

Inflation data in focus both sides of the Atlantic

In a similar pattern to earlier in the week, trading conditions remained muted across financial markets yesterday. The Euro Stoxx 50 finished flat for the day. Meanwhile, on Wall Street, the S&P 500 edged 0.2% lower. On bond markets, benchmark sovereign yields were little changed.

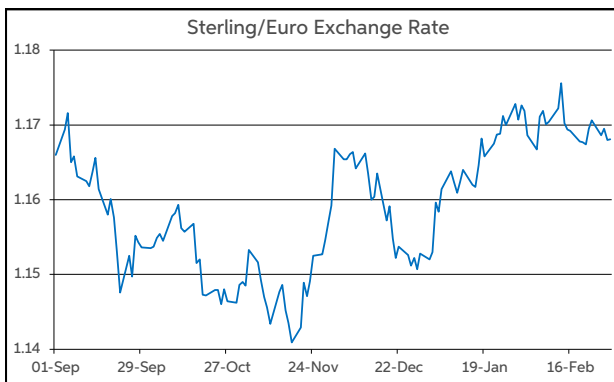
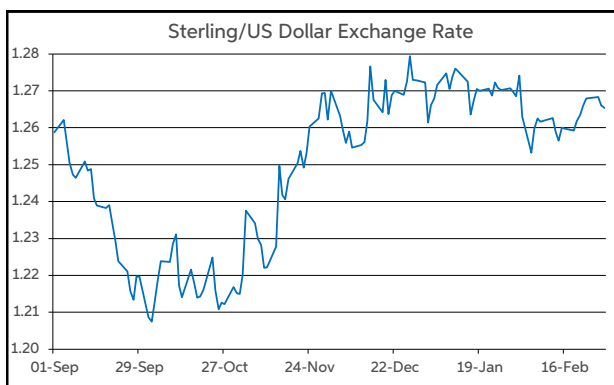
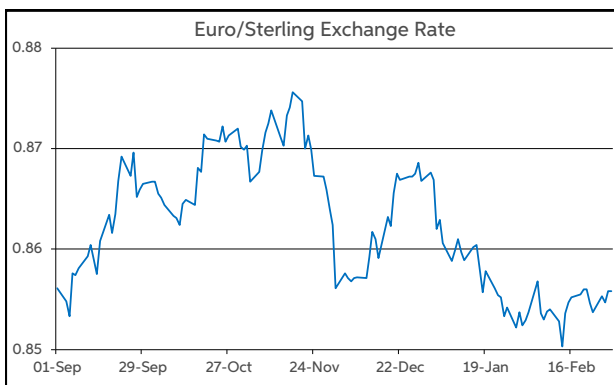
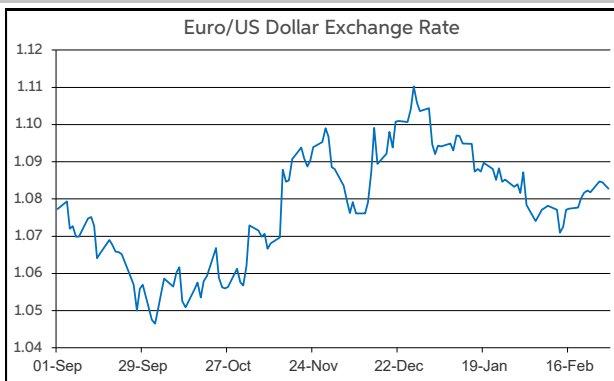
Data-wise, the Eurozone EC sentiment indices for February were the main release of note yesterday. The headline economic sentiment index printed below expectations, deteriorating to 95.4 (vs. 96.7 f'cast). At the same time, the services index declined to 6.0 (vs. 9.0 f'cast). Industrial sector sentiment was also slightly weaker than expected. However, the data did not impact the euro.

Indeed, overall, the action on forex markets remained confined to very narrow trading ranges. Of the limited moves to register over the past 24 hours, the yen has been holding a firmer tone, amid hawkish remarks from BoJ official Takata.

As trading gets underway this morning, EUR/USD remains in the lower half of the \$1.08-1.09 band. Meantime, EUR/GBP is close to the midpoint of the 85-86p corridor. GBP/USD is changing hands at the halfway mark of \$1.26-1.27. USD/JPY is operating back below the ¥150 threshold.

Today, a busier look to the data schedule features a raft of inflation data. Already this morning, both French and Spanish flash HICP have printed broadly in-line with expectations, declining further in February. The flash reading of German HICP inflation is due later today. Similarly, US core-PCE inflation for January is forecast to ease slightly to 2.8% from 2.9%. Elsewhere in the US, personal income and consumption data for January are also due.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0829	0.04	-1.88
EUR/GBP	0.8556	0.07	-1.29
GBP/USD	1.2651	-0.06	-0.61
GBP/EUR	1.1681	-0.07	1.31
USD/JPY	149.71	-0.58	6.13
EUR/JPY	162.11	-0.56	4.16

* 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	5.38	5.44	5.60	5.32	4.82	4.30
EUR	4.50	3.86	3.95	3.69	3.24	2.83
GBP	5.25	5.19	5.21	5.02	4.83	4.34

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 29 February 2024
07:50 am



Euro

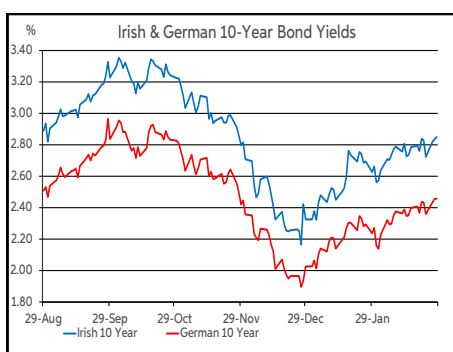
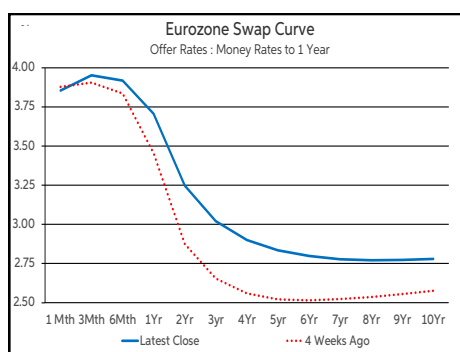
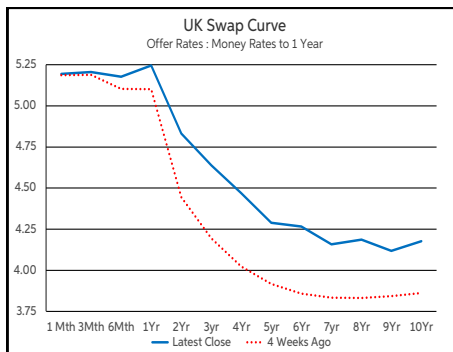
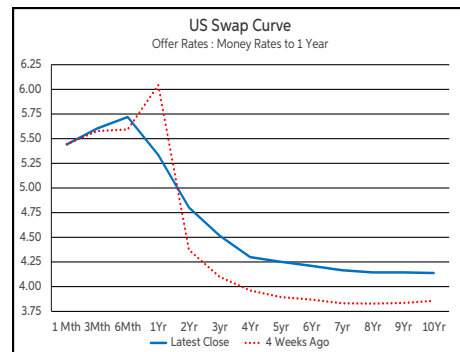
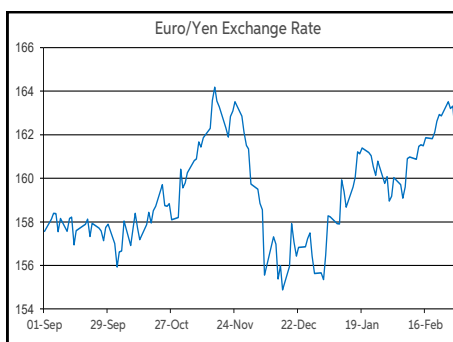
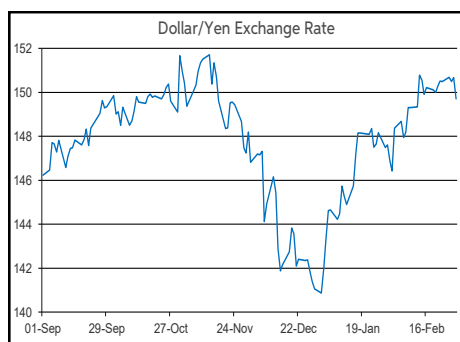
EUR/GBP	0.8556
EUR/USD	1.0829
EUR/JPY	162.11
EUR/SEK	11.178
EUR/DKK	7.454
EUR/NOK	11.4472
EUR/CHF	0.9519
EUR/AUD	1.6624
EUR/HKD	8.473
EUR/CAD	1.4699

Sterling

GBP/EUR	1.1681
GBP/USD	1.2651
GBP/CAD	1.7178
GBP/NZD	2.0754
GBP/JPY	189.46
GBP/SEK	13.0608
GBP/DKK	8.7088
GBP/NOK	13.3844
GBP/CHF	1.1123
GBP/AUD	1.943

Dollar

USD/JPY	149.71
USD/CAD	1.3575
USD/CHF	0.879
USD/CNY	7.1942
USD/BRL	4.9675
USD/RUB	90.79
USD/INR	82.9185
AUD/USD	0.6511
NZD/USD	0.6095



Debt Markets

	Close	Change bps		
		Day	4 Weeks	End 23
10 Year Yield %				
US	4.27	-4	+35	+40
Germany	2.46	+1	+30	+43
UK	4.19	-1	+39	+65
Ireland	2.87	-2	+27	+49
Belgium	3.03	-1	+26	+35
France	2.93	-1	+27	+37
Italy	3.89	-1	+17	+20
Spain	3.35	-1	+26	+35
Portugal	3.10	+0	+22	+31
Greece	3.44	+3	+20	+36
5 Year Swap %				
US	4.25	-4	+40	+46
Eurozone	2.83	-1	+32	+41
UK	4.29	-1	+38	+64
2 Year Swap %				
US	4.80	-3	+47	+47
Eurozone	3.25	-1	+38	+45
UK	4.83	-1	+39	+57
10 Year Government Bond Spreads to Benchmark bps				
Ireland	41	-3	-3	+5
Belgium	57	-1	-4	-9
France	47	-1	-3	-6
Italy	143	-2	-13	-24
Spain	88	-2	-5	-8
Portugal	64	-1	-8	-12
Greece	98	+2	-10	-7

Commodities

	Close	% Change		
		Day	4 Weeks	End 23
Brent Oil	83.68	+0.04	+2.41	+8.62
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2034.6	+0.25	-0.13	-1.36

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