

## Firmer tone to sterling

The action across the main asset markets was muted for much of yesterday. A quiet data calendar meant there was not a great deal for markets to digest or get direction from. Indeed, the diary was very sparse on both sides of the Atlantic. The only release of any note was Eurozone retail sales for December. The headline number fell by 1.1% in the month versus expectations for a 1.0% fall. The data though had no noticeable impact on markets.

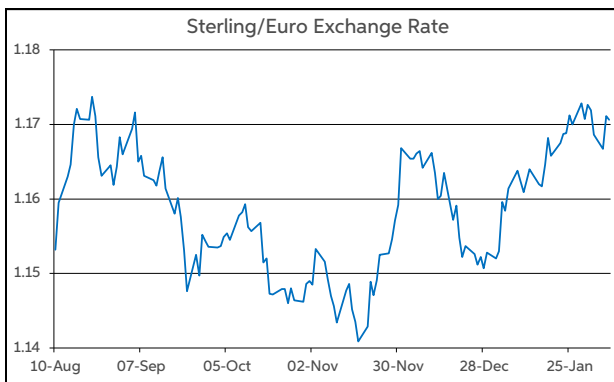
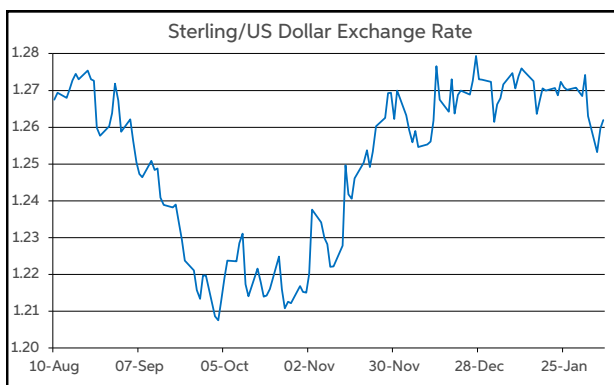
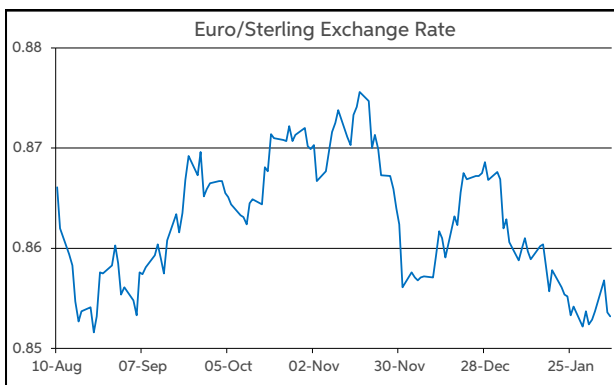
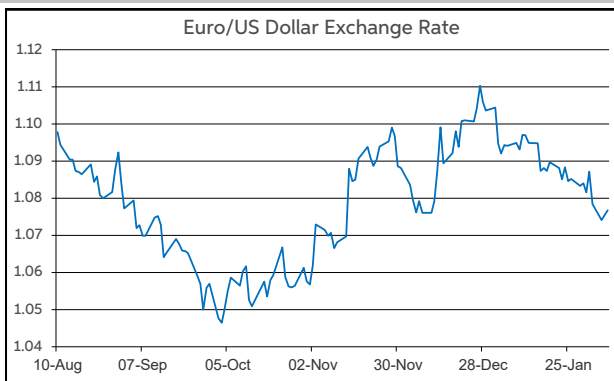
From a risk appetite perspective, there was a positive tone to investor sentiment. In Europe, the Euro Stoxx 50 gained 0.8% on the day. Meanwhile, at the closing bell on Wall Street last night, the S&P 500 was up by a more modest 0.2%.

On bond markets, yields were generally lower across the main sovereign benchmarks. This is in the context of the upward moves over the previous days, which followed the very strong US payroll numbers for January. The 10-year US Treasury yield edged back towards the 4.1% threshold.

Currency-wise, the majors were confined to tight ranges yesterday. This pattern continued in overnight trading. Of the limited action to register over the past 24 hours, sterling has regained some ground versus the dollar and is also higher against the euro.

In level terms, the firmer tone to sterling is reflected in GBP/USD regaining the \$1.26 level and EUR/GBP moving down into the lower half of the 85-86p band. Meanwhile, EUR/USD remains pinned down below the \$1.08 threshold. Today's macro data diary is once again lacking in top tier releases. As a result, the majors may trade within relatively confined ranges in and around their current levels.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0768	0.15	-2.43
EUR/GBP	0.8531	-0.41	-1.58
GBP/USD	1.2617	0.53	-0.88
GBP/EUR	1.1715	0.41	1.61
USD/JPY	147.83	-0.40	4.80
EUR/JPY	159.22	-0.25	2.31

\* 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	5.44	5.58	5.12	4.54	4.07
EUR	4.50	3.89	3.92	3.57	3.03	2.66
GBP	5.25	5.18	5.19	4.92	4.65	4.10

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 07 February 2024  
07:26 am



## Euro

EUR/GBP	0.8531
EUR/USD	1.0768
EUR/JPY	159.2
EUR/SEK	11.2904
EUR/DKK	7.4593
EUR/NOK	11.377
EUR/CHF	0.936
EUR/AUD	1.6472
EUR/HKD	8.4219
EUR/CAD	1.4513

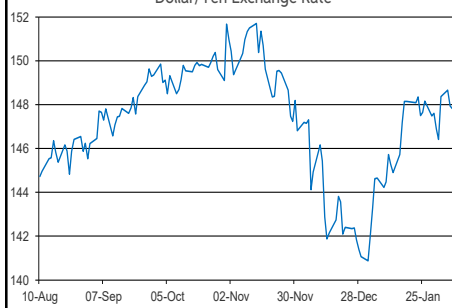
## Sterling

GBP/EUR	1.1718
GBP/USD	1.262
GBP/CAD	1.7008
GBP/NZD	2.0641
GBP/JPY	186.56
GBP/SEK	13.2346
GBP/DKK	8.7389
GBP/NOK	13.331
GBP/CHF	1.0969
GBP/AUD	1.9308

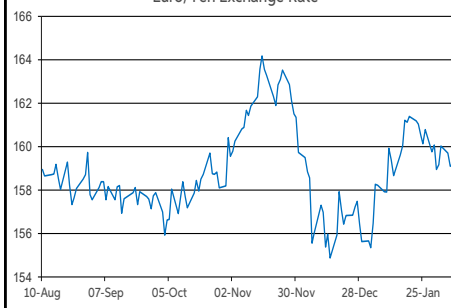
## Dollar

USD/JPY	147.84
USD/CAD	1.3477
USD/CHF	0.8691
USD/CNY	7.1891
USD/BRL	4.9634
USD/RUB	91.1
USD/INR	82.959
AUD/USD	0.6535
NZD/USD	0.6111

Dollar/Yen Exchange Rate

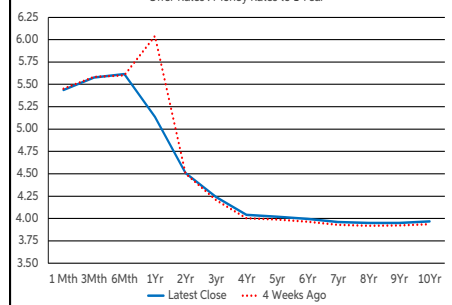


Euro/Yen Exchange Rate



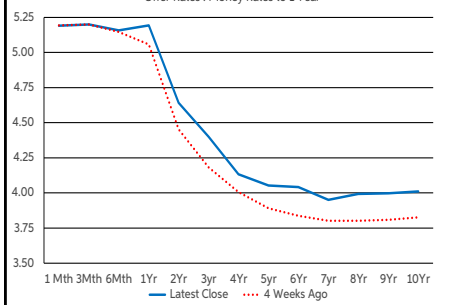
US Swap Curve

Offer Rates : Money Rates to 1 Year



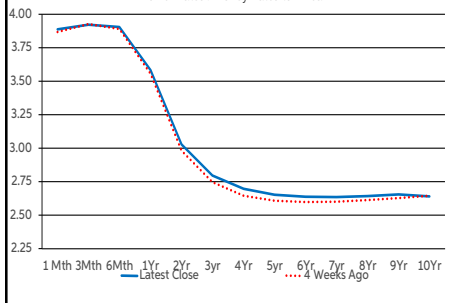
UK Swap Curve

Offer Rates : Money Rates to 1 Year

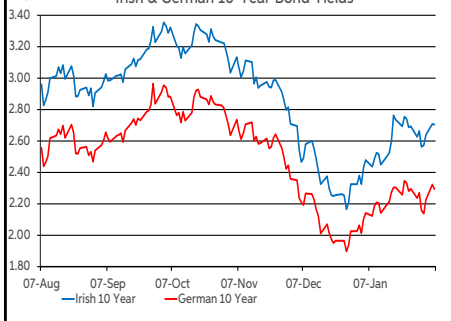


Eurozone Swap Curve

Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



## Debt Markets

	Close	Change bps		
		Day	4 Weeks	End 23
<b>10 Year Yield %</b>				
US	4.09	-7	+8	+22
Germany	2.30	-3	+11	+27
UK	3.95	-6	+17	+41
Ireland	2.74	-2	+23	+36
Belgium	2.91	-2	+8	+23
France	2.81	-1	+8	+25
Italy	3.86	-3	+1	+16
Spain	3.22	-2	+5	+23
Portugal	3.01	-2	+6	+22
Greece	3.39	+1	+8	+32
<b>5 Year Swap %</b>				
US	4.02	-9	+7	+23
Eurozone	2.65	-2	+5	+23
UK	4.05	-5	+21	+40
<b>2 Year Swap %</b>				
US	4.51	-6	+5	+18
Eurozone	3.03	-1	+6	+23
UK	4.64	-3	+19	+38
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	45	+1	+13	+9
Belgium	61	+1	-3	-4
France	51	+1	-3	-2
Italy	157	+0	-10	-11
Spain	92	+1	-5	-4
Portugal	71	+0	-5	-5
Greece	110	+3	-2	+5

## Commodities

	Close	% Change		
		Day	4 Weeks	End 23
Brent Oil	78.59	+0.77	+1.29	+2.01
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2035.5	+0.53	+0.29	-1.32

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