

EUR/USD in the lower half of \$1.06-1.07

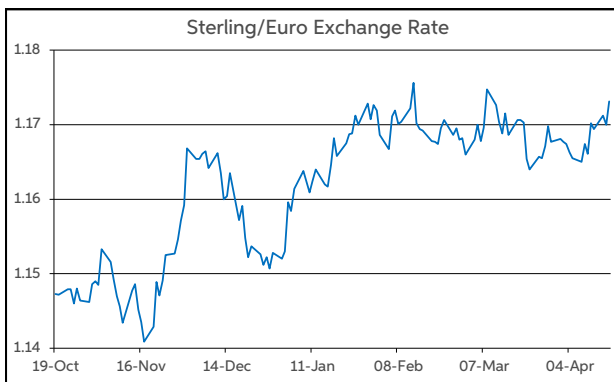
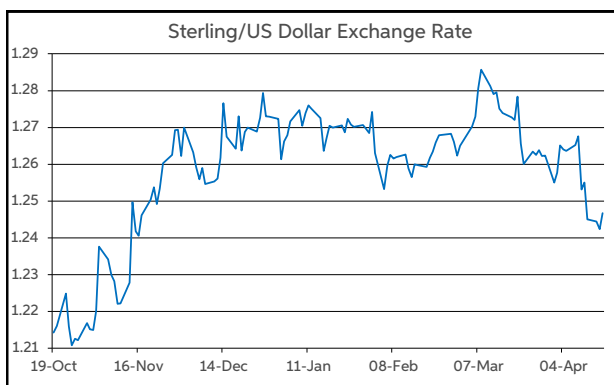
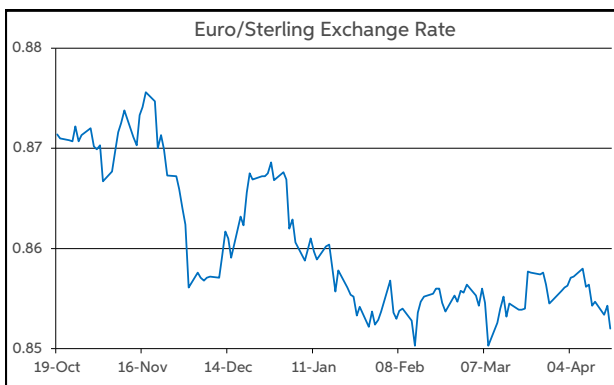
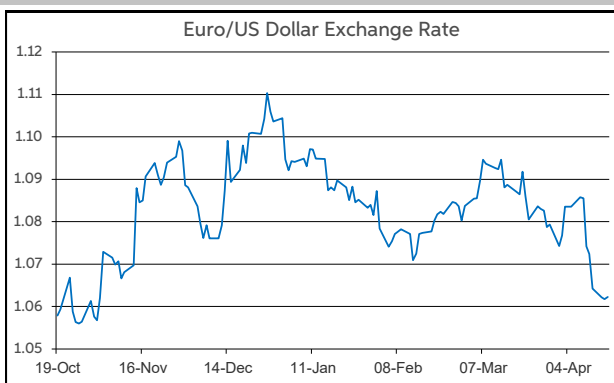
Investor sentiment remained subdued yesterday. In a similar pattern to the day prior, heightened geopolitical tensions, further strong US data and hawkish Fed rhetoric provided a difficult backdrop for risk appetite. The Euro Stoxx 50 declined by 1.4%, following some disappointing Q1 earnings data. Meantime on Wall Street, the S&P 500 fell by 0.2%. Elsewhere, Brent crude edged slightly lower, but stayed in and around \$90 per barrel.

Data-wise, US industrial production were in-line with expectations, rising by 0.4% in March. February's reading was revised higher also, and manufacturing output increased by 0.5%, more than the 0.3% forecast. On the monetary policy front, Fed Chair Powell struck a hawkish tone yesterday. He stated that it was *"likely to take longer than expected"* to lower rates, given the lack of further progress on inflation. In contrast, ECB President Lagarde indicated the ECB will cut rates soon, barring any major surprises.

Having initially handed back some of its recent gains yesterday, the dollar retook the ascendancy following the hawkish Fed comments. In level terms, EUR/USD opens this morning in the bottom half of \$1.06-1.07 (having reached a new YTD low of \$1.0601 yesterday). GBP/USD is in the top half of the \$1.24-1.25 trading band. Meanwhile, USD/JPY is at the midpoint of the ¥154-155 corridor. EUR/GBP remains in the 85-86p range.

Already this morning, UK CPI data for March have been released. Both the headline and core rates moved lower, but printed above the consensus at 3.2% (vs. 3.1% f'cast) and 4.2% (vs. 4.1% f'cast). UK futures contracts have hardened slightly and sterling has firmed somewhat in the initial aftermath of the release. Later today the final reading of Eurozone HICP inflation for March is due.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0623	0.10	-3.74
EUR/GBP	0.852	-0.19	-1.71
GBP/USD	1.2463	0.24	-2.09
GBP/EUR	1.1728	0.19	1.74
USD/JPY	154.53	0.18	9.55
EUR/JPY	164.19	0.27	5.50

* 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	5.49	5.21	4.74
EUR	4.50	3.85	3.89	3.68	3.32	2.91
GBP	5.25	5.19	5.20	5.09	5.01	4.44

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

Wednesday 17 April 2024
07:41 am



Euro

EUR/GBP	0.852
EUR/USD	1.0623
EUR/JPY	164.19
EUR/SEK	11.6272
EUR/DKK	7.4609
EUR/NOK	11.6608
EUR/CHF	0.9688
EUR/AUD	1.6543
EUR/HKD	8.3179
EUR/CAD	1.4682

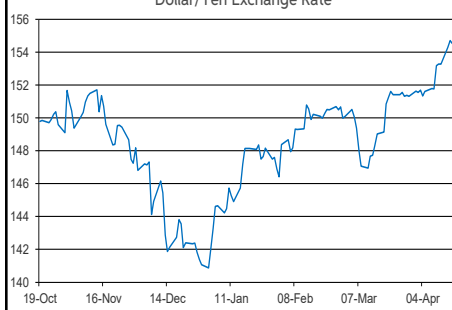
Sterling

GBP/EUR	1.1728
GBP/USD	1.2463
GBP/CAD	1.7228
GBP/NZD	2.1104
GBP/JPY	192.59
GBP/SEK	13.6396
GBP/DKK	8.752
GBP/NOK	13.675
GBP/CHF	1.137
GBP/AUD	1.9415

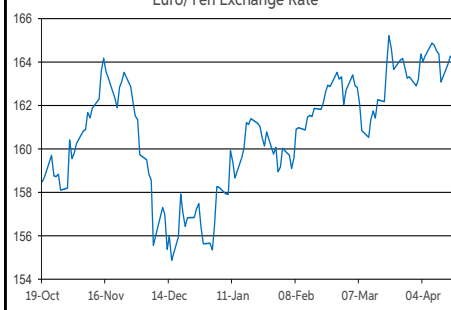
Dollar

USD/JPY	154.53
USD/CAD	1.3821
USD/CHF	0.9121
USD/CNY	7.2395
USD/BRL	5.2864
USD/RUB	94.395
USD/INR	83.653
AUD/USD	0.6419
NZD/USD	0.5904

Dollar/Yen Exchange Rate

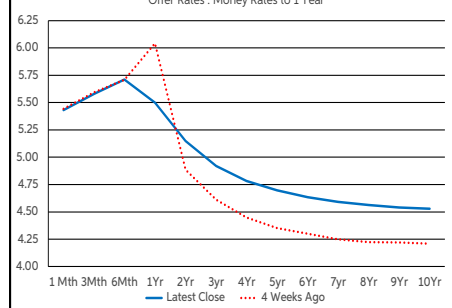


Euro/Yen Exchange Rate



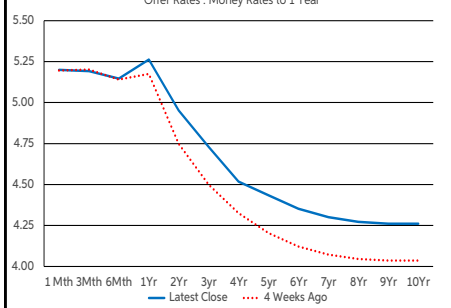
US Swap Curve

Offer Rates : Money Rates to 1 Year



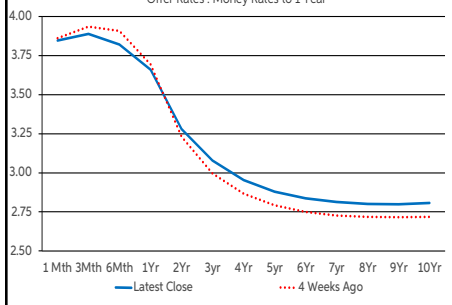
UK Swap Curve

Offer Rates : Money Rates to 1 Year

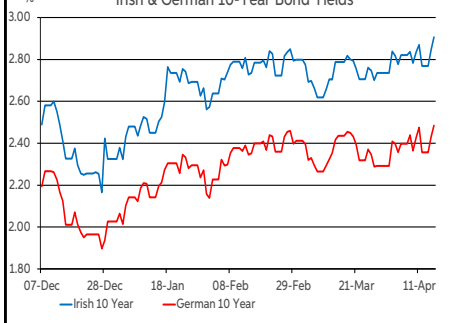


Eurozone Swap Curve

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	4.66	+3	+36	+80
Germany	2.49	+5	+4	+46
UK	4.30	+6	+24	+76
Ireland	2.94	+6	+10	+57
Belgium	3.06	+6	+8	+37
France	3.01	+5	+12	+45
Italy	3.92	+7	+20	+22
Spain	3.33	+5	+7	+34
Portugal	3.19	+7	+12	+41
Greece	3.49	+11	+14	+42

5 Year Swap %				
US	4.70	+7	+39	+90
Eurozone	2.88	+6	+10	+45
UK	4.43	+8	+23	+78

2 Year Swap %				
US	5.15	+6	+30	+81
Eurozone	3.28	+5	+6	+49
UK	4.95	+9	+21	+69

10 Year Government Bond Spreads to Benchmark bps				
Ireland	45	+0	+7	+11
Belgium	57	+1	+5	-9
France	52	-1	+8	-1
Italy	143	+2	+16	-24
Spain	85	-0	+4	-12
Portugal	71	+1	+8	-5
Greece	101	+6	+11	-4

Commodities

	Close	% Change		
		Day	4 Weeks	End 23
Brent Oil	90.02	-0.09	+3.02	+16.85
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2382.8	+0.01	+10.46	+15.53

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