

## EUR/GBP opens above 86p

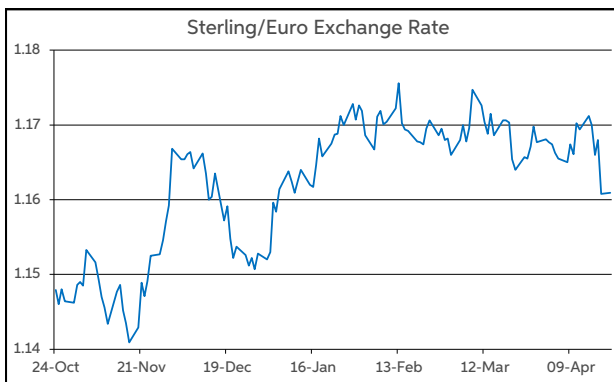
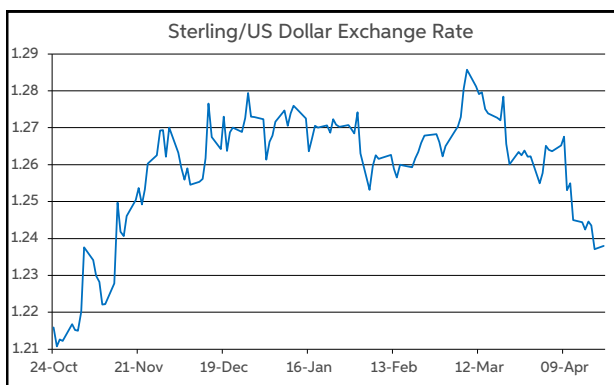
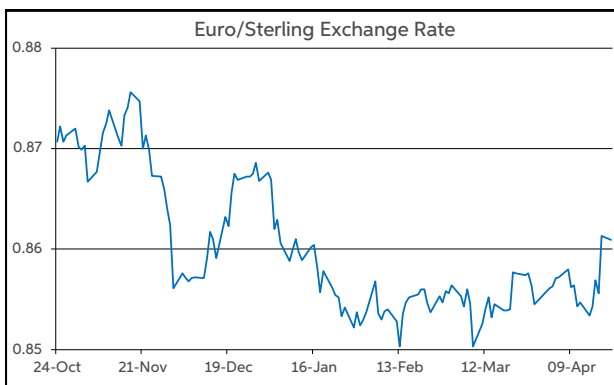
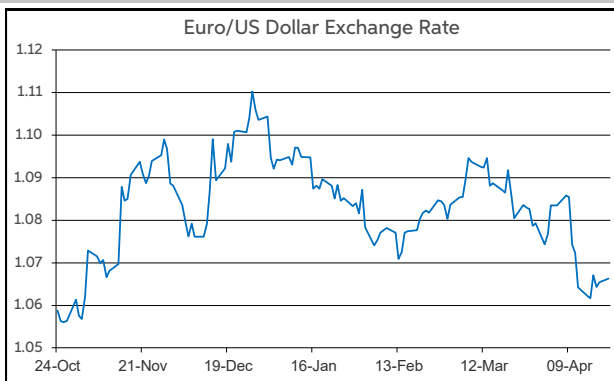
Throughout last week, heightened geopolitical tensions in relation to the Middle East, remarks from a number of central bank officials and a plethora of data releases impacted investor sentiment. Overall, the S&P 500 declined by 3% while the Euro Stoxx 50 registered a 0.7% loss. Meantime, having briefly topped \$90 per barrel Brent crude oil ended the week near \$87 per barrel.

Amid recent strong US data, including last week's above consensus retail sales release, a slew of Fed officials, including Chair Powell have sounded more hawkish on the rates outlook recently. The overarching message from Fed officials is that they are in no rush to cut rates. In contrast, comments from ECB officials, including President Lagarde, suggest that a rate cut at the June meeting is likely. In the UK, the data have been mixed. CPI and wage data remain elevated but retail sales are weak. Against this backdrop, remarks from some MPC members indicate that rates may be cut soon, while others appear to be in favour of leaving policy on hold.

Currency-wise, amid the risk-off mood on markets stemming from the conflict in the Middle East and the hawkish tone from Fed officials, the dollar was holding a firmer tone initially last week. Indeed, EUR/USD registered a fresh YTD low of \$1.06 last Tuesday. However, the greenback handed back most of its gains before the close on Friday. Elsewhere, sterling was on the defensive. In level terms, EUR/USD opens today near the midpoint of \$1.06-1.07. EUR/GBP is operating up above the 86p threshold.

This week, the main releases will be US GDP for Q1, and the March reading of core-PCE inflation. Meantime, the flash PMIs for April in the main advanced economies are due. Investors will also be keeping a close eye on geopolitical tensions.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0663	0.28	-3.38
EUR/GBP	0.8609	0.56	-0.68
GBP/USD	1.238	-0.30	-2.74
GBP/EUR	1.1606	-0.56	0.69
USD/JPY	154.7	0.25	9.67
EUR/JPY	164.99	0.53	6.01

\* 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	5.48	5.19	4.73
EUR	4.50	3.84	3.89	3.68	3.34	2.92
GBP	5.25	5.19	5.19	5.02	4.93	4.42

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 22 April 2024  
07:00 am



## Euro

EUR/GBP	0.8609
EUR/USD	1.0663
EUR/JPY	164.99
EUR/SEK	11.6346
EUR/DKK	7.4608
EUR/NOK	11.7439
EUR/CHF	0.9717
EUR/AUD	1.6574
EUR/HKD	8.3528
EUR/CAD	1.4636

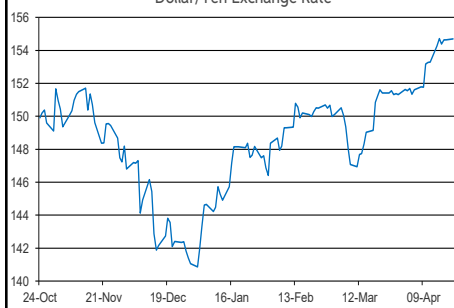
## Sterling

GBP/EUR	1.1606
GBP/USD	1.238
GBP/CAD	1.6996
GBP/NZD	2.0951
GBP/JPY	191.52
GBP/SEK	13.5061
GBP/DKK	8.6607
GBP/NOK	13.6341
GBP/CHF	1.1286
GBP/AUD	1.9245

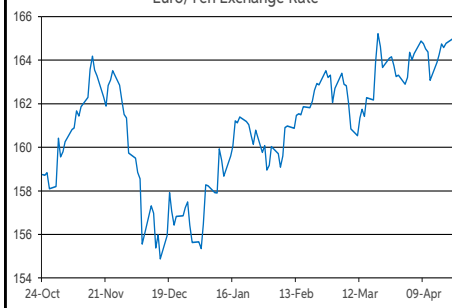
## Dollar

USD/JPY	154.7
USD/CAD	1.3724
USD/CHF	0.9112
USD/CNY	7.24
USD/BRL	5.2417
USD/RUB	93.3
USD/INR	83.4075
AUD/USD	0.6433
NZD/USD	0.5908

Dollar/Yen Exchange Rate

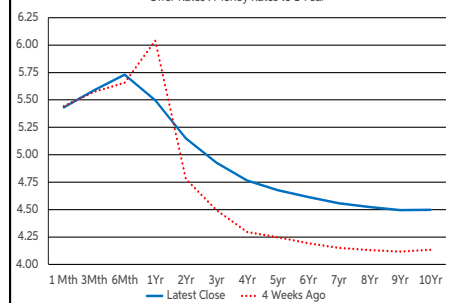


Euro/Yen Exchange Rate



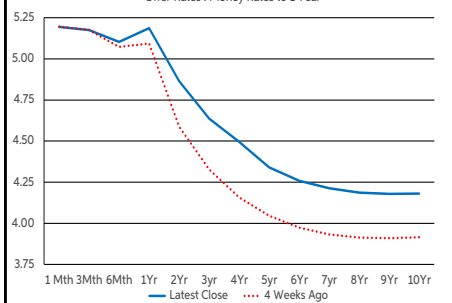
US Swap Curve

Offer Rates : Money Rates to 1 Year



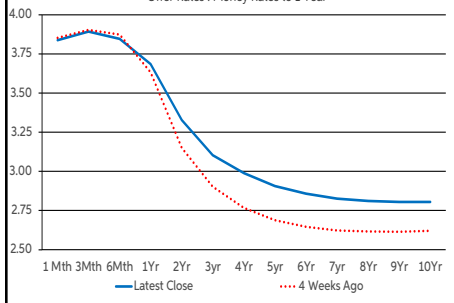
UK Swap Curve

Offer Rates : Money Rates to 1 Year

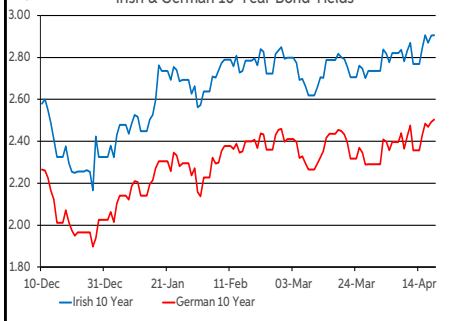


Eurozone Swap Curve

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	4.65	+6	+43	+79
Germany	2.51	+1	+11	+48
UK	4.27	+1	+28	+74
Ireland	2.93	+3	+19	+56
Belgium	3.06	+2	+12	+37
France	3.01	+2	+21	+45
Italy	3.90	+1	+26	+20
Spain	3.32	+1	+16	+32
Portugal	3.17	+0	+13	+39
Greece	3.46	+2	+18	+38
5 Year Swap %				
US	4.68	-0	+47	+89
Eurozone	2.91	+6	+22	+48
UK	4.34	-8	+30	+69
2 Year Swap %				
US	5.15	+0	+41	+82
Eurozone	3.33	+2	+18	+53
UK	4.86	-7	+486	+60
10 Year Government Bond Spreads to Benchmark bps				
Ireland	42	+1	+8	+9
Belgium	55	+1	+1	-11
France	50	+1	+10	-3
Italy	139	-0	+15	-28
Spain	81	-0	+5	-15
Portugal	67	-1	+3	-9
Greece	96	+0	+8	-9

## Commodities

	Close	% Change		
		Day	4 Weeks	End 23
Brent Oil	87.11	-0.21	+1.55	+13.07
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2378.3	+0.74	+9.05	+15.30

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