

US CPI inflation in focus today

Trading conditions remained relatively calm on financial markets yesterday. The Euro Stoxx traded sideways for the day, while the S&P 500 notched a 0.6% gain. On bond markets, yields were little changed across the board. Meanwhile, Brent crude oil prices held steady below the \$78 per barrel mark.

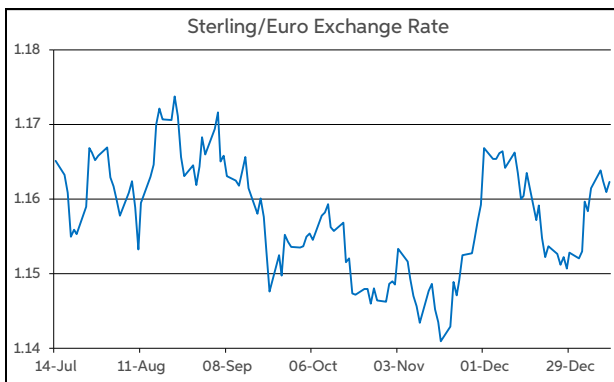
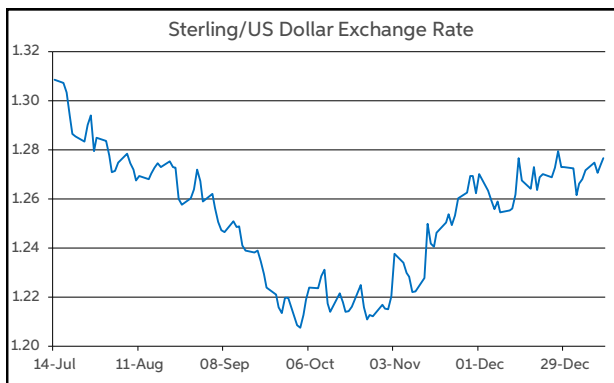
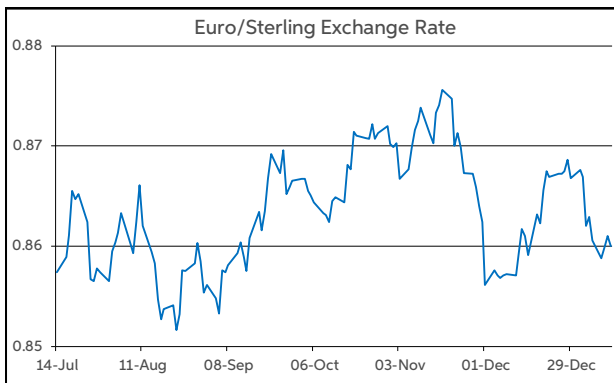
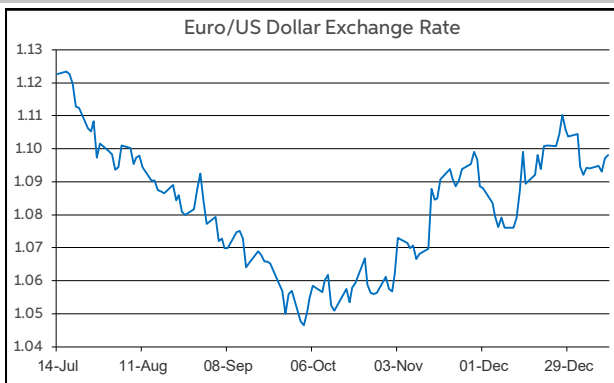
A sparse data docket likely contributed to the lacklustre price action. Elsewhere, remarks from a number of key ECB, Fed and BoE officials provided no new information on the outlook for policy. Indeed, the key message from officials remains that, although inflation is expected to continue to decline, it is too early to declare that price stability has been fully restored, meaning monetary policy will remain highly data-dependent in the near-term.

Currency-wise, against this backdrop, the main FX pairs continued to operate in narrow trading ranges. Overall, the dollar was under some modest downward pressure, handing back its gains from the day before. Elsewhere, the yen stayed on the defensive, as markets continued to digest weaker than anticipated inflation and wage data from earlier in the week.

As trading gets underway this morning, EUR/USD opens up in the top half of \$1.09-1.10. EUR/GBP remains in and around the 86p threshold. Elsewhere, GBP/USD is operating between the \$1.27-1.28 corridor. USD/JPY is changing hands above the ¥145 mark.

Today, the main data highlight will be the December reading of US CPI inflation. The consensus is for the headline rate to rise slightly to 3.2% from 3.1%, while the core rate is projected to decline to 3.8% from 4%. The release poses some event risk for the dollar. The latest US initial jobless claims figures will also feature.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.098	0.44	-0.51
EUR/GBP	0.8598	-0.09	-0.81
GBP/USD	1.2765	0.50	0.28
GBP/EUR	1.1621	0.09	0.81
USD/JPY	145.38	0.41	3.06
EUR/JPY	159.66	0.88	2.59

* 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	5.38	5.45	5.59	5.06	4.46	3.96
EUR	4.50	3.87	3.93	3.57	3.01	2.63
GBP	5.25	5.18	5.19	4.84	4.47	3.91

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 11 January 2024
07:39 am



Euro

EUR/GBP	0.8598
EUR/USD	1.098
EUR/JPY	159.66
EUR/SEK	11.2036
EUR/DKK	7.4572
EUR/NOK	11.3357
EUR/CHF	0.9334
EUR/AUD	1.6339
EUR/HKD	8.5836
EUR/CAD	1.4669

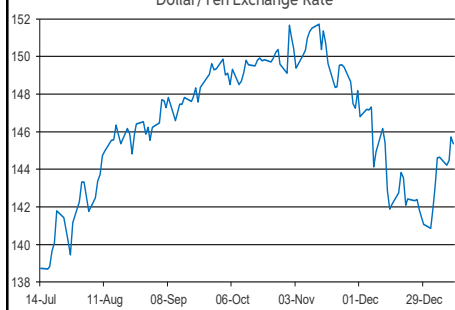
Sterling

GBP/EUR	1.1621
GBP/USD	1.2765
GBP/CAD	1.7055
GBP/NZD	2.042
GBP/JPY	185.58
GBP/SEK	13.0287
GBP/DKK	8.6682
GBP/NOK	13.1795
GBP/CHF	1.0852
GBP/AUD	1.9001

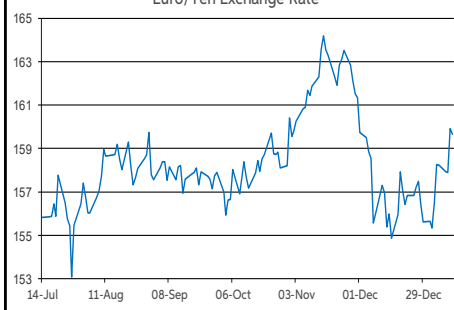
Dollar

USD/JPY	145.38
USD/CAD	1.3359
USD/CHF	0.8499
USD/CNY	7.1594
USD/BRL	4.8925
USD/RUB	88.88
USD/INR	83.0103
AUD/USD	0.6719
NZD/USD	0.6248

Dollar/Yen Exchange Rate

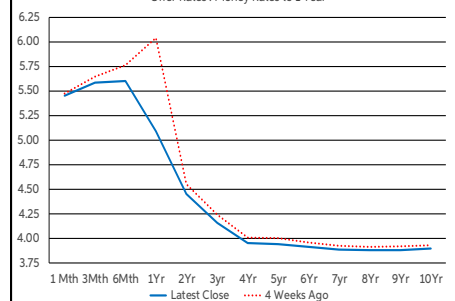


Euro/Yen Exchange Rate



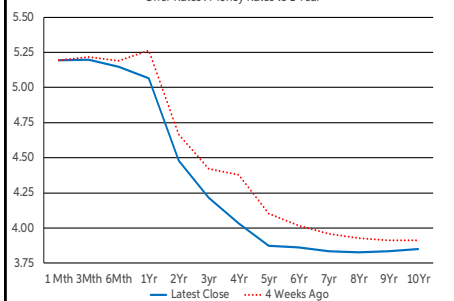
US Swap Curve

Offer Rates : Money Rates to 1 Year



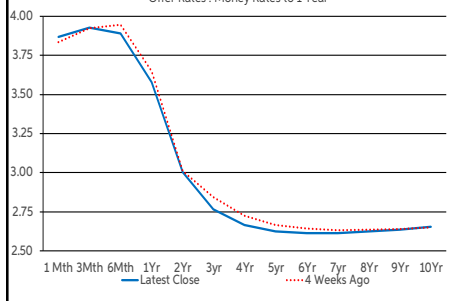
UK Swap Curve

Offer Rates : Money Rates to 1 Year

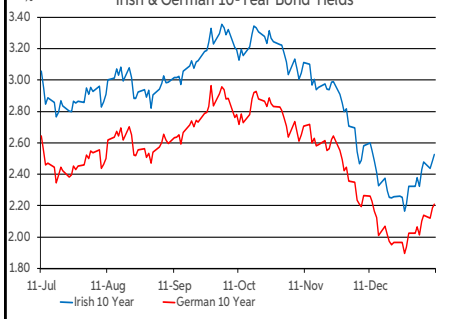


Eurozone Swap Curve

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	4.03	+1	+1	+16
Germany	2.21	+2	+4	+19
UK	3.82	+4	-1	+28
Ireland	2.55	+4	+4	+16
Belgium	2.86	+3	+2	+18
France	2.75	+2	+3	+19
Italy	3.85	-0	-9	+15
Spain	3.18	+2	+0	+19
Portugal	2.96	+2	+2	+17
Greece	3.29	-2	-14	+21
5 Year Swap %				
US	3.94	-1	-2	+15
Eurozone	2.63	+3	-3	+20
UK	3.88	+3	-22	+22
2 Year Swap %				
US	4.45	-1	-6	+12
Eurozone	3.00	+3	-0	+21
UK	4.48	+3	-18	+22
10 Year Government Bond Spreads to Benchmark bps				
Ireland	33	+1	-0	-2
Belgium	64	+1	-2	-1
France	54	+0	-1	+1
Italy	164	-3	-13	-3
Spain	97	-1	-4	+0
Portugal	75	-1	-3	-1
Greece	107	-5	-18	+3

Commodities

	Close	% Change		
		Day	4 Weeks	End 23
Brent Oil	76.8	-1.02	+3.42	-0.31
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2023.4	-0.31	-0.15	-1.90

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