

Busier look to the data schedule this week

Following a very volatile start to the week on financial markets last Monday, trading conditions settled down somewhat thereafter. Against this backdrop, the S&P 500 finished flat on the week by erasing its losses last Monday, and gaining 3% since Tuesday. Elsewhere, there was a similar pattern in Europe, where the Euro Stoxx 50 notched a 0.8% gain overall last week.

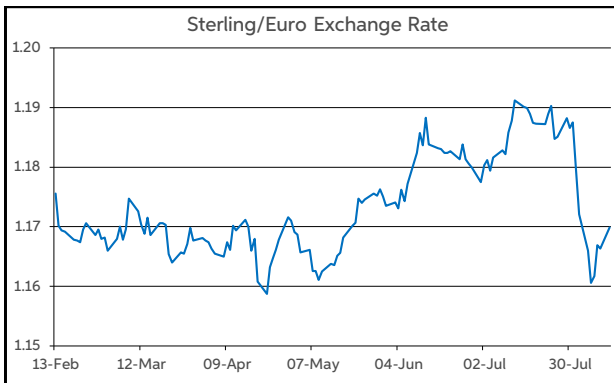
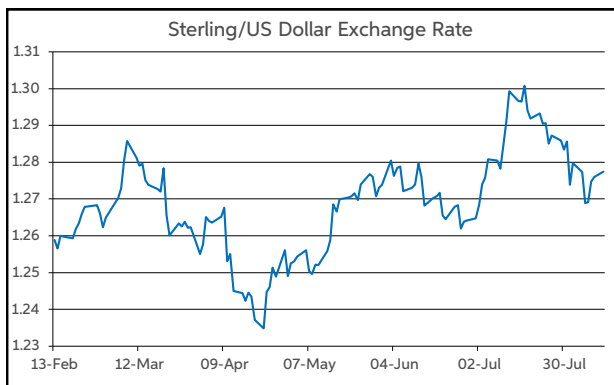
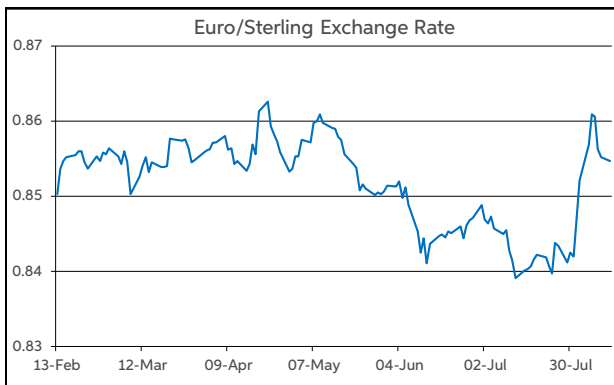
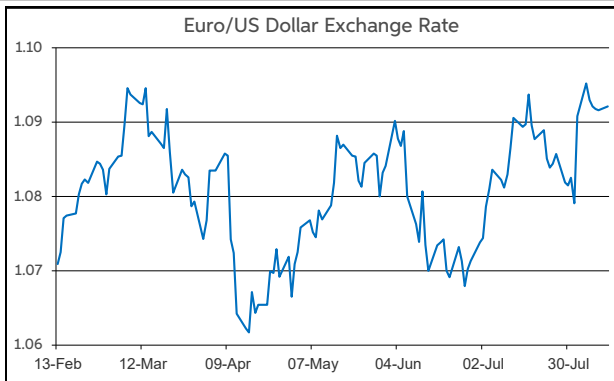
Trading conditions improved throughout last week amid dovish remarks from BoJ Deputy Governor Uchida, and a very quiet macro -calendar on both sides of the Atlantic. Furthermore, the main release of note, the US non-manufacturing ISM for July, printed ahead of the consensus, rising to 51.4 (vs. 51.0 f'cast).

Elsewhere, there was a modest hardening in US market rate expectations last week. Current pricing indicates markets are now leaning towards a 25bps rate cut in September and 100bps of easing by year end. Last Monday, expectations were for a 50bps cut in September and 110bps of easing by year end.

Amid the hardening in US rate expectations, the dollar firmed last week. Meantime, the yen declined by circa 3% following the aforementioned dovish remarks from BoJ Deputy Governor Uchida. This sees USD/JPY open this morning above ¥147, having started last week below ¥143. Elsewhere, EUR/USD is in the lower half of \$1.09-1.10, while EUR/GBP is at the midpoint of 85-86p.

Turning to the week ahead, there are very busy data schedules in the UK and US. In the UK, the data calendar includes updates on the labour market, inflation and economic growth. Meanwhile in the US, CPI inflation data for July will be in focus. US retail sales and industrial production data are also due.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0921	0.03	-1.04
EUR/GBP	0.8546	-0.21	-1.41
GBP/USD	1.2774	0.20	0.35
GBP/EUR	1.1698	0.21	1.43
USD/JPY	147.19	0.21	4.35
EUR/JPY	160.74	0.21	3.28

* 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	5.45	5.37	4.65	4.17	3.81
EUR	4.25	3.62	3.56	3.14	2.74	2.51
GBP	5.00	4.94	4.91	4.50	4.34	3.94

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 12 August 2024
07:44 am



Euro

EUR/GBP	0.8546
EUR/USD	1.0921
EUR/JPY	160.74
EUR/SEK	11.4745
EUR/DKK	7.4627
EUR/NOK	11.7885
EUR/CHF	0.9481
EUR/AUD	1.6587
EUR/HKD	8.5141
EUR/CAD	1.4994

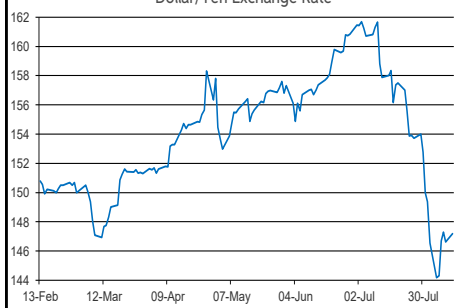
Sterling

GBP/EUR	1.1698
GBP/USD	1.2774
GBP/CAD	1.7543
GBP/NZD	2.1243
GBP/JPY	188.06
GBP/SEK	13.4202
GBP/DKK	8.7291
GBP/NOK	13.7875
GBP/CHF	1.1092
GBP/AUD	1.9406

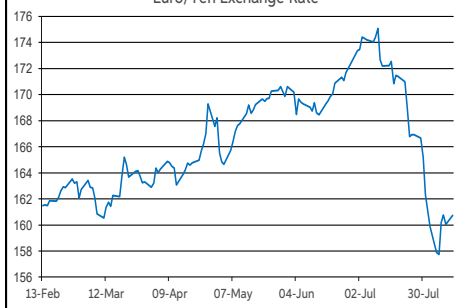
Dollar

USD/JPY	147.19
USD/CAD	1.373
USD/CHF	0.8679
USD/CNY	7.1814
USD/BRL	5.5064
USD/RUB	89.05
USD/INR	83.932
AUD/USD	0.6582
NZD/USD	0.6014

Dollar/Yen Exchange Rate

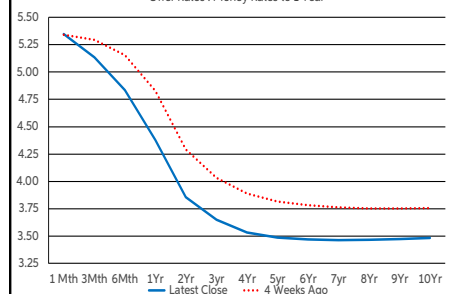


Euro/Yen Exchange Rate



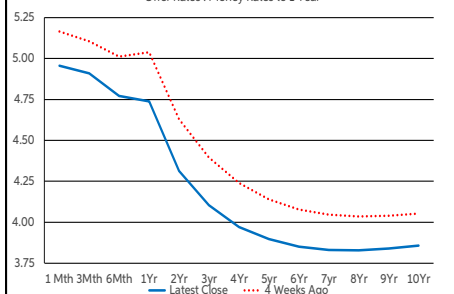
US Swap Curve

Offer Rates : Money Rates to 1 Year



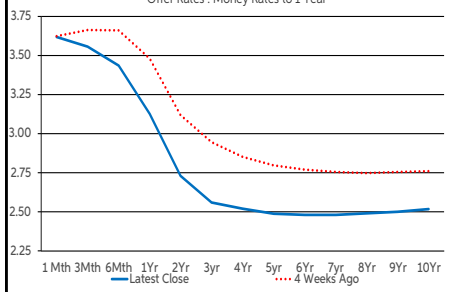
UK Swap Curve

Offer Rates : Money Rates to 1 Year

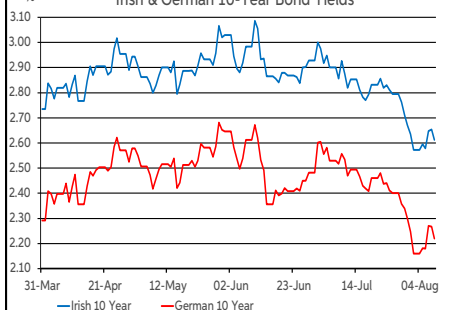


Eurozone Swap Curve

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	3.94	-5	-25	+8
Germany	2.22	-5	-27	+19
UK	3.95	-3	-17	+41
Ireland	2.65	-4	-24	+28
Belgium	2.83	-5	-23	+14
France	2.97	-4	-19	+41
Italy	3.64	-5	-15	-5
Spain	3.09	-5	-18	+9
Portugal	2.88	-5	-21	+9
Greece	3.34	-5	-15	+27
5 Year Swap %				
US	3.75	-3	-31	-4
Eurozone	2.49	-3	-30	+6
UK	3.90	-5	-24	+25
2 Year Swap %				
US	4.11	+2	-43	-23
Eurozone	2.73	-1	-38	-6
UK	4.31	-3	-31	+5
10 Year Government Bond Spreads to Benchmark bps				
Ireland	43	+1	+4	+9
Belgium	61	-0	+4	-5
France	74	+0	+9	+21
Italy	142	-1	+13	-25
Spain	86	+0	+10	-10
Portugal	65	-0	+6	-11
Greece	112	-0	+12	+7

Commodities

	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	79.66	+0.63	-6.32	+3.40
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2430.9	+0.17	+0.81	+17.86

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