the upside of expectations. This prompted the market to reassess its outlook for US rate cuts, pushing yields higher and boosting the dollar. US futures contracts moved from attaching a 50% probability to a June rate cut to just 25%. Year end rate cut expectations went from around 60bps to c.45bps. This updated rate view was reinforced by hawkish comments from a raft of Fed officials. Elsewhere, some hawkish BoE remarks saw a hardening in UK rate expectations. The market adjusted to pricing in c. 55bps of BoE rate cuts by year end.

Meanwhile, the ECB meeting for April hinted strongly at a June rate cut. However, this did not prompt much of a reaction in terms of Eurozone rate expectations. By Friday, the market was pricing in around 85bps of rate cuts for this year, which was broadly similar to where it was at the start of the week. The euro did experience some post-ECB downward momentum though. Meanwhile, the dollar got additional support heading into the weekend on safe haven demand related to geopolitical risks in the Middle East.

In level terms, EUR/USD fell to a new YTD low below \$1.07. The firmer dollar was also evident in GBP/USD below \$1.25 (also a new YTD low) and USD/JPY above ¥153. EUR/GBP edged lower, but remained within 85-86p. This week, given weekend events, the situation in the Middle East will be in focus for markets and could be a key driver of market sentiment. Data-wise, there is a busy UK diary, including CPI, retail sales (Mar) and a batch of labour market metrics (Feb). In the US, the highlights are retail sales and industrial production (Mar). Output data (Feb) also feature in the Eurozone.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0653	-0.52	-3.47
EUR/GBP	0.8545	0.02	-1.42
GBP/USD	1.2466	-0.56	-2.07
GBP/EUR	1.17	-0.02	1.44
USD/JPY	153.82	0.39	9.05
EUR/JPY	163.91	-0.13	5.32

\* 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	5.59	5.46	5.13	4.63
EUR	4.50	3.84	3.92	3.60	3.21	2.76
GBP	5.25	5.18	5.16	4.95	4.85	4.30

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 15 April 2024  
07:22 am



## Euro

EUR/GBP	0.8545
EUR/USD	1.0653
EUR/JPY	163.91
EUR/SEK	11.5709
EUR/DKK	7.4608
EUR/NOK	11.6036
EUR/CHF	0.9731
EUR/AUD	1.6421
EUR/HKD	8.3448
EUR/CAD	1.4653

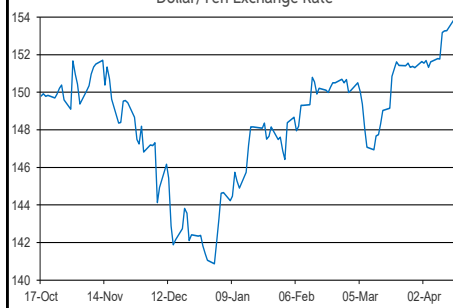
## Sterling

GBP/EUR	1.17
GBP/USD	1.2466
GBP/CAD	1.7143
GBP/NZD	2.0962
GBP/JPY	191.75
GBP/SEK	13.5341
GBP/DKK	8.7287
GBP/NOK	13.5796
GBP/CHF	1.1386
GBP/AUD	1.9217

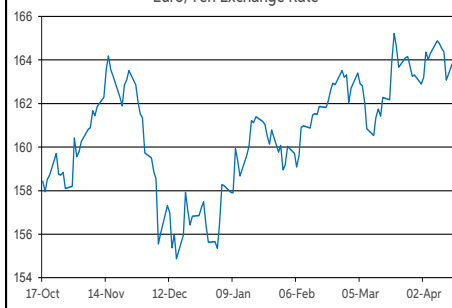
## Dollar

USD/JPY	153.82
USD/CAD	1.3748
USD/CHF	0.9131
USD/CNY	7.2386
USD/BRL	5.1165
USD/RUB	93.53
USD/INR	83.439
AUD/USD	0.6485
NZD/USD	0.5945

Dollar/Yen Exchange Rate

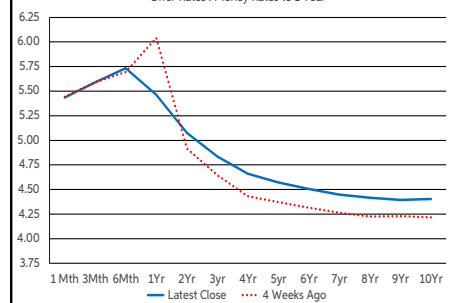


Euro/Yen Exchange Rate



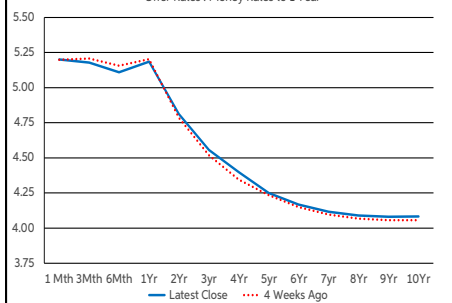
US Swap Curve

Offer Rates : Money Rates to 1 Year



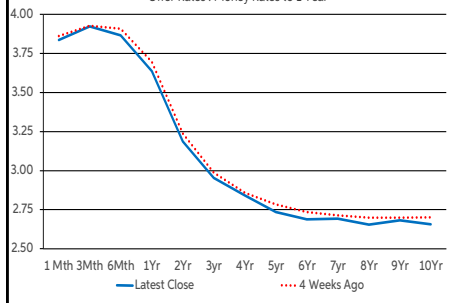
UK Swap Curve

Offer Rates : Money Rates to 1 Year

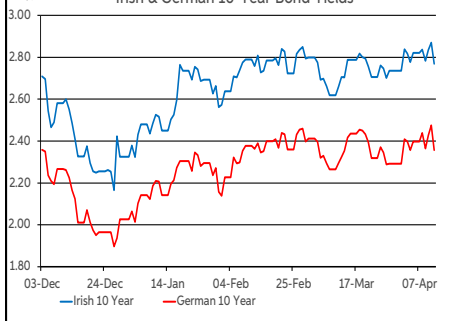


Eurozone Swap Curve

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	4.50	-8	+19	+64
Germany	2.36	-12	-8	+33
UK	4.14	-7	+4	+60
Ireland	2.80	-10	-3	+44
Belgium	2.91	-7	-5	+22
France	2.87	-7	-1	+31
Italy	3.74	-11	+5	+4
Spain	3.19	-10	-5	+20
Portugal	3.05	-12	-3	+26
Greece	3.30	-9	-2	+23
5 Year Swap %				
US	4.57	-7	+24	+78
Eurozone	2.74	-11	-4	+31
UK	4.25	-9	+2	+60
2 Year Swap %				
US	5.08	-6	+20	+74
Eurozone	3.19	-9	-5	+39
UK	4.81	-8	+3	+55
10 Year Government Bond Spreads to Benchmark bps				
Ireland	44	+2	+5	+11
Belgium	56	+5	+3	-11
France	51	+5	+7	-2
Italy	139	+1	+13	-29
Spain	83	+2	+3	-13
Portugal	69	+0	+5	-7
Greece	95	+3	+6	-10

## Commodities

	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	90.45	+0.79	+5.99	+17.41
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2343.4	-1.26	+8.72	+13.62

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