

## EUR/USD north of \$1.11

The generally quiet start to the week on financial markets continued yesterday. This was against the backdrop of a very sparse data schedule on both sides of the Atlantic. Indeed, the only release of any note yesterday was the final reading of Eurozone HICP inflation for July. The data printed in-line with the consensus, and were unchanged from the flash estimate. Headline HICP was confirmed at 2.6% in July, while the core rate was at 2.8%.

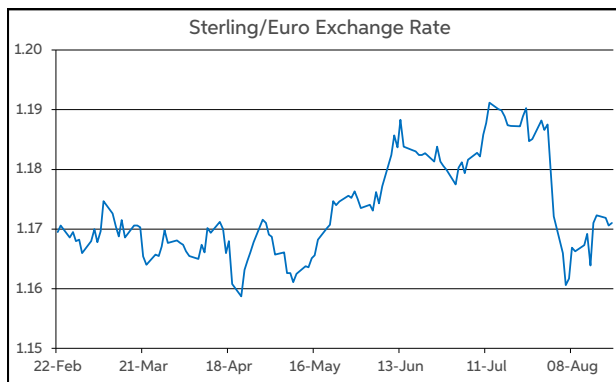
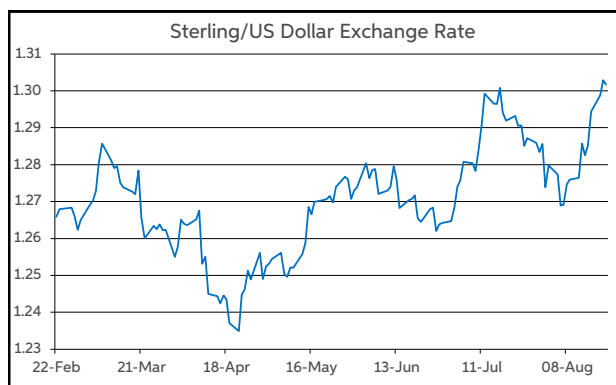
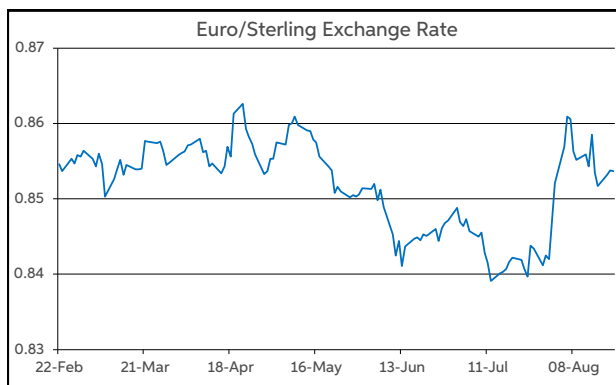
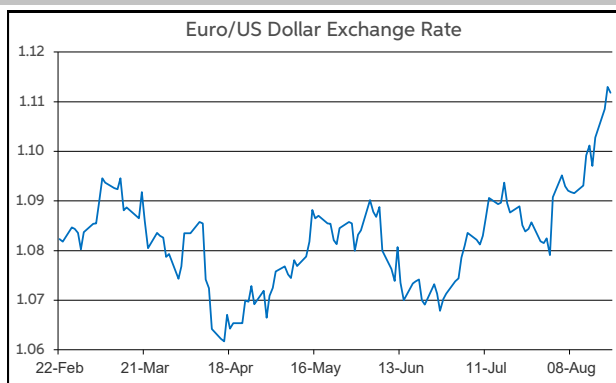
On equity markets, the S&P 500 notched a minor 0.2% loss, following eight consecutive days of gains. Similarly, the Euro Stoxx 50 drifted 0.3% lower. Meantime, sovereign yields declined across the board. German Bund and UK Gilt yields fell by 2-4bps, while US Treasury yields moved 5-8bps lower.

On the currency front, the dollar has remained under downward pressure over the past 24 hours, amid the more pronounced decline in US yields. This has seen EUR/USD and GBP/USD register fresh year-to-date highs of \$1.1132 and \$1.305, respectively. At the same time, the yen has been holding a firmer tone.

As trading gets underway this morning, EUR/USD remains above the \$1.11 threshold. GBP/USD is operating up in the lower half of the \$1.30-1.31 range. Meanwhile, EUR/GBP is in the bottom half of the 85-86p corridor. The firmer tone to the yen and the softer dollar sees USD/JPY changing hands below ¥146.

Turning to the day ahead, the data calendar is once again quite sparse. Meantime, on the monetary policy front, the latest Fed FOMC meeting minutes are due after the European close. However, barring any major surprises, the minutes are unlikely to impact the dollar.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.1118	0.37	0.74
EUR/GBP	0.8537	0.04	-1.51
GBP/USD	1.3017	0.29	2.26
GBP/EUR	1.1707	-0.04	1.53
USD/JPY	145.59	-0.91	3.21
EUR/JPY	161.88	-0.53	4.02

\* 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	5.42	5.39	4.58	4.08	3.68
EUR	4.25	3.58	3.55	3.08	2.70	2.45
GBP	5.00	4.94	4.89	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

Wednesday 21 August 2024  
07:01 am



## Euro

EUR/GBP	0.8537
EUR/USD	1.1118
EUR/JPY	161.88
EUR/SEK	11.3604
EUR/DKK	7.4622
EUR/NOK	11.6774
EUR/CHF	0.9495
EUR/AUD	1.6487
EUR/HKD	8.6617
EUR/CAD	1.5139

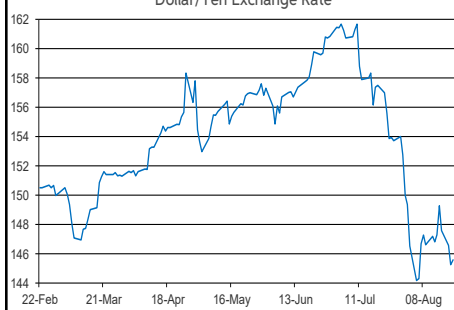
## Sterling

GBP/EUR	1.1707
GBP/USD	1.3017
GBP/CAD	1.7729
GBP/NZD	2.1186
GBP/JPY	189.51
GBP/SEK	13.2978
GBP/DKK	8.7382
GBP/NOK	13.6695
GBP/CHF	1.1122
GBP/AUD	1.9312

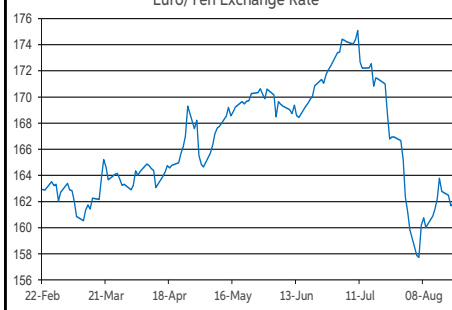
## Dollar

USD/JPY	145.59
USD/CAD	1.3616
USD/CHF	0.854
USD/CNY	7.1328
USD/BRL	5.479
USD/RUB	91.3
USD/INR	83.8975
AUD/USD	0.674
NZD/USD	0.6145

Dollar/Yen Exchange Rate

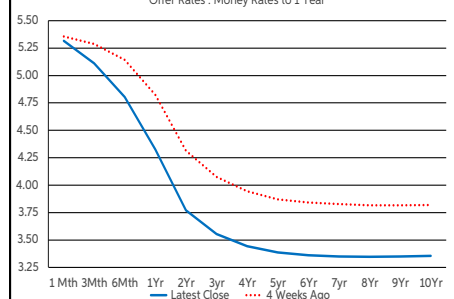


Euro/Yen Exchange Rate



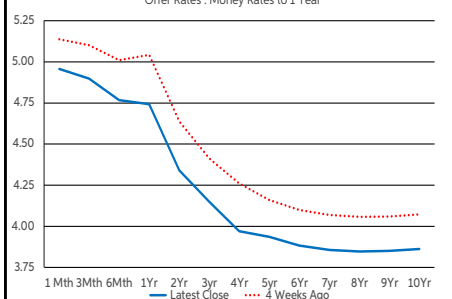
US Swap Curve

Offer Rates : Money Rates to 1 Year



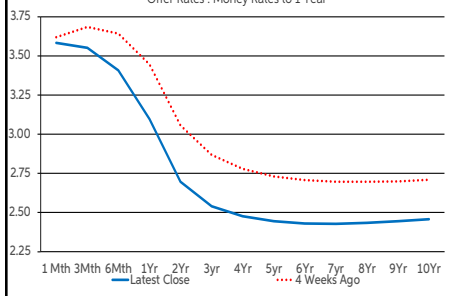
UK Swap Curve

Offer Rates : Money Rates to 1 Year

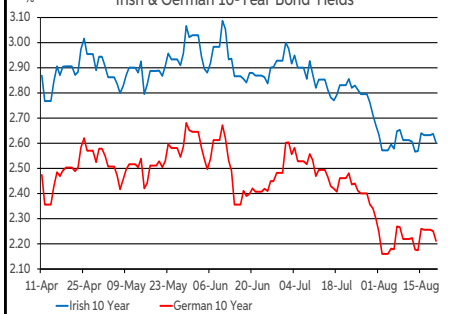


Eurozone Swap Curve

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	3.82	-5	-42	-4
Germany	2.22	-4	-22	+19
UK	3.92	-1	-21	+38
Ireland	2.63	-3	-21	+27
Belgium	2.81	-4	-19	+12
France	2.94	-3	-18	+39
Italy	3.59	-3	-16	-11
Spain	3.04	-4	-19	+5
Portugal	2.83	-4	-24	+4
Greece	3.31	-2	-14	+23
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5 Year Swap %				
US	3.65	-7	-47	-15
Eurozone	2.44	-4	-28	+2
UK	3.94	-0	-22	+28
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2 Year Swap %				
US	4.01	-10	-55	-32
Eurozone	2.70	-3	-35	-10
UK	4.34	-1	-29	+8
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10 Year Government Bond Spreads to Benchmark bps				
Ireland	42	+1	+1	+8
Belgium	59	+0	+3	-7
France	73	+1	+4	+20
Italy	138	+1	+7	-29
Spain	83	-0	+3	-14
Portugal	61	+0	-1	-14
Greece	109	+2	+8	+4

## Commodities

	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	77.2	-0.59	-4.70	+0.21
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2513.7	+0.39	+4.34	+21.87

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