

US labour market report due today

Risk appetite rebounded modestly yesterday, amid a relatively quiet day on markets. This was partially due to an early close in the US to mark the funeral of former President Carter. Against this backdrop, the Euro Stoxx 50 gained 0.4%.

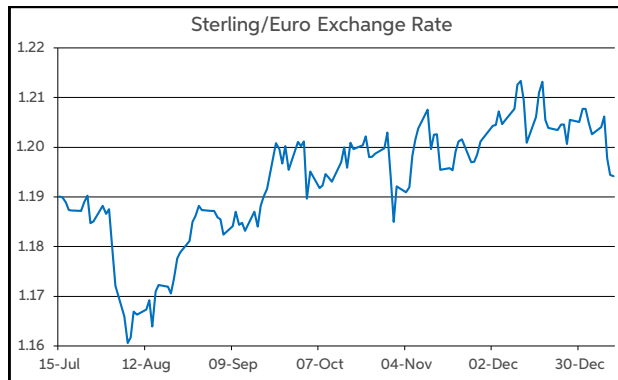
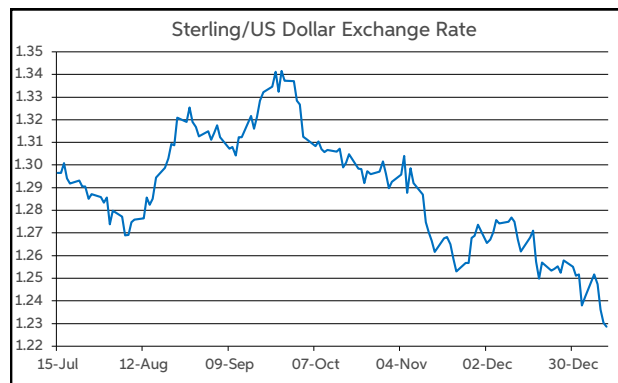
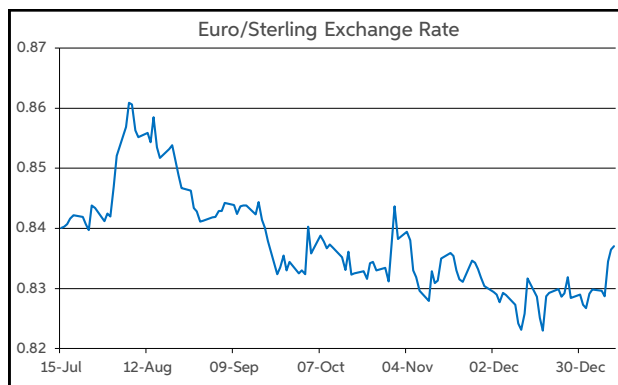
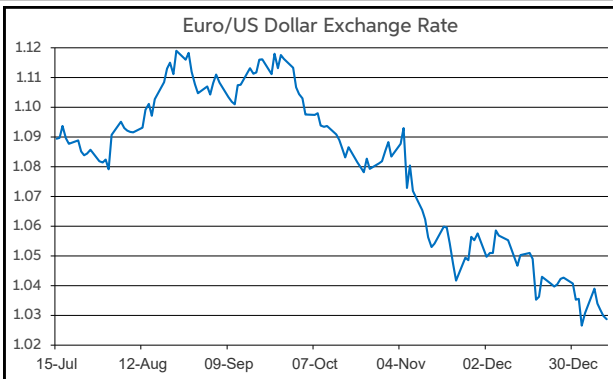
On bond markets, yields continued to move higher, albeit not by the same extent as earlier in the week. UK Gilt yields surged at the open but settled later on, to finish the day 1-2bps higher. Likewise, US Treasury yields rose by 1-2bps along the curve. Eurozone yields, including German Bunds finished the day up by 2-4bps. This coincided with a slight firming in Eurozone futures contracts, with rate cuts worth circa 95bps now priced-in for year end.

On the currency front, the main pairs operated in narrow ranges yesterday. Limited trading in the US and a relatively quiet data schedule elsewhere contributed to the lacklustre price action. Of the muted moves to note, sterling stayed on the defensive, while the dollar remained in the ascendancy.

As trading gets underway this morning, EUR/USD is changing hands back below the \$1.03 handle. EUR/GBP remains in the top half of the 83-84p range. Elsewhere, GBP/USD is operating down below the \$1.23 threshold.

Turning to the day ahead, the main focus will be the US labour market report for December. In recent months there have been some signs of softening in the labour market, although the data have been volatile. The consensus is for payrolls to rise by 160k in the month. Meantime, the unemployment rate is forecast to remain at 4.2%, while average earnings growth is projected to stay at +4.0% y/y. The data pose some event risk for the dollar.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.0287	-0.17	-0.64
EUR/GBP	0.837	0.17	1.17
GBP/USD	1.2286	-0.36	-1.80
GBP/EUR	1.1942	-0.17	-1.16
USD/JPY	158.34	0.19	0.74
EUR/JPY	162.92	0.01	0.10

* v Previous Day's European Open

See Next Page for More Rates

Opening Interest Rates						
	Money Market			Swap Rates		
	Base Rate	1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	4.38	4.30	4.29	4.18	4.40	4.43
EUR	3.15	2.86	2.78	2.46	2.36	2.43
GBP	4.75	4.67	4.57	4.44	4.58	4.46

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 10 January 2025
07:24 am



Euro

EUR/GBP	0.837
EUR/USD	1.0287
EUR/JPY	162.92
EUR/SEK	11.4827
EUR/DKK	7.4607
EUR/NOK	11.7438
EUR/CHF	0.9387
EUR/AUD	1.6604
EUR/HKD	8.007
EUR/CAD	1.4821

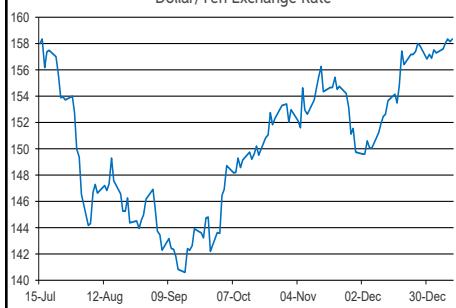
Sterling

GBP/EUR	1.1942
GBP/USD	1.2286
GBP/CAD	1.7698
GBP/NZD	2.1972
GBP/JPY	194.54
GBP/SEK	13.7119
GBP/DKK	8.9083
GBP/NOK	14.025
GBP/CHF	1.121
GBP/AUD	1.9825

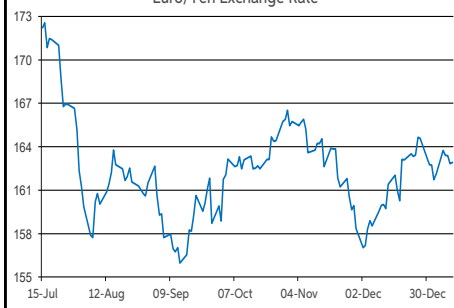
Dollar

USD/JPY	158.34
USD/CAD	1.4406
USD/CHF	0.9125
USD/CNY	7.3326
USD/BRL	6.0364
USD/RUB	102
USD/INR	85.8825
AUD/USD	0.6195
NZD/USD	0.5588

Dollar/Yen Exchange Rate

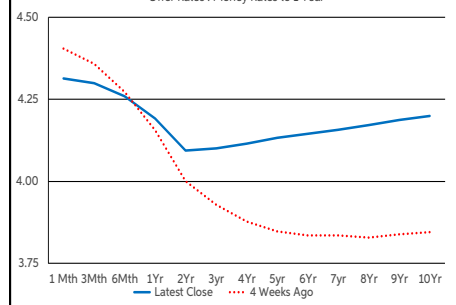


Euro/Yen Exchange Rate



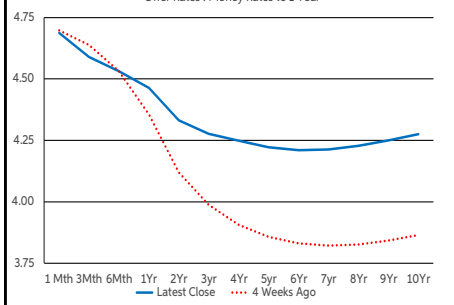
US Swap Curve

Offer Rates : Money Rates to 1 Year



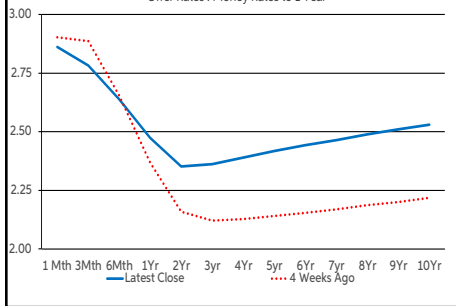
UK Swap Curve

Offer Rates : Money Rates to 1 Year

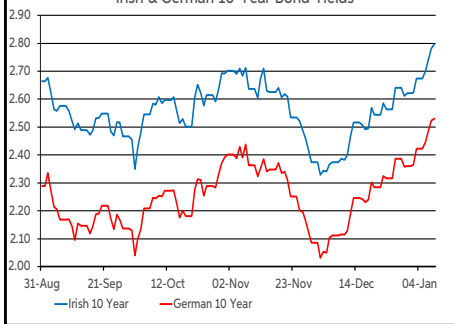


Eurozone Swap Curve

Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



Debt Markets

	Close	Change bps		
		Day	4 Weeks	End 24
10 Year Yield %				
US	4.68	-1	+36	+10
Germany	2.53	+1	+34	+17
UK	4.81	+1	+45	+24
Ireland	2.83	+3	+33	+18
Belgium	3.15	+3	+38	+17
France	3.39	+4	+41	+19
Italy	3.71	+2	+37	+19
Spain	3.22	+2	+37	+16
Portugal	3.01	+1	+38	+16
Greece	3.35	+3	+35	+10
5 Year Swap %				
US	4.38	-1	+28	+9
Eurozone	2.42	+4	+29	+18
UK	4.46	-2	+34	+17
2 Year Swap %				
US	4.37	-0	+11	+3
Eurozone	2.35	+3	+20	+16
UK	4.57	-3	+22	+8
10 Year Government Bond Spreads to Benchmark bps				
Ireland	30	+2	-1	+1
Belgium	62	+2	+4	-0
France	86	+3	+7	+3
Italy	118	+2	+3	+2
Spain	69	+1	+3	-1
Portugal	48	+0	+4	-1
Greece	82	+2	+1	-7

Commodities

	% Change			
	Close	Day	4 Weeks	End 24
Brent Oil	76.92	+1.00	+4.78	+3.05
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2670.2	+0.31	-0.42	+1.77

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