

Flash PMIs due today

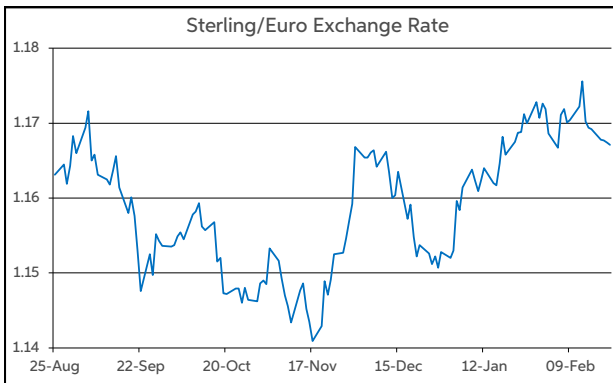
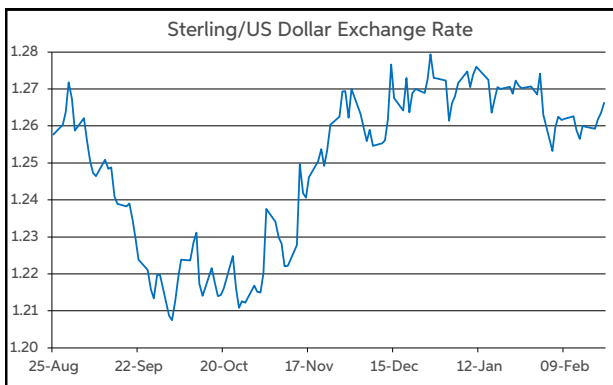
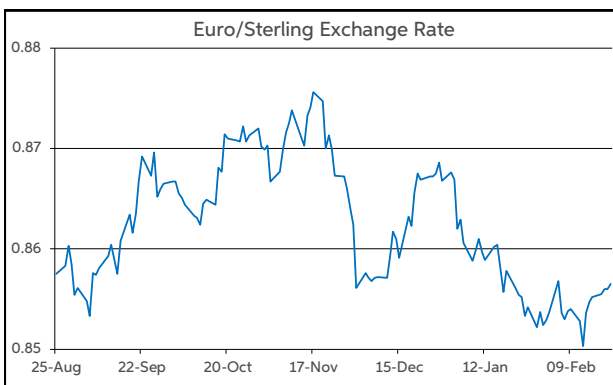
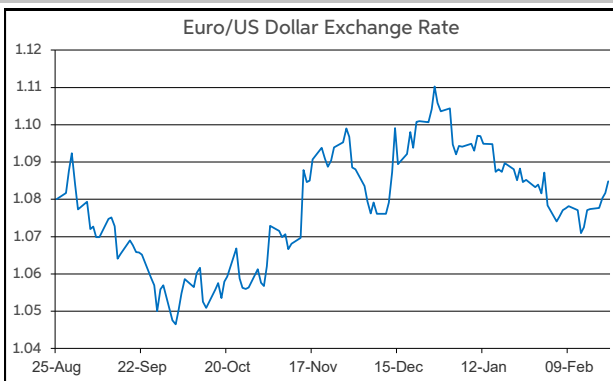
There was a mixed mood on markets throughout yesterday's European session. Overall, the price action was rather subdued. This was partly due to investor's keeping their powder dry, ahead the latest Fed FOMC meeting minutes, due after the European close. Against this backdrop, the Euro Stoxx 50 edged 0.3% higher. Meantime, having initially traded lower, the S&P 500 rallied late on to register a 0.1% rise.

Elsewhere, market rate expectations hardened in the build-up to the release of the Fed meeting minutes. Futures contracts suggest that markets expect rate cuts worth 100bps in the Eurozone, 90bps in the US, and circa 65bps in the UK by year end. A somewhat hawkish tone in the minutes, and hawkish remarks from Fed officials have consolidated this pricing overnight. Amid the hardening in rates, bond yields rose by 2-9bps across the board, erasing their declines from the day prior.

On the currency front, the main FX pairs were confined to tight ranges. Of the limited activity to note, the yen and the dollar were on the defensive. This is reflected in EUR/USD opening this morning up at the midpoint of the \$1.08-1.09 corridor. GBP/USD is in the upper half of \$1.26-1.27 also. Meanwhile, EUR/JPY is up near the ¥163 threshold. EUR/GBP is in the top half of 85-86p.

Turning to the day ahead, a busy data calendar includes the flash PMIs for February in the Eurozone, US and UK. However, barring any major surprises, the data are unlikely to impact markets. The final reading of Eurozone inflation for January, and initial jobless claims in the US are also due. On the monetary policy front, the latest ECB Monetary Policy Meeting Account will garner attention. Remarks from a number of Fed officials will also be in focus.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0848	0.31	-1.70
EUR/GBP	0.8565	0.08	-1.19
GBP/USD	1.2663	0.25	-0.52
GBP/EUR	1.1669	-0.08	1.20
USD/JPY	150.13	0.11	6.43
EUR/JPY	162.9	0.41	4.67

* 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	5.43	5.59	5.29	4.82	4.32
EUR	4.50	3.90	3.94	3.69	3.21	2.84
GBP	5.25	5.19	5.21	5.00	4.79	4.30

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 22 February 2024
07:31 am



Euro

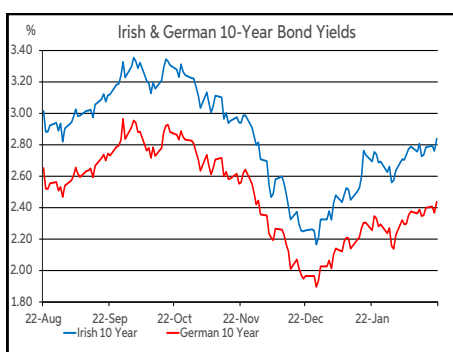
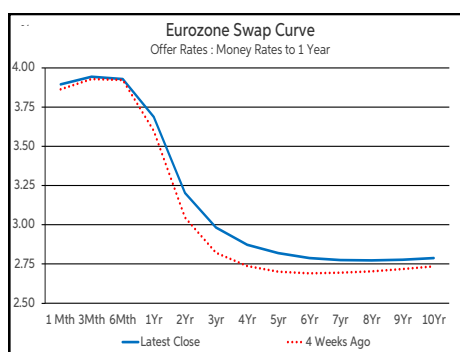
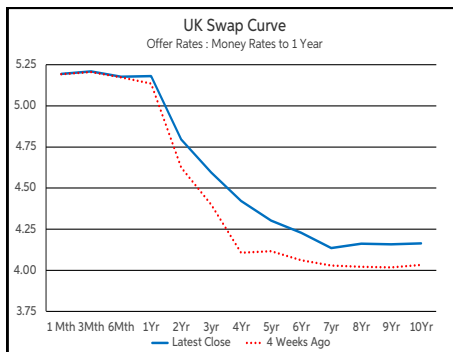
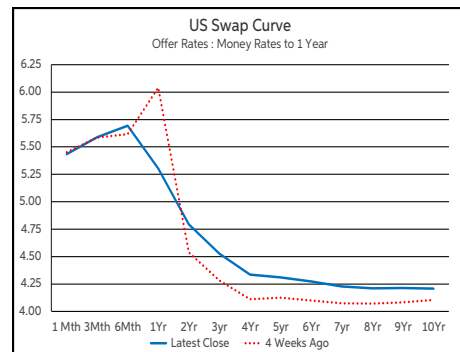
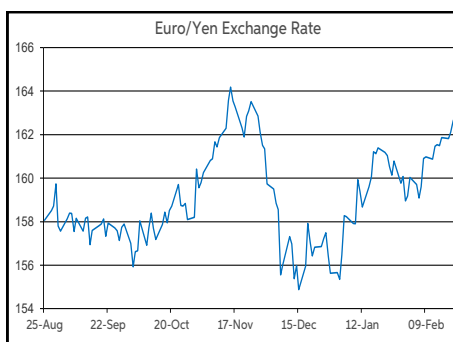
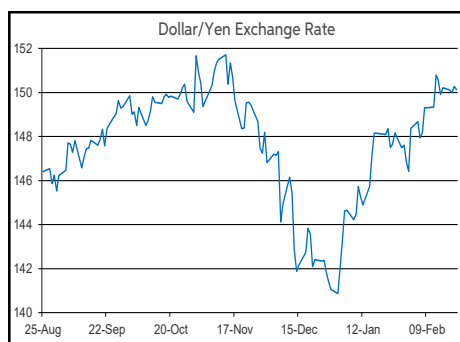
EUR/GBP	0.8565
EUR/USD	1.0848
EUR/JPY	162.9
EUR/SEK	11.191
EUR/DKK	7.454
EUR/NOK	11.3277
EUR/CHF	0.9503
EUR/AUD	1.648
EUR/HKD	8.4871
EUR/CAD	1.4599

Sterling

GBP/EUR	1.1669
GBP/USD	1.2663
GBP/CAD	1.7041
GBP/NZD	2.0383
GBP/JPY	190.11
GBP/SEK	13.0652
GBP/DKK	8.6992
GBP/NOK	13.2204
GBP/CHF	1.1094
GBP/AUD	1.9235

Dollar

USD/JPY	150.13
USD/CAD	1.3455
USD/CHF	0.8758
USD/CNY	7.1875
USD/BRL	4.9377
USD/RUB	92.3775
USD/INR	82.8975
AUD/USD	0.6583
NZD/USD	0.621



Debt Markets

	Close	Change bps		
		Day	4 Weeks	End 23
10 Year Yield %				
US	4.32	+4	+14	+45
Germany	2.44	+7	+11	+41
UK	4.11	+7	+10	+57
Ireland	2.88	+8	+10	+50
Belgium	3.02	+7	+8	+34
France	2.93	+8	+9	+37
Italy	3.95	+9	+4	+25
Spain	3.36	+8	+10	+37
Portugal	3.08	+5	+2	+30
Greece	3.39	+3	+5	+32
5 Year Swap %				
US	4.31	+5	+23	+52
Eurozone	2.82	+7	+13	+39
UK	4.30	+8	+24	+65
2 Year Swap %				
US	4.79	+6	+30	+46
Eurozone	3.20	+6	+17	+41
UK	4.80	+8	+18	+53
10 Year Government Bond Spreads to Benchmark bps				
Ireland	44	+1	-0	+8
Belgium	58	+0	-3	-7
France	49	+1	-2	-4
Italy	151	+2	-6	-16
Spain	92	+1	-1	-4
Portugal	64	-3	-8	-12
Greece	95	-4	-6	-10

Commodities

	Close	% Change		
		Day	4 Weeks	End 23
Brent Oil	83.03	+0.84	+3.74	+7.78
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2025.0	+0.07	+0.62	-1.82

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