

## EUR/GBP near 86p

It was a relatively quiet day on financial markets yesterday. Investor sentiment was holding a subdued tone, with the Euro Stoxx 50 falling by 0.4%. The S&P 500 inched 0.1% lower also. On bond markets, US Treasury and UK Gilt yields were little changed. Meantime, oil prices recouped some of their recent losses, rising by circa 2%. Brent crude oil is currently above \$77 per barrel.

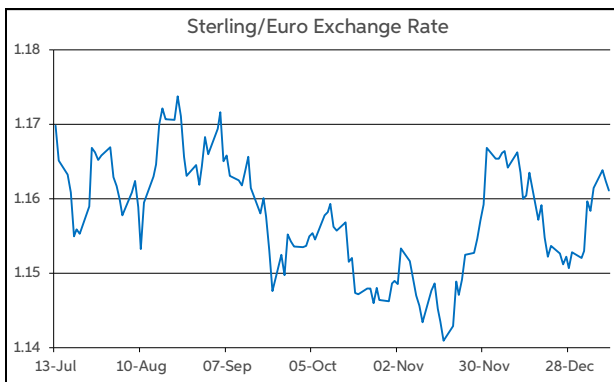
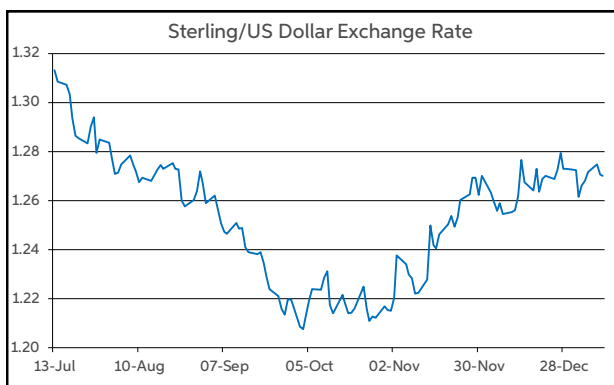
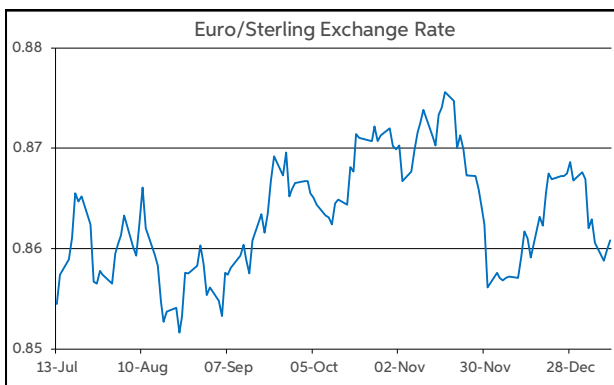
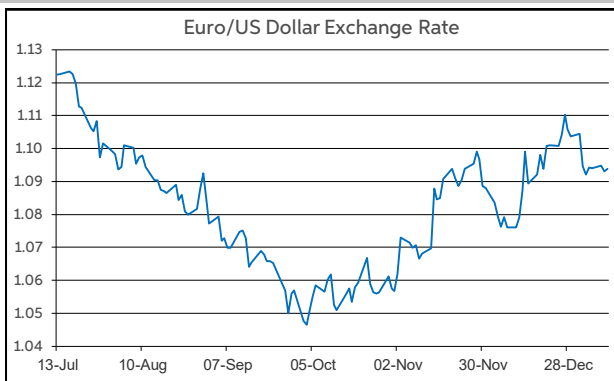
Data-wise, the Eurozone unemployment rate edged back to 6.4% in November, just below the 6.5% consensus. However, the release did not impact the euro. Elsewhere, German industrial production declined by 0.7% in November (vs. +0.2% f'cast). Worryingly, data released on Monday showed that industrial orders rose by just 0.3% in November also, well below expectations for a 1% increase. Taken together, the data suggest that German manufacturing continued to struggle in Q4.

On the currency front, the main pairs continued to operate in narrow trading ranges. Of the limited price action to note, the dollar inched slightly higher, supported by the softer tone to risk appetite. Elsewhere, the yen was on the defensive overnight, on the back of some weak earnings data.

In level terms, EUR/USD opens this morning in the lower half \$1.09-1.10. EUR/GBP remains in and around the 86p mark. Elsewhere, GBP/USD is changing hands back near the \$1.27 threshold. USD/JPY is operating just below the ¥145 handle.

Today, the data calendar is rather sparse. Meanwhile, remarks from BoE Governor Bailey in testimony to the Treasury Select Committee will garner some attention. Speeches from NY Fed President Williams and ECB Board member Schnabel will also be of interest.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0937	-0.11	-0.90
EUR/GBP	0.8609	0.22	-0.68
GBP/USD	1.2704	-0.30	-0.20
GBP/EUR	1.1612	-0.22	0.69
USD/JPY	144.9	0.77	2.72
EUR/JPY	158.51	0.68	1.85

\* 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	5.45	5.59	5.08	4.49	3.98
EUR	4.50	3.87	3.93	3.57	2.98	2.60
GBP	5.25	5.19	5.20	4.83	4.45	3.89

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 10 January 2024  
07:37 am



## Euro

EUR/GBP	0.8608
EUR/USD	1.0937
EUR/JPY	158.53
EUR/SEK	11.2176
EUR/DKK	7.458
EUR/NOK	11.3094
EUR/CHF	0.9322
EUR/AUD	1.633
EUR/HKD	8.5527
EUR/CAD	1.4642

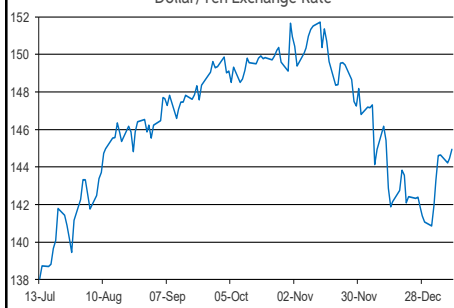
## Sterling

GBP/EUR	1.1611
GBP/USD	1.2704
GBP/CAD	1.7005
GBP/NZD	2.036
GBP/JPY	184.08
GBP/SEK	13.0268
GBP/DKK	8.6598
GBP/NOK	13.1382
GBP/CHF	1.0825
GBP/AUD	1.8964

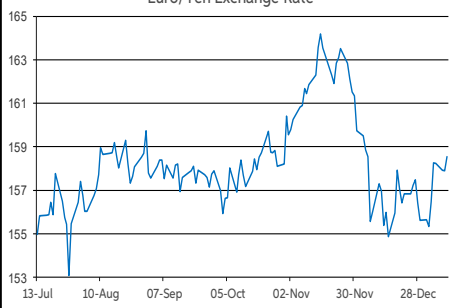
## Dollar

USD/JPY	144.92
USD/CAD	1.3385
USD/CHF	0.8521
USD/CNY	7.1733
USD/BRL	4.9067
USD/RUB	89.615
USD/INR	83.1025
AUD/USD	0.6698
NZD/USD	0.6237

Dollar/Yen Exchange Rate

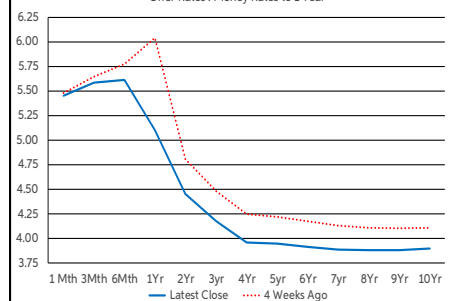


Euro/Yen Exchange Rate



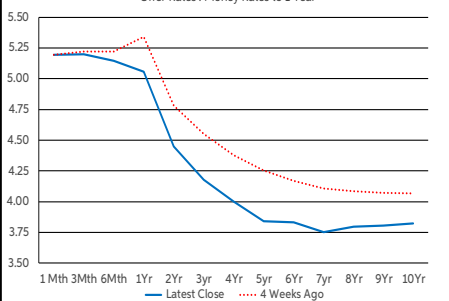
US Swap Curve

Offer Rates : Money Rates to 1 Year



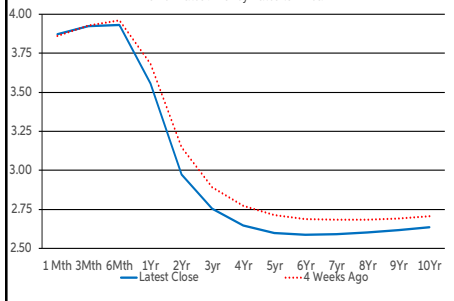
UK Swap Curve

Offer Rates : Money Rates to 1 Year

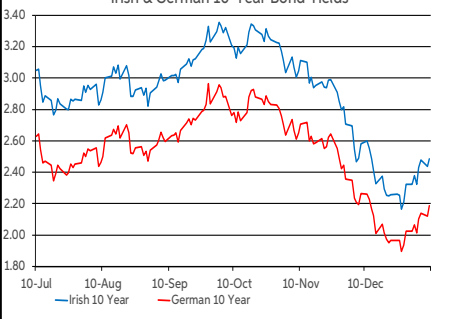


Eurozone Swap Curve

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	4.02	-1	-20	+15
Germany	2.19	+7	-4	+16
UK	3.78	+1	-19	+24
Ireland	2.51	+5	-6	+13
Belgium	2.83	+5	-6	+15
France	2.72	+6	-5	+17
Italy	3.86	+4	-15	+16
Spain	3.16	+5	-8	+17
Portugal	2.94	+6	-7	+16
Greece	3.31	-1	-17	+23
<b>5 Year Swap %</b>				
US	3.95	-1	-23	+16
Eurozone	2.60	+7	-10	+17
UK	3.84	-5	-41	+19
<b>2 Year Swap %</b>				
US	4.46	-1	-31	+12
Eurozone	2.97	+5	-16	+18
UK	4.45	+1	-33	+18
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	32	-1	-2	-4
Belgium	64	-1	-2	-1
France	54	-0	-1	+1
Italy	167	-2	-11	-1
Spain	97	-2	-4	+1
Portugal	76	-1	-3	-0
Greece	112	-8	-12	+7

## Commodities

	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	77.59	+1.93	+5.94	+0.71
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2029.6	+0.09	+2.53	-1.60

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