

Main FX pairs remain tightly range bound

Price action across financial markets remained somewhat muted yesterday. The Euro Stoxx 50 gained 0.7%, as the positive mood from the US a day prior spilled over to the European session. However, on Wall Street, the S&P 500 finished flat, with the index unable to surmount the psychologically important 5,000 level.

Meanwhile, oil prices continued to rise, with Brent Crude up above the \$81 per barrel mark. On bond markets, yields climbed 3-8bps higher in the US, Eurozone and UK. Notably, the move in UK yields was concentrated at the front end of the curve, following a slight firming in UK market rate expectations. This coincided with some hawkish remarks from BoE MPC member Mann.

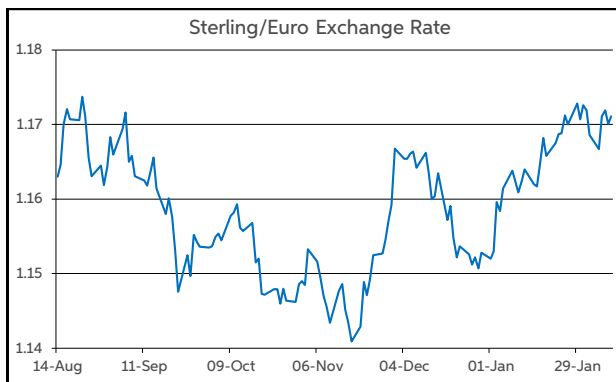
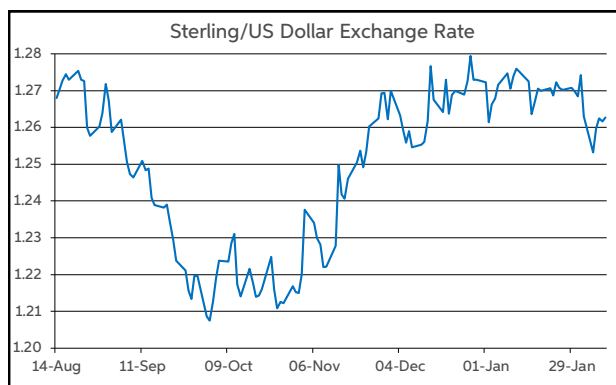
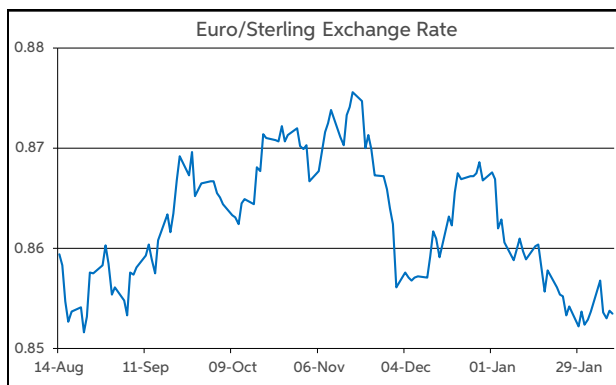
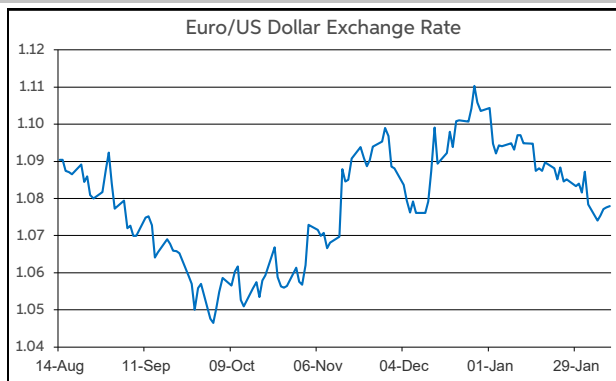
Elsewhere, US and Eurozone market rate expectations hardened marginally. Central bank officials from the Fed and ECB reiterated in comments yesterday, that they need more assurances that inflation is falling to 2% sustainably before cutting rates.

Currency-wise, the main FX pairs remained confined to very tight ranges yesterday. Of the limited price action to register, the yen stayed on the defensive. The Japanese currency fell by circa 0.5% against the euro and dollar.

As trading gets underway this morning, EUR/USD opens at an identical level to the day before, in the top half of \$1.07-1.08. GBP/USD is in the lower half of \$1.26-1.27. EUR/GBP remains between 85-86p. Elsewhere, EUR/JPY is trading up at the ¥161 threshold.

Turning to the day ahead, there is a relatively barren data schedule on both sides of the Atlantic. As a result, range trading is likely to remain the order of the day on currency markets.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.078	-0.01	-2.32
EUR/GBP	0.8534	-0.02	-1.55
GBP/USD	1.2625	-0.03	-0.82
GBP/EUR	1.171	0.02	1.57
USD/JPY	149.3	0.49	5.84
EUR/JPY	160.97	0.48	3.43

* 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	5.15	4.62	4.15
EUR	4.50	3.87	3.90	3.61	3.11	2.75
GBP	5.25	5.19	5.20	4.97	4.71	4.20

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

Friday 09 February 2024
07:43 am



Euro

EUR/GBP	0.8536
EUR/USD	1.0779
EUR/JPY	160.95
EUR/SEK	11.2837
EUR/DKK	7.4546
EUR/NOK	11.4335
EUR/CHF	0.9426
EUR/AUD	1.6566
EUR/HKD	8.4319
EUR/CAD	1.4507

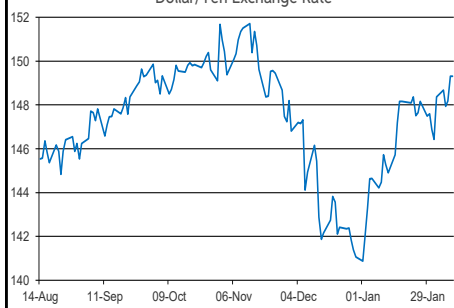
Sterling

GBP/EUR	1.1708
GBP/USD	1.2625
GBP/CAD	1.6993
GBP/NZD	2.0585
GBP/JPY	188.49
GBP/SEK	13.2216
GBP/DKK	8.7305
GBP/NOK	13.4049
GBP/CHF	1.1042
GBP/AUD	1.9405

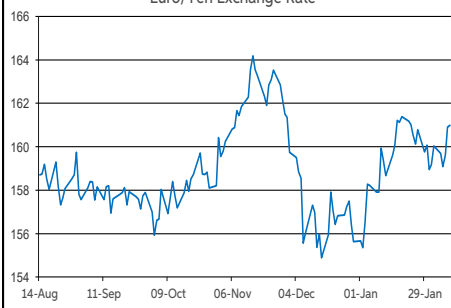
Dollar

USD/JPY	149.3
USD/CAD	1.3456
USD/CHF	0.8743
USD/CNY	7.1928
USD/BRL	4.992
USD/RUB	90.7425
USD/INR	82.99
AUD/USD	0.6506
NZD/USD	0.6132

Dollar/Yen Exchange Rate

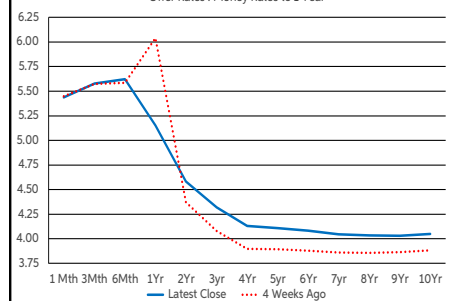


Euro/Yen Exchange Rate



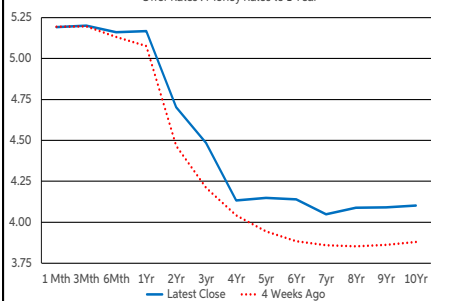
US Swap Curve

Offer Rates : Money Rates to 1 Year



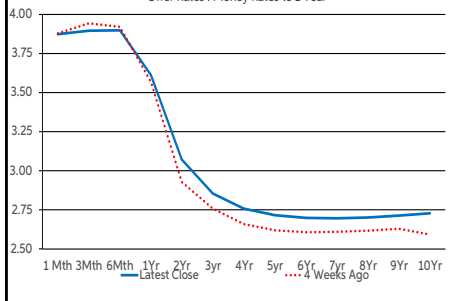
UK Swap Curve

Offer Rates : Money Rates to 1 Year

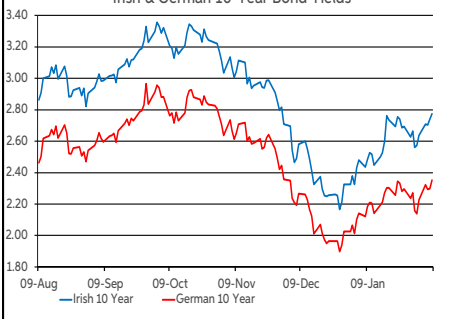


Eurozone Swap Curve

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	4.16	+4	+18	+29
Germany	2.36	+6	+15	+33
UK	4.06	+6	+21	+52
Ireland	2.83	+5	+30	+45
Belgium	2.98	+3	+13	+30
France	2.87	+4	+12	+31
Italy	3.93	+4	+12	+24
Spain	3.28	+4	+12	+29
Portugal	3.08	+6	+13	+30
Greece	3.39	+3	+9	+31
5 Year Swap %				
US	4.11	+5	+26	+32
Eurozone	2.72	+3	+11	+29
UK	4.15	+7	+21	+50
2 Year Swap %				
US	4.58	+3	+25	+25
Eurozone	3.07	+2	+15	+28
UK	4.70	+5	+24	+44
10 Year Government Bond Spreads to Benchmark bps				
Ireland	47	-1	+15	+12
Belgium	63	-3	-2	-3
France	51	-2	-3	-2
Italy	158	-2	-3	-9
Spain	93	-2	-3	-4
Portugal	73	+0	-2	-3
Greece	103	-3	-6	-2

Commodities

	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	81.63	+3.06	+5.45	+5.96
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2033.2	-0.05	+0.25	-1.43

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