

Sterling retains the upper hand

The action across most of the main asset markets remained relatively muted yesterday. Investor sentiment had a generally subdued tone. The Euro Stoxx 50 was flat on the day. Meanwhile, at the closing bell on Wall Street last night, the S&P 500 was just 0.2% higher on the day.

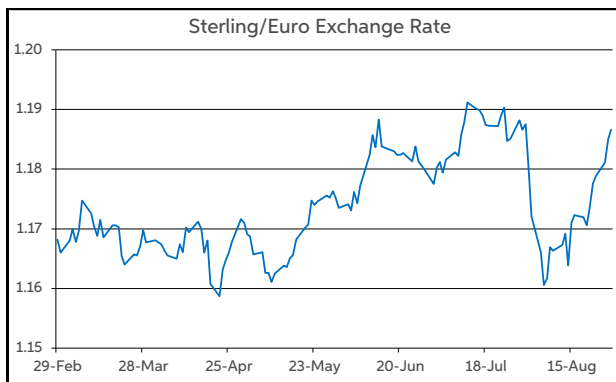
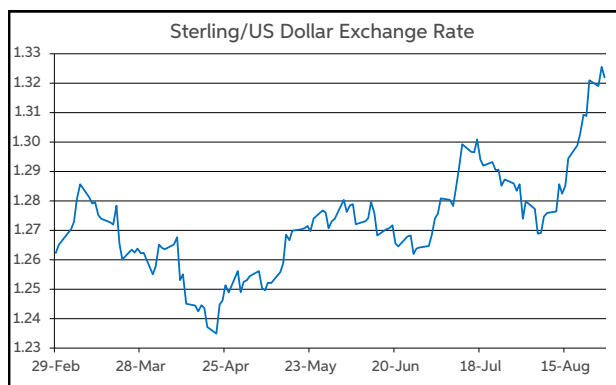
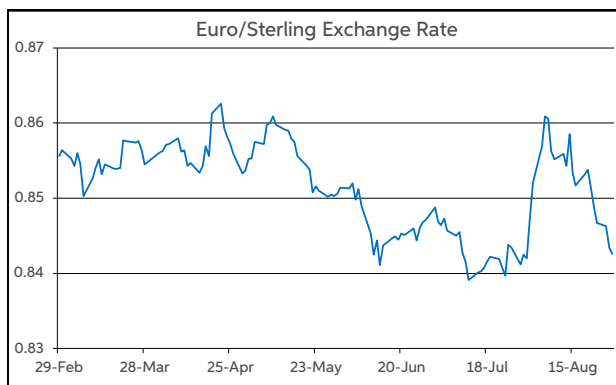
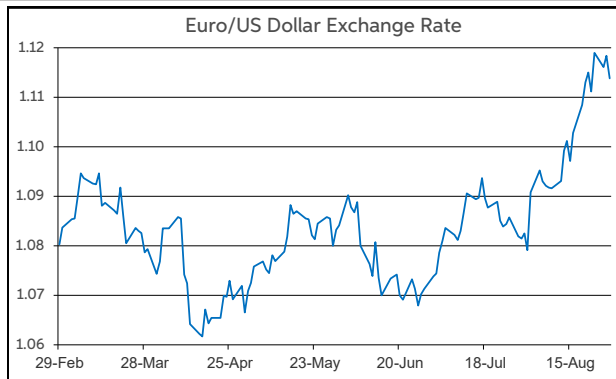
One reason for the subdued tone was the lack of top tier data from the macro calendar. The main data highlight was the Conference Board measure of US consumer confidence for August. The survey surprised to the upside, rising to 103.3 from 101.9 versus a forecast for 100.7. However, the improvement in US consumer sentiment may not be sustained amid signs of a softening in the labour market.

Currency-wise, the moves amongst most of the majors were relatively limited. However, within this, sterling continued its recent upward momentum. It has been underpinned in recent weeks by on-going consensus beating UK macro data and favourable interest rate dynamics relative to the US and Eurozone (i.e. less rate cuts expected from the BoE versus the Fed and ECB this year).

In level terms, GBP/USD registered another fresh year-to-date high at \$1.3266. The pair opens this morning at \$1.322. The firmer sterling tone and a slightly softer euro has seen EUR/GBP move down into the lower half of the 84-85p band. Elsewhere, EUR/USD has edged back below the midpoint of \$1.11-1.12.

Looking ahead to today, the macro agenda is sparse. The main release of note is Eurozone money supply/loans data for July. The US diary is very quiet. As a result, today's macro diary will not be a source of direction for currency markets.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.1138	-0.27	0.92
EUR/GBP	0.8426	-0.46	-2.79
GBP/USD	1.3219	0.20	3.85
GBP/EUR	1.1866	0.46	2.87
USD/JPY	144.55	-0.06	2.47
EUR/JPY	161.02	-0.32	3.46

* 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	5.37	5.32	4.48	4.00	3.64
EUR	4.25	3.58	3.52	3.05	2.69	2.48
GBP	5.00	4.93	4.87	4.47	4.33	3.98

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

Wednesday 28 August 2024
07:25 am



Euro

EUR/GBP	0.8426
EUR/USD	1.1138
EUR/JPY	161.02
EUR/SEK	11.3513
EUR/DKK	7.459
EUR/NOK	11.7034
EUR/CHF	0.9406
EUR/AUD	1.6419
EUR/HKD	8.6876
EUR/CAD	1.5002

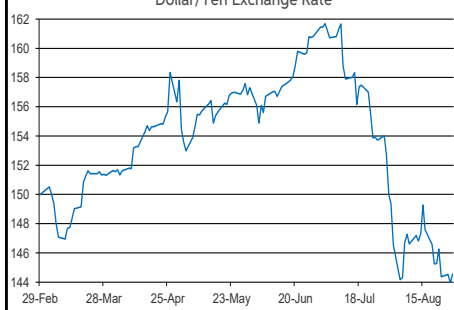
Sterling

GBP/EUR	1.1866
GBP/USD	1.3219
GBP/CAD	1.7802
GBP/NZD	2.1225
GBP/JPY	191.08
GBP/SEK	13.4658
GBP/DKK	8.8515
GBP/NOK	13.8863
GBP/CHF	1.1162
GBP/AUD	1.9483

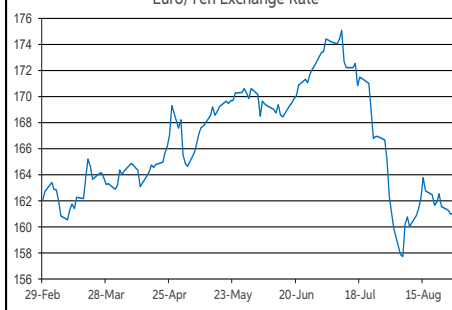
Dollar

USD/JPY	144.55
USD/CAD	1.3468
USD/CHF	0.8443
USD/CNY	7.134
USD/BRL	5.5091
USD/RUB	91.4
USD/INR	83.955
AUD/USD	0.6783
NZD/USD	0.6227

Dollar/Yen Exchange Rate

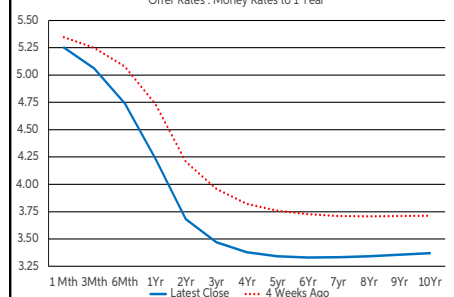


Euro/Yen Exchange Rate



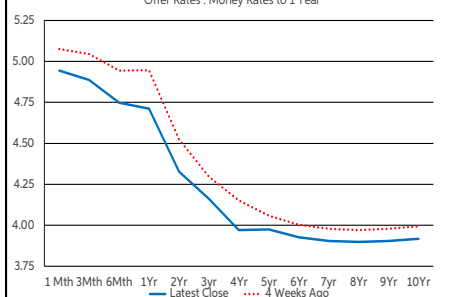
US Swap Curve

Offer Rates : Money Rates to 1 Year



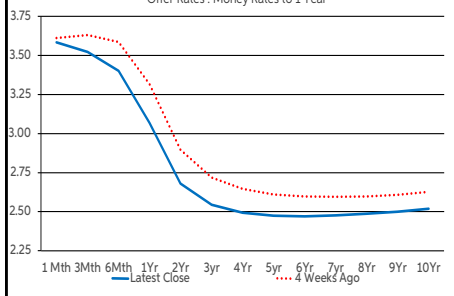
UK Swap Curve

Offer Rates : Money Rates to 1 Year

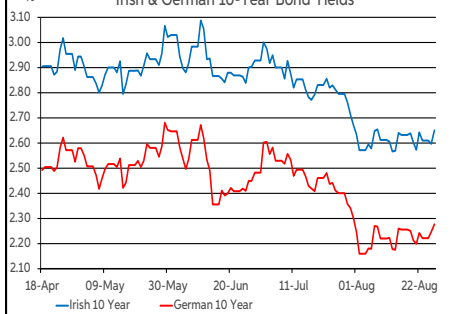


Eurozone Swap Curve

Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



Debt Markets

	Close	Day	4 Weeks	End 23
10 Year Yield %				
US	3.83	+2	-31	-3
Germany	2.28	+3	-6	+25
UK	4.00	+9	-5	+46
Ireland	2.69	+3	-6	+32
Belgium	2.88	+4	-6	+19
France	3.01	+5	-5	+45
Italy	3.66	+7	-4	-3
Spain	3.10	+5	-6	+11
Portugal	2.88	+4	-10	+9
Greece	3.36	+8	-2	+28
5 Year Swap %				
US	3.60	-2	-39	-20
Eurozone	2.47	+1	-13	+5
UK	3.97	+7	-8	+32
2 Year Swap %				
US	3.94	-2	-52	-40
Eurozone	2.68	-0	-21	-11
UK	4.33	+3	-19	+6
10 Year Government Bond Spreads to Benchmark bps				
Ireland	41	-0	+1	+7
Belgium	60	+2	+0	-6
France	73	+2	+2	+20
Italy	139	+4	+2	-29
Spain	82	+2	-0	-14
Portugal	60	+1	-4	-16
Greece	108	+5	+4	+3

Commodities

	Close	Day	4 Weeks	End 23
Brent Oil	79.55	-2.31	+1.17	+3.26
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2524.6	+0.31	+4.82	+22.40

This publication is for information purposes and is not an invitation to deal. The information is believed to be reliable but is not guaranteed. Any expressions of opinions are subject to change without notice. This publication is not to be reproduced in whole or in part without prior permission. In the Republic of Ireland it is distributed by Allied Irish Banks, p.l.c. In the UK it is distributed by Allied Irish Banks, p.l.c. and Allied Irish Bank (GB). In Northern Ireland it is distributed by Allied Irish Bank (NI). In the United States of America it is distributed by Allied Irish Banks, p.l.c. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland. Allied Irish Bank (GB) and AIB (NI) are trade marks used under licence by AIB Group (UK) p.l.c. (a wholly owned subsidiary of Allied Irish Banks, p.l.c.), incorporated in Northern Ireland. Registered Office 92 Ann Street, Belfast BT1 3HH. Registered Number NI018800. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In the United States of America, Allied Irish Banks, p.l.c., New York Branch, is a branch licensed by the New York State Department of Financial Services. Deposits and other investment products are not FDIC insured, they are not guaranteed by any bank and they may lose value. Please note that telephone calls may be recorded in line with market practice.