

US data sparks some volatility

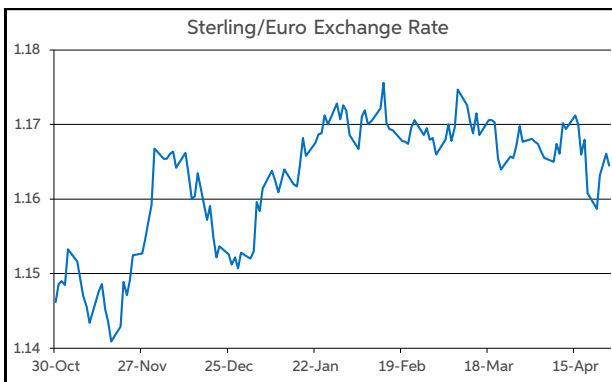
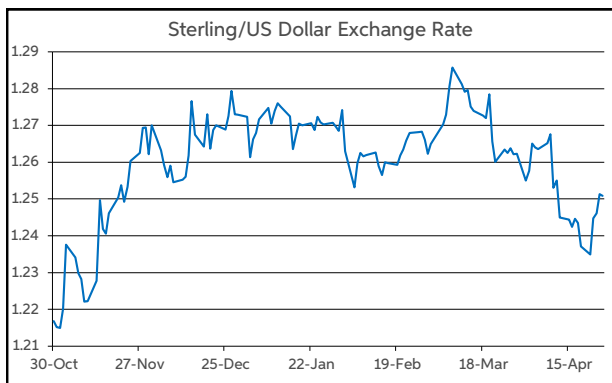
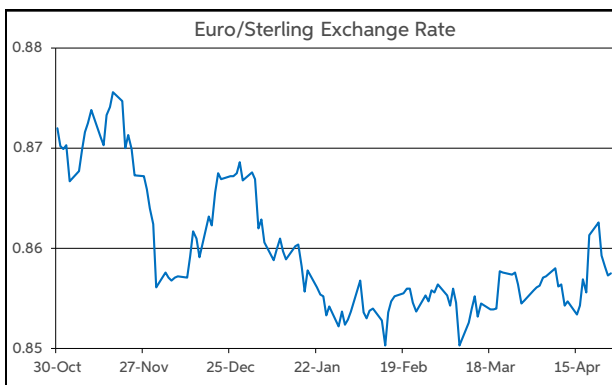
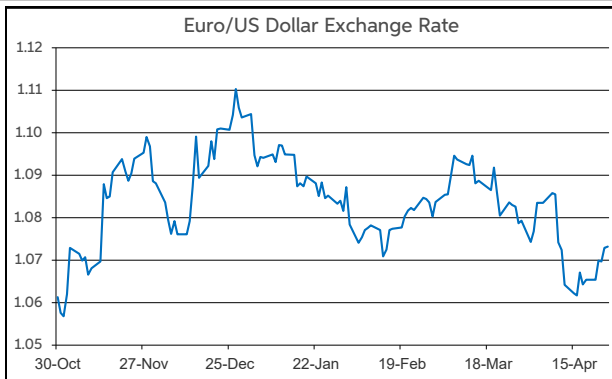
Amid mixed Q1 earnings data on both sides of the Atlantic, as well as slower than anticipated US economic growth and higher than expected inflation, benchmark equity indices declined yesterday. The Euro Stoxx 50 shed 1.0%, while the S&P 500 fell by 0.5%. On bond markets, sovereign yields rose by 3-5bps across the board.

The first estimate of US GDP for Q1 printed at +1.6% annualised, well below the 2.4% consensus, owing to a slowdown in consumption, government expenditure and a negative contribution from external trade and inventories. Meantime, core-PCE inflation rose by 3.7% annualised in Q1, above the 3.4% forecast. The data indicate that the US economy did not perform as well as projected at the start of the year, as growth slowed and disinflation stalled.

The US data prompted some volatility on currency markets yesterday. In the run-up to the release, the dollar was under some downward pressure, with EUR/USD registering a two-week high of \$1.074. However, the greenback regained some ground as US rate expectations firmed modestly following the sticky US PCE data. Overnight though, the dollar handed back its gains. Elsewhere, sterling was holding a firmer tone, while the yen has softened further following the BoJ decision to leave policy unchanged.

In level terms, EUR/USD opens this morning in the lower half of \$1.07-1.08. GBP/USD is up above \$1.25. EUR/GBP is in the top half of 85-86p. Elsewhere, USD/JPY is above ¥156. However, the BoJ post-meeting press conference with Governor Ueda is currently taking place, and may cause some volatility for the yen in early trading. Turning to the day ahead, the main focus will be on the March reading of US core-PCE. The market reaction to the data may be muted though, given the Q1 data were released yesterday.

Daniel Noonan, Economist, AIB



| Today's Opening FX Rates | | | |
|--------------------------|--------|----------|----------|
| | | % Change | |
| | | Day * | End 2023 |
| EUR/USD | 1.0732 | 0.21 | -2.75 |
| EUR/GBP | 0.8575 | -0.16 | -1.07 |
| GBP/USD | 1.2509 | 0.34 | -1.73 |
| GBP/EUR | 1.1655 | 0.16 | 1.08 |
| USD/JPY | 156.12 | 0.34 | 10.68 |
| EUR/JPY | 167.57 | 0.56 | 7.67 |

* 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 | 4.75 |
| EUR | 4.50 | 3.85 | 3.88 | 3.71 | 3.38 | 2.98 |
| GBP | 5.25 | 5.19 | 5.19 | 5.01 | 4.94 | 4.47 |

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 |
|---------|----------------------------|------------|------------|------------------|---------------------------|-----------------|-----------------------------------|

Opening Levels

Friday 26 April 2024
07:41 am



Euro

| | |
|---------|--------|
| EUR/GBP | 0.8575 |
| EUR/USD | 1.0732 |
| EUR/JPY | 167.57 |
| EUR/SEK | 11.659 |
| EUR/DKK | 7.4575 |
| EUR/NOK | 11.754 |
| EUR/CHF | 0.9793 |
| EUR/AUD | 1.6393 |
| EUR/HKD | 8.4022 |
| EUR/CAD | 1.4638 |

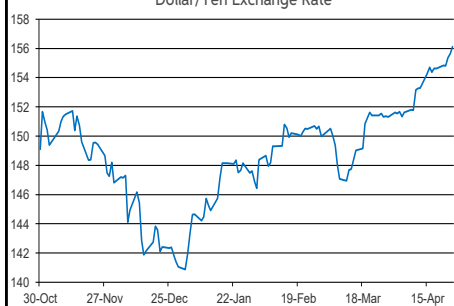
Sterling

| | |
|---------|---------|
| GBP/EUR | 1.1655 |
| GBP/USD | 1.2509 |
| GBP/CAD | 1.7064 |
| GBP/NZD | 2.0966 |
| GBP/JPY | 195.29 |
| GBP/SEK | 13.5895 |
| GBP/DKK | 8.6916 |
| GBP/NOK | 13.6997 |
| GBP/CHF | 1.1415 |
| GBP/AUD | 1.911 |

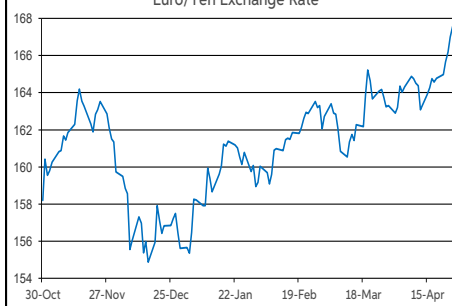
Dollar

| | |
|---------|---------|
| USD/JPY | 156.12 |
| USD/CAD | 1.3638 |
| USD/CHF | 0.9124 |
| USD/CNY | 7.2448 |
| USD/BRL | 5.1589 |
| USD/RUB | 92.1475 |
| USD/INR | 83.33 |
| AUD/USD | 0.6546 |
| NZD/USD | 0.5965 |

Dollar/Yen Exchange Rate

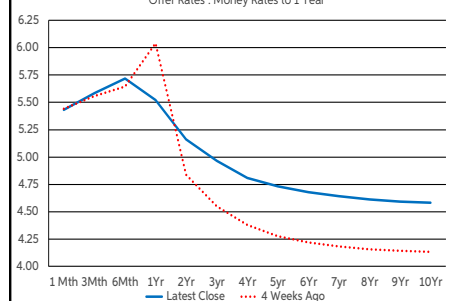


Euro/Yen Exchange Rate



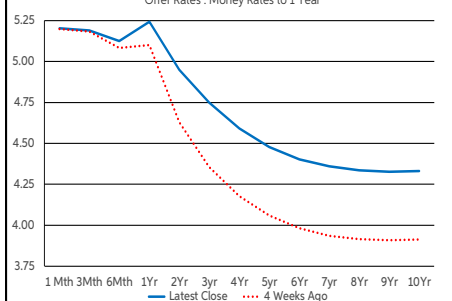
US Swap Curve

Offer Rates : Money Rates to 1 Year



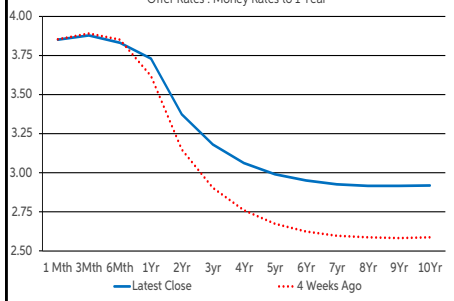
UK Swap Curve

Offer Rates : Money Rates to 1 Year

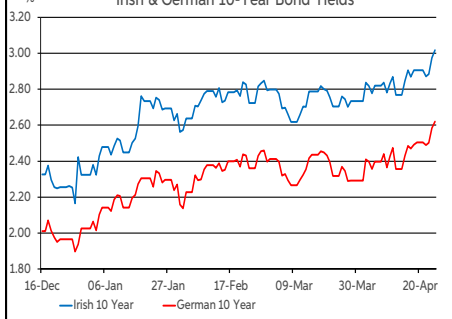


Eurozone Swap Curve

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 | 4.71 | +5 | +51 | +85 |
| Germany | 2.62 | +4 | +33 | +60 |
| UK | 4.37 | +3 | +43 | +83 |
| Ireland | 3.04 | +4 | +29 | +67 |
| Belgium | 3.18 | +4 | +30 | +49 |
| France | 3.13 | +4 | +33 | +57 |
| Italy | 4.00 | +4 | +32 | +30 |
| Spain | 3.43 | +5 | +28 | +44 |
| Portugal | 3.28 | +4 | +28 | +49 |
| Greece | 3.60 | +7 | +32 | +53 |
| 5 Year Swap % | | | | |
| US | 4.73 | +6 | +50 | +94 |
| Eurozone | 2.99 | +4 | +32 | +56 |
| UK | 4.48 | +4 | +42 | +83 |
| 2 Year Swap % | | | | |
| US | 5.16 | +6 | +36 | +83 |
| Eurozone | 3.37 | +2 | +23 | +58 |
| UK | 4.95 | +4 | +33 | +69 |
| 10 Year Government Bond Spreads to Benchmark bps | | | | |
| Ireland | 42 | -0 | -4 | +8 |
| Belgium | 55 | -0 | -3 | -11 |
| France | 51 | +0 | -0 | -2 |
| Italy | 137 | -0 | -1 | -30 |
| Spain | 81 | +1 | -5 | -15 |
| Portugal | 65 | -0 | -5 | -11 |
| Greece | 98 | +3 | -2 | -7 |

Commodities

| | % Change | | | |
|----------------|----------|-------|---------|--------|
| | Close | Day | 4 Weeks | End 23 |
| Brent Oil | 89.01 | +1.12 | +1.75 | +15.54 |
| West Texas Oil | 71.65 | -0.17 | -1.90 | -1.27 |
| Gold \$ | 2331.8 | +0.69 | +4.45 | +13.05 |

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