

## EUR/USD below \$1.05

There was a mixed mood on markets yesterday amid political turmoil in France and dovish remarks from central bank officials on both sides of the Atlantic. In France, the Government led by PM Barriere is facing a no confidence vote having tried to push through the Budget without Parliaments approval. Meantime, Fed Governor Waller noted he is currently inclined to cut rates again when the Fed meets later this month. A number of ECB officials speaking yesterday also indicated they will cut rates next week.

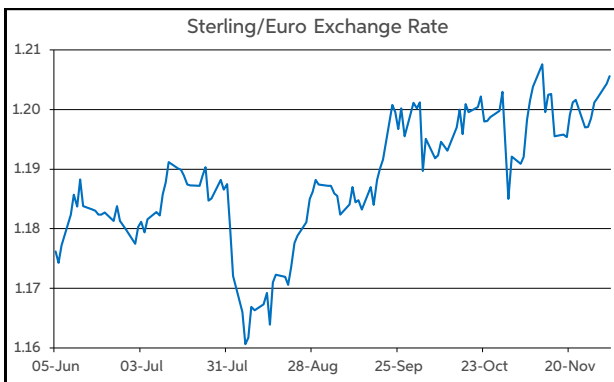
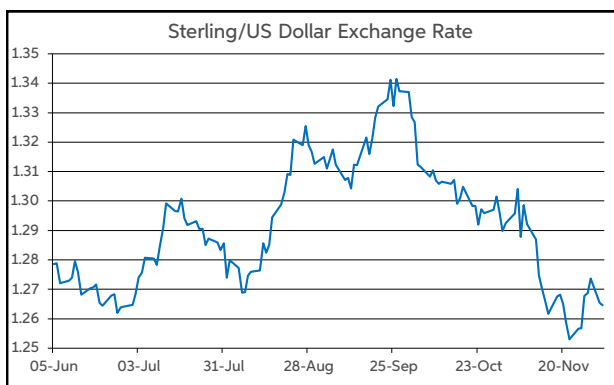
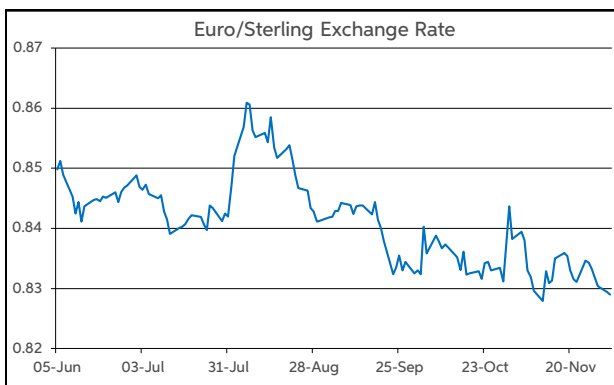
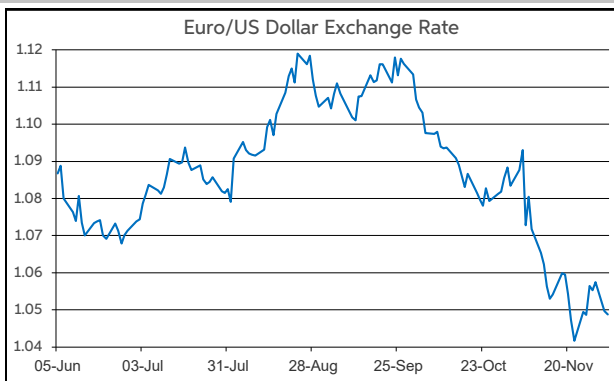
Against this backdrop, the spread between French and German 10-year yields widened to 88bps. Meantime, the euro started the week on the defensive, recording a low of \$1.046 versus the dollar and falling below 83p against sterling in early trading yesterday.

Throughout the European session, the dollar was in the ascendancy. However, the greenback's gains were halted by the aforementioned comments from Governor Waller. Following his remarks, US futures contracts softened, and market pricing now suggests there is a 75% chance the Fed will cut rates this month. The softening in rates helped lift the S&P 500 by 0.2%, led by a rally in tech stocks. This saw the index close at a new all-time high.

As trading gets underway this morning EUR/USD opens in the top half of the \$1.04-1.05 range. EUR/GBP remains just below the 83p threshold. GBP/USD is operating near the midpoint of \$1.26-1.27. USD/JPY is changing hands just above the ¥150 mark.

Today, the main release of note will be the US job openings data for October. Aside from that, political developments in France and remarks from Fed officials will in focus.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0487	-0.32	-4.97
EUR/GBP	0.829	-0.01	-4.36
GBP/USD	1.2646	-0.32	-0.65
GBP/EUR	1.2056	0.01	4.56
USD/JPY	150.1	-0.40	6.41
EUR/JPY	157.43	-0.72	1.16

\* 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	4.63	4.51	4.44	4.22	4.30	4.08
EUR	3.40	3.00	2.93	2.30	2.06	2.02
GBP	4.75	4.68	4.63	4.33	4.33	4.06

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

Tuesday 03 December 2024  
06:14 am



## Euro

EUR/GBP	0.829
EUR/USD	1.0487
EUR/JPY	157.43
EUR/SEK	11.5457
EUR/DKK	7.458
EUR/NOK	11.6549
EUR/CHF	0.9314
EUR/AUD	1.6198
EUR/HKD	8.1628
EUR/CAD	1.4729

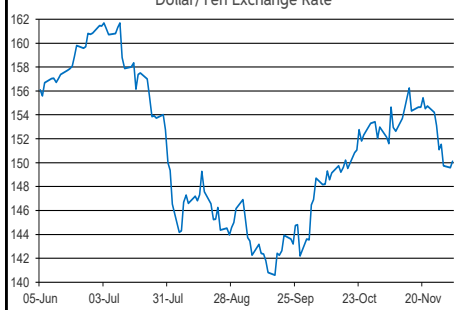
## Sterling

GBP/EUR	1.2056
GBP/USD	1.2646
GBP/CAD	1.776
GBP/NZD	2.1506
GBP/JPY	189.82
GBP/SEK	13.9164
GBP/DKK	8.9913
GBP/NOK	14.0526
GBP/CHF	1.1235
GBP/AUD	1.9532

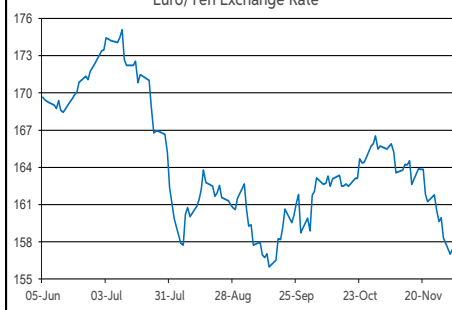
## Dollar

USD/JPY	150.1
USD/CAD	1.4045
USD/CHF	0.8881
USD/CNY	7.286
USD/BRL	6.058
USD/RUB	105.7
USD/INR	84.721
AUD/USD	0.6471
NZD/USD	0.5877

Dollar/Yen Exchange Rate

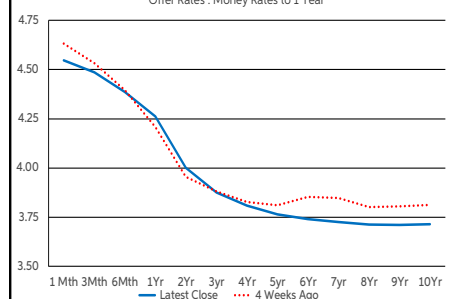


Euro/Yen Exchange Rate



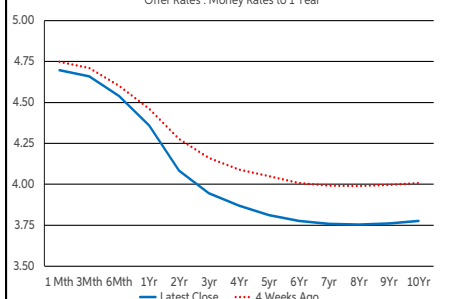
US Swap Curve

Offer Rates : Money Rates to 1 Year



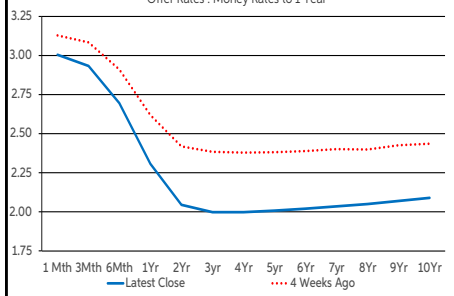
UK Swap Curve

Offer Rates : Money Rates to 1 Year

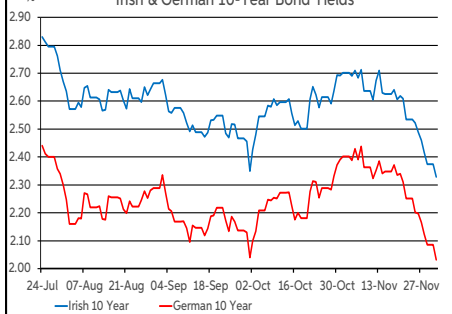


Eurozone Swap Curve

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	4.19	+0	-12	+33
Germany	2.04	-5	-36	+1
UK	4.21	-3	-24	+68
Ireland	2.36	-4	-36	-0
Belgium	2.67	-1	-31	-2
France	2.92	+2	-22	+36
Italy	3.26	-2	-41	-44
Spain	2.77	-2	-33	-22
Portugal	2.51	-3	-37	-27
Greece	2.93	-3	-39	-15
5 Year Swap %				
US	4.02	+3	-1	+23
Eurozone	2.01	-5	-37	-42
UK	4.06	-3	-23	+40
2 Year Swap %				
US	4.26	+0	+5	-8
Eurozone	2.05	-6	-36	-75
UK	4.33	-3	-17	+6
10 Year Government Bond Spreads to Benchmark bps				
Ireland	33	+1	-0	-1
Belgium	63	+4	+5	-3
France	88	+8	+13	+35
Italy	123	+4	-5	-45
Spain	73	+3	+3	-23
Portugal	48	+2	-1	-28
Greece	89	+2	-3	-16

## Commodities

	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	71.83	-1.52	-4.33	-6.76
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2638.9	-0.55	-3.56	+27.94

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