

## Sterling on the front-foot

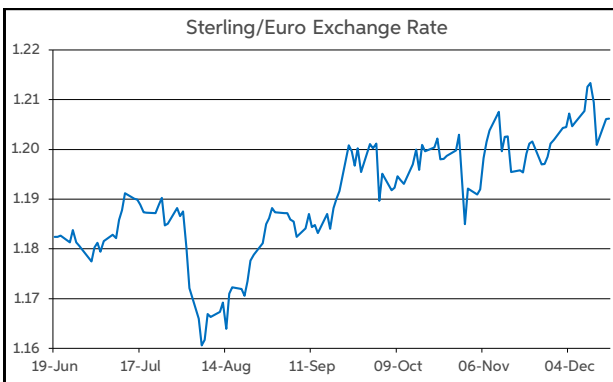
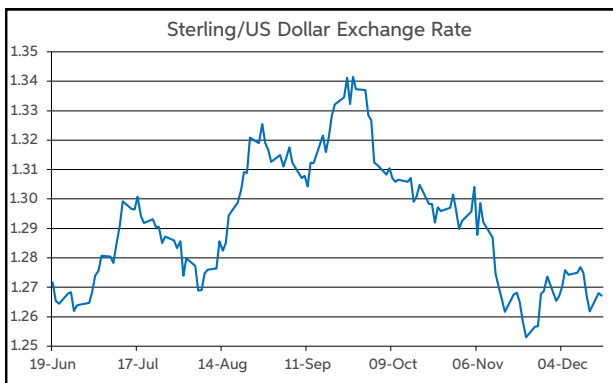
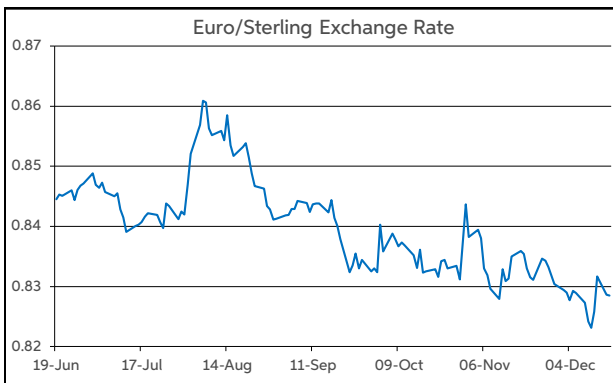
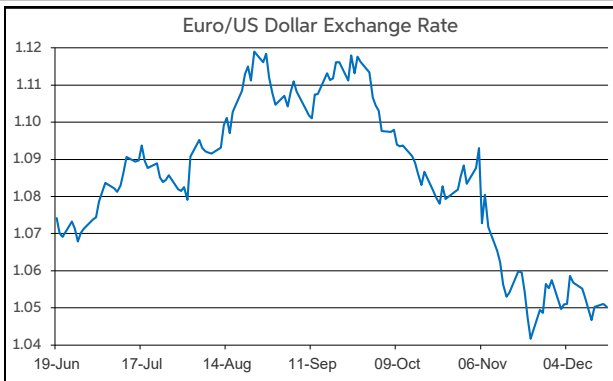
There was a mixed mood on markets yesterday, amid a relatively quiet start to the week. The Euro Stoxx 50 registered a 0.4% decline. In contrast, the S&P 500 rose by 0.4%. On bond markets, US Treasury and German Bund yields were little changed. Meantime, UK Gilt yields moved circa 3bps higher.

Data-wise, the flash PMIs for December were released. In the Eurozone, the manufacturing PMI remained deep in contraction territory but the services PMI unexpectedly returned to expansion. In the UK, the services PMI printed ahead of the consensus and stayed above 50, while the manufacturing sector deteriorated and was below 50. Similarly, the US services PMI beat expectations and was firmly in expansion mode, while the manufacturing PMI performed worse than anticipated and stayed in contraction.

Currency-wise, sterling was holding a slightly firmer tone yesterday following the release of the UK PMI data. Elsewhere on currency markets, the euro and the yen remained under some downward pressure. Against this backdrop, sterling gained circa 0.5% versus the euro. In level terms, this is evidenced by EUR/GBP opening today back below the 83p threshold. EUR/USD is at the \$1.05 handle. GBP/USD is operating up in the top half of the \$1.26-1.27 range. At the same time, USD/JPY is just north of ¥154.

Already this morning UK labour market data have been released. The unemployment rate remained at 4.3% in October. However, average earnings growth accelerated to +5.2% y/y (vs. +4.6% f'cast). Sterling has been a touch firmer in early trading following the release. Later today, a raft of US data including industrial production and retail sales for November are due.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0502	-0.15	-4.84
EUR/GBP	0.8285	-0.47	-4.42
GBP/USD	1.2671	0.28	-0.46
GBP/EUR	1.2063	0.47	4.62
USD/JPY	154.06	0.26	9.22
EUR/JPY	161.8	0.10	3.96

\* 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	4.37	4.35	4.19	4.35	4.22
EUR	3.15	2.87	2.84	2.38	2.19	2.17
GBP	4.75	4.67	4.61	4.36	4.42	4.21

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 17 December 2024  
06:17 am



## Euro

EUR/GBP	0.8285
EUR/USD	1.0502
EUR/JPY	161.8
EUR/SEK	11.4544
EUR/DKK	7.4585
EUR/NOK	11.7249
EUR/CHF	0.9401
EUR/AUD	1.6539
EUR/HKD	8.1598
EUR/CAD	1.498

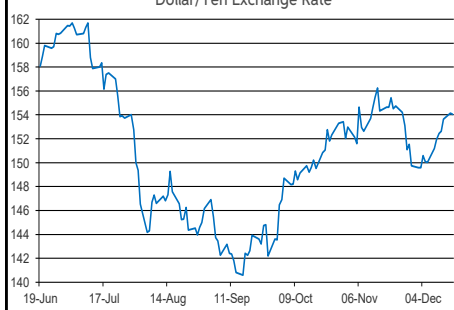
## Sterling

GBP/EUR	1.2063
GBP/USD	1.2671
GBP/CAD	1.8074
GBP/NZD	2.1985
GBP/JPY	195.21
GBP/SEK	13.8156
GBP/DKK	8.9968
GBP/NOK	14.1343
GBP/CHF	1.1346
GBP/AUD	1.9955

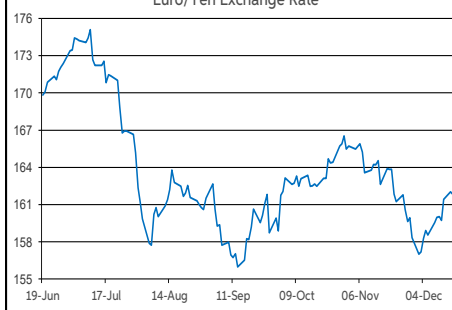
## Dollar

USD/JPY	154.06
USD/CAD	1.4265
USD/CHF	0.8951
USD/CNY	7.2848
USD/BRL	6.1479
USD/RUB	103.6
USD/INR	84.915
AUD/USD	0.6346
NZD/USD	0.5761

Dollar/Yen Exchange Rate

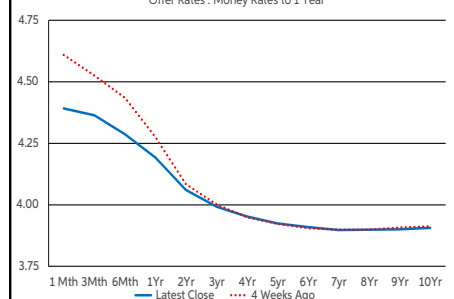


Euro/Yen Exchange Rate



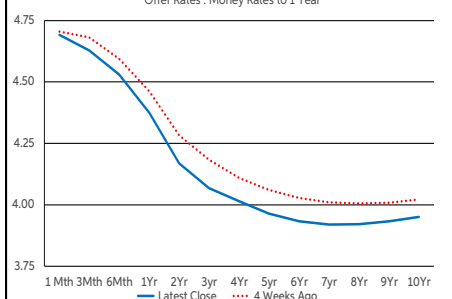
US Swap Curve

Offer Rates : Money Rates to 1 Year



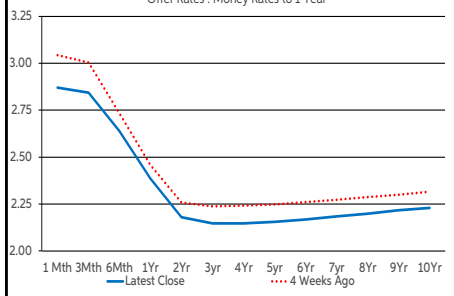
UK Swap Curve

Offer Rates : Money Rates to 1 Year

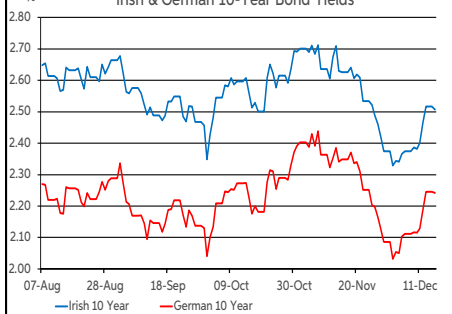


Eurozone Swap Curve

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	4.40	+0	-1	+54
Germany	2.24	-0	-13	+22
UK	4.44	+3	-2	+90
Ireland	2.54	-1	-14	+17
Belgium	2.84	+1	-10	+15
France	3.04	+1	-6	+49
Italy	3.40	+1	-17	-30
Spain	2.93	+1	-14	-6
Portugal	2.74	+3	-8	-5
Greece	3.09	+3	-16	+1
5 Year Swap %				
US	4.18	+2	+1	+39
Eurozone	2.16	-3	-8	-27
UK	4.20	+3	-7	+55
2 Year Swap %				
US	4.32	+1	+2	-2
Eurozone	2.18	-2	-7	-62
UK	4.41	+3	-8	+15
10 Year Government Bond Spreads to Benchmark bps				
Ireland	29	-1	-1	-5
Belgium	60	+1	+3	-6
France	80	+1	+7	+27
Italy	116	+1	-5	-52
Spain	69	+2	-1	-27
Portugal	50	+3	+5	-26
Greece	85	+4	-3	-20

## Commodities

	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	73.91	-0.78	+0.83	-4.06
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2652.5	+0.16	+1.54	+28.60

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