

Firmer tone to the dollar

Having suffered heavy losses over the past few sessions, equity markets in Europe and the US stabilised yesterday. The Euro Stoxx 50 edged 0.1% higher, while the S&P 500 gained 1.0%. The modest recovery coincided with calmer, albeit still choppy trading conditions, amid a relatively quiet macro-calendar. Meanwhile, Japanese stocks continued to recover overnight.

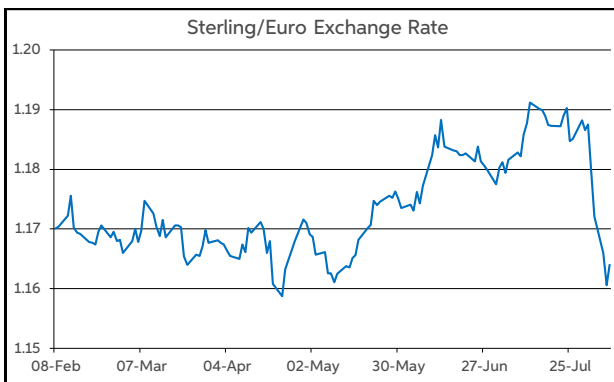
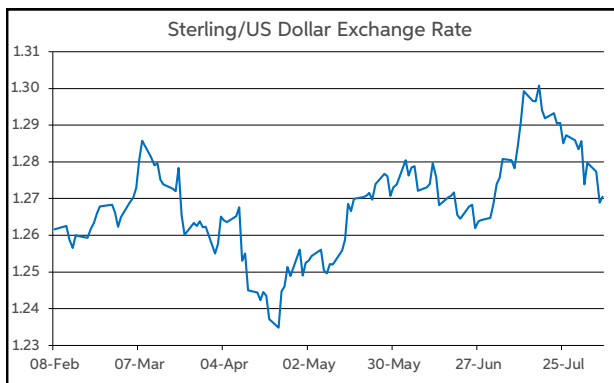
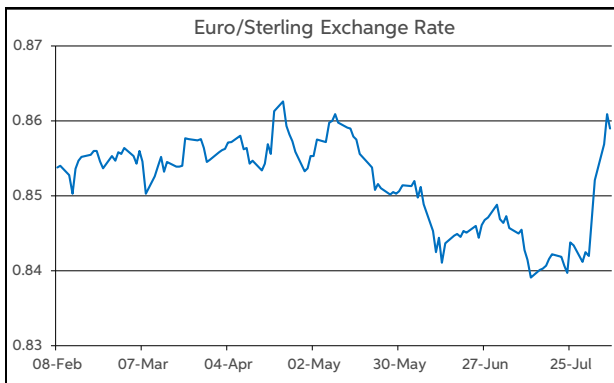
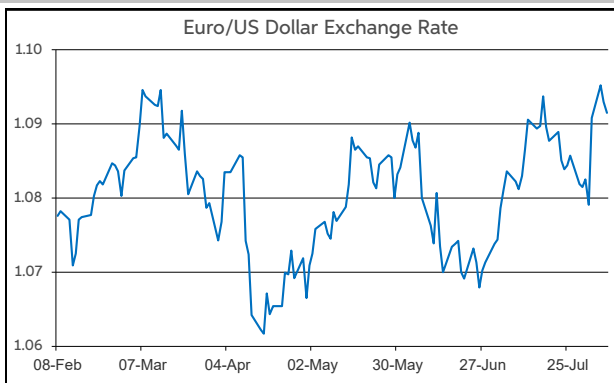
Data-wise, Eurozone retail sales printed below the consensus, contracting by 0.3% in June (vs. -0.1% f'cast). They were also 0.3% lower in year-on-year terms. Meantime, German industrial orders rose by 3.9% in June, above expectations for a 0.5% increase. However, neither release had a meaningful impact on the euro.

Indeed, the main FX pairs have operated in much tighter ranges over the past 24 hours. Of the price action to note, the yen and sterling have been under some downward pressure. Elsewhere, the dollar was holding a firmer tone.

In level terms, the stronger dollar sees EUR/USD open this morning down in the lower half of the \$1.09-1.10 range. GBP/USD is changing hands back near to the \$1.27 threshold. Meanwhile, EUR/GBP is operating just below the 86p handle. USD/JPY is trading up above the midpoint of the ¥146-147 corridor.

Already this morning, German industrial production data for June have been released. Output expanded by 1.4% in the month (vs. +1.0% f'cast). The release has coincided with a marginally firmer tone to the euro in early trading. The remainder of today's macro calendar is quiet on both sides of the Atlantic.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0915	-0.33	-1.10
EUR/GBP	0.859	0.20	-0.90
GBP/USD	1.2705	-0.52	-0.19
GBP/EUR	1.164	-0.20	0.91
USD/JPY	146.63	0.78	3.95
EUR/JPY	160.05	0.41	2.84

* 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	5.44	5.39	4.58	4.08	3.74
EUR	4.25	3.57	3.58	3.11	2.73	2.50
GBP	5.00	4.94	4.91	4.49	4.31	3.90

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 07 August 2024
08:01 am



Euro

EUR/GBP	0.859
EUR/USD	1.0915
EUR/JPY	160.05
EUR/SEK	11.4727
EUR/DKK	7.4627
EUR/NOK	11.8759
EUR/CHF	0.9346
EUR/AUD	1.6667
EUR/HKD	8.5066
EUR/CAD	1.5033

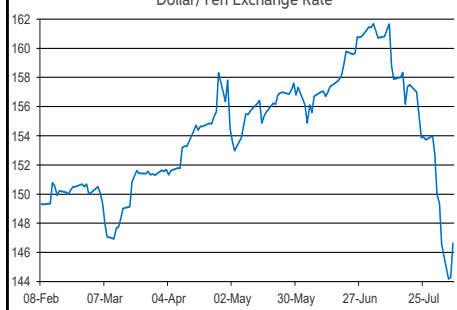
Sterling

GBP/EUR	1.164
GBP/USD	1.2705
GBP/CAD	1.7498
GBP/NZD	2.1153
GBP/JPY	186.31
GBP/SEK	13.3512
GBP/DKK	8.686
GBP/NOK	13.8191
GBP/CHF	1.0879
GBP/AUD	1.9405

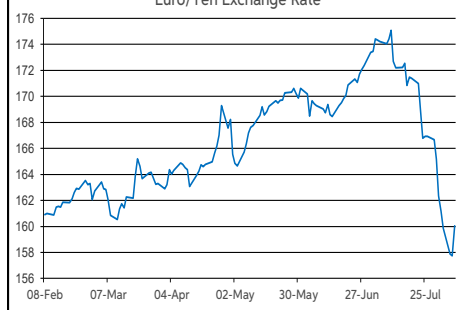
Dollar

USD/JPY	146.63
USD/CAD	1.3773
USD/CHF	0.8562
USD/CNY	7.1794
USD/BRL	5.6567
USD/RUB	85.55
USD/INR	83.9303
AUD/USD	0.6545
NZD/USD	0.6005

Dollar/Yen Exchange Rate

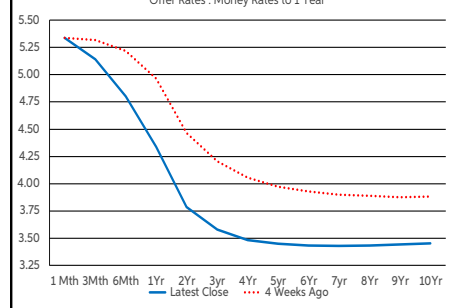


Euro/Yen Exchange Rate



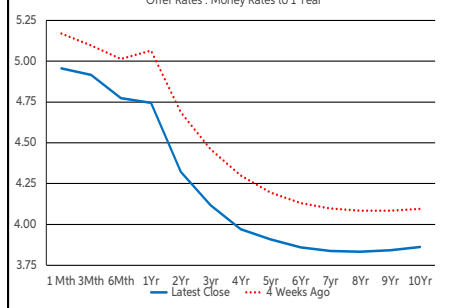
US Swap Curve

Offer Rates : Money Rates to 1 Year



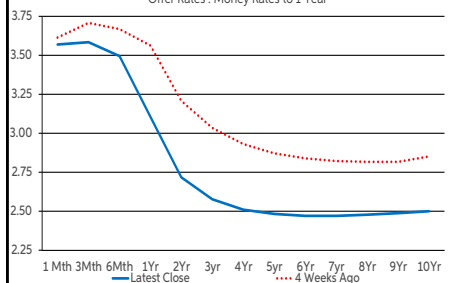
UK Swap Curve

Offer Rates : Money Rates to 1 Year

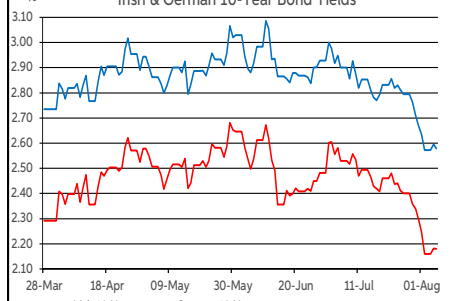


Eurozone Swap Curve

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	3.89	+11	-41	+3
Germany	2.18	-0	-38	+15
UK	3.92	+5	-24	+38
5 Year Swap %				
US	3.69	+8	-53	-10
Eurozone	2.48	+1	-38	+6
UK	3.91	+3	-28	+26
2 Year Swap %				
US	4.04	+6	-67	-29
Eurozone	2.72	-3	-48	-8
UK	4.32	+1	-36	+6
10 Year Government Bond Spreads to Benchmark bps				
Ireland	44	-0	+3	+10
Belgium	64	-3	+3	-3
France	77	-3	+8	+24
Italy	148	-3	+8	-20
Spain	89	-2	+8	-8
Portugal	67	-3	+4	-8
Greece	113	-2	+9	+8

Commodities

	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	76.48	+0.24	-9.66	-0.73
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2389.4	-0.76	+1.09	+15.84

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