

Narrow trading on currency markets

The muted mood on markets persisted yesterday, amid a sparse data schedule on both sides of the Atlantic. Against this backdrop, there was a mixed tone to investor sentiment. The Euro Stoxx 50 rose by 0.3%. Meantime, on Wall Street, the S&P 500 fell by 0.6%.

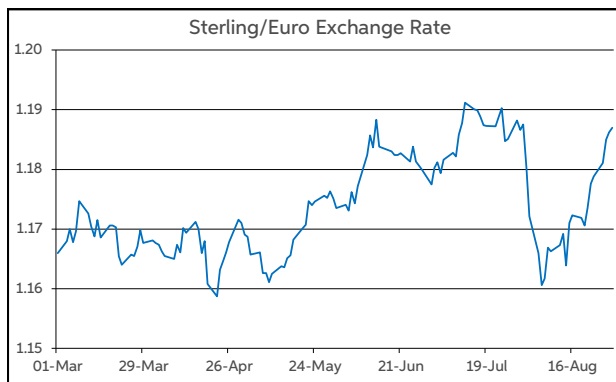
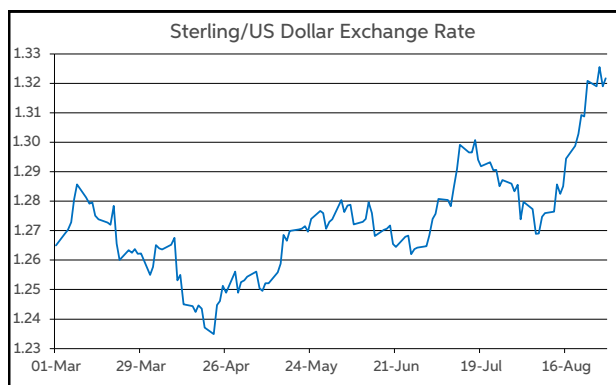
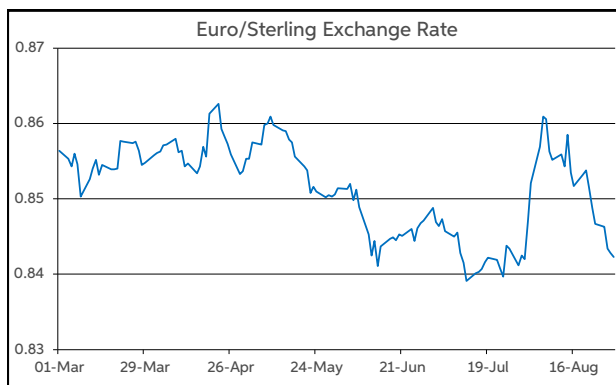
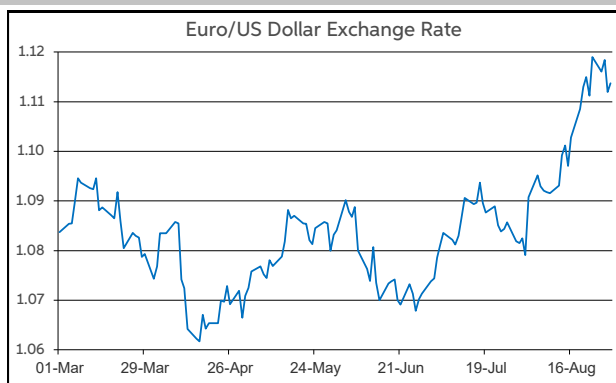
In terms of fixed income, sovereign yields were little changed across the board. Of the limited moves to note, German Bund yields declined by 2-3bps along the curve. Elsewhere on financial markets, oil prices fell by circa 1% with benchmark Brent crude now back below \$79 per barrel.

On the currency front, the main FX pairs have operated in very narrow ranges over the past 24 hours. Amid the subdued price action, the dollar has eked out some minor gains against the euro, sterling and yen. There were no obvious catalysts for the firmer dollar, although month-end flows may have had an impact yesterday.

As trading gets underway this morning, the marginally stronger dollar is evidenced by GBP/USD operating down closer to the \$1.32 threshold. Similarly, EUR/USD is changing hands in the lower half of the \$1.11-1.12 corridor. USD/JPY is up at the midpoint of the ¥144-145 range. At the same time, EUR/GBP remains in the bottom half of the 84-85p trading band.

Turning to the day ahead, the main focus will be on the flash readings of German and Spanish HICP inflation for August. Both are forecast to move lower in the month. However, barring any major surprises, the data may not impact the euro. Elsewhere, the EC sentiment indices for August are due. From a dollar perspective, the latest weekly initial jobless claims will be released.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.1137	-0.20	0.92
EUR/GBP	0.8423	-0.05	-2.83
GBP/USD	1.3217	-0.19	3.83
GBP/EUR	1.1867	0.05	2.91
USD/JPY	144.52	0.12	2.45
EUR/JPY	160.96	-0.08	3.42

* 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	4.47	3.96	3.62
EUR	4.25	3.58	3.52	3.05	2.68	2.48
GBP	5.00	4.92	4.87	4.47	4.37	4.01

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

Thursday 29 August 2024
07:12 am



Euro

EUR/GBP	0.8423
EUR/USD	1.1137
EUR/JPY	160.96
EUR/SEK	11.324
EUR/DKK	7.4588
EUR/NOK	11.667
EUR/CHF	0.9358
EUR/AUD	1.6357
EUR/HKD	8.6823
EUR/CAD	1.4986

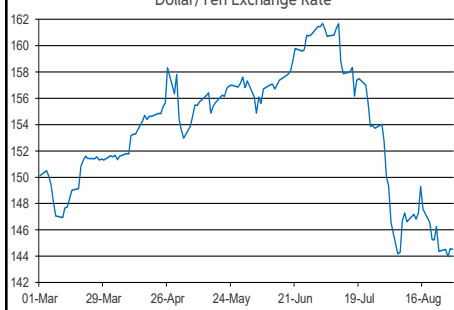
Sterling

GBP/EUR	1.1867
GBP/USD	1.3217
GBP/CAD	1.7789
GBP/NZD	2.1006
GBP/JPY	191.01
GBP/SEK	13.4394
GBP/DKK	8.8542
GBP/NOK	13.845
GBP/CHF	1.1108
GBP/AUD	1.9422

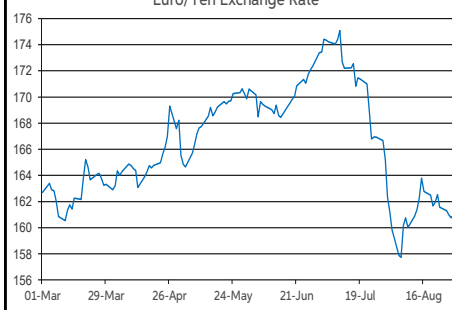
Dollar

USD/JPY	144.52
USD/CAD	1.3454
USD/CHF	0.8402
USD/CNY	7.1112
USD/BRL	5.5627
USD/RUB	91.7
USD/INR	83.875
AUD/USD	0.6805
NZD/USD	0.6292

Dollar/Yen Exchange Rate

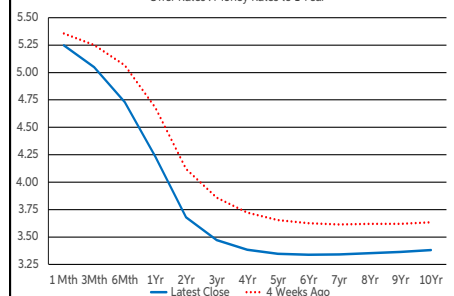


Euro/Yen Exchange Rate



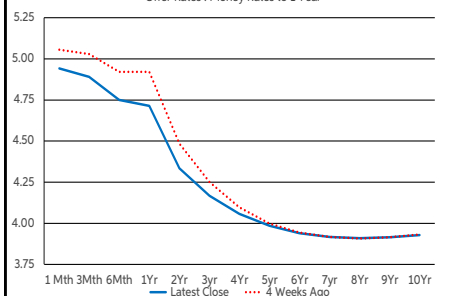
US Swap Curve

Offer Rates : Money Rates to 1 Year



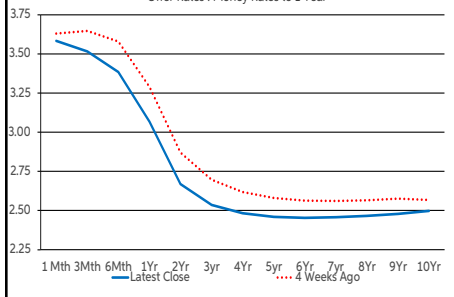
UK Swap Curve

Offer Rates : Money Rates to 1 Year

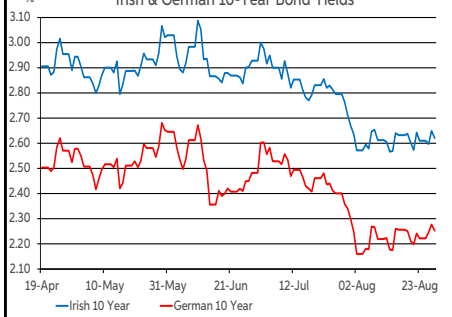


Eurozone Swap Curve

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	3.84	+1	-26	-2
Germany	2.25	-2	-5	+23
UK	4.00	+0	+3	+46
Ireland	2.65	-3	-5	+29
Belgium	2.85	-3	-4	+16
France	2.99	-2	-3	+43
Italy	3.65	-1	-0	-5
Spain	3.09	-1	-2	+10
Portugal	2.88	-0	-6	+9
Greece	3.32	-4	-4	+24
5 Year Swap %				
US	3.61	+1	-28	-18
Eurozone	2.46	-1	-11	+3
UK	3.99	+1	-1	+33
2 Year Swap %				
US	3.94	+1	-43	-40
Eurozone	2.67	-1	-19	-13
UK	4.34	+1	-14	+7
10 Year Government Bond Spreads to Benchmark bps				
Ireland	40	-1	+0	+6
Belgium	60	-0	+1	-7
France	73	+0	+2	+20
Italy	140	+1	+5	-28
Spain	84	+2	+2	-12
Portugal	62	+2	-1	-14
Greece	106	-2	+1	+1

Commodities

	Close	% Change		
		Day	4 Weeks	End 23
Brent Oil	78.65	-1.13	-2.56	+2.09
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2502.2	-0.88	+2.21	+21.32

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