

USD/JPY continues to edge higher

The positive tone to European investor sentiment that was evident on Monday, saw some reversal yesterday. This is against the backdrop of still a high degree of uncertainty over the outcome of Sunday's second round of voting. At the same time, even after the election, French political uncertainty could persist if no government can be formed. The Euro Stoxx 50 finished yesterday 0.5% lower.

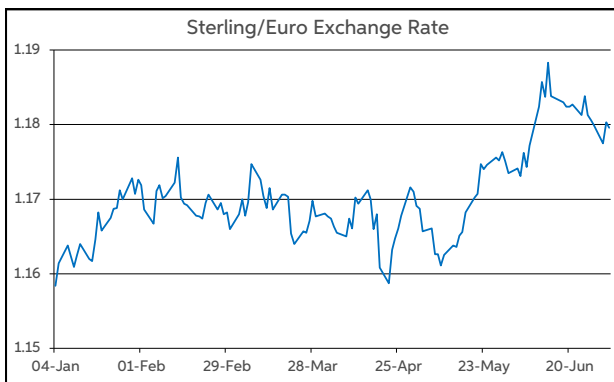
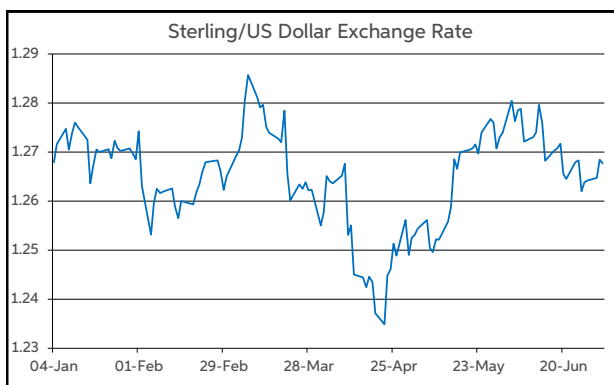
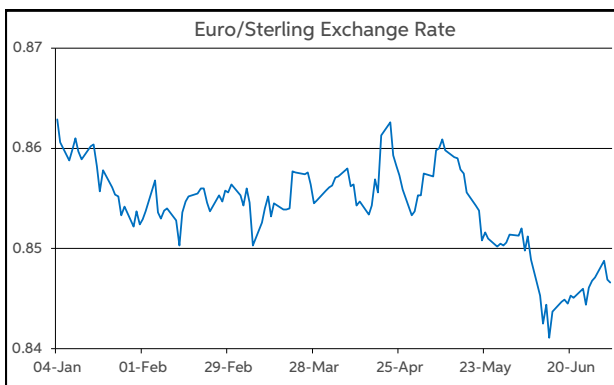
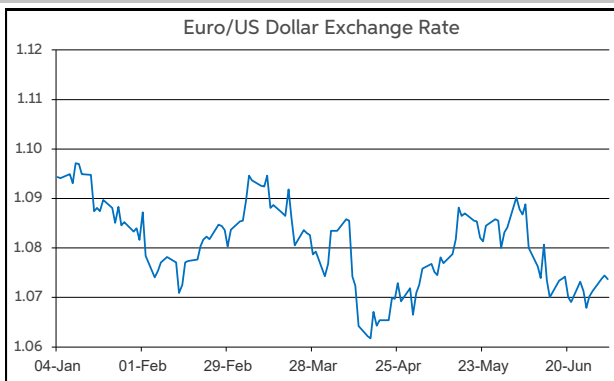
Data-wise, the flash reading of Eurozone HICP inflation for June was the main macro highlight yesterday. The headline rate printed in line with expectations at 2.5% (from 2.6% in May). Meanwhile, the core rate was unchanged at 2.9%. On the central bank front, Fed Chair Powell was sounding somewhat more dovish, noting that recent inflation data suggests the US economy may be back on a disinflationary path.

Overall though, from a currency perspective, most of the majors have been confined to narrow ranges over the past 24 hours. The EUR/USD pair has been trading within the lower half of the \$1.07-1.08 band.

Of some of the limited FX moves to register, sterling has been holding a slightly firmer tone. EUR/GBP edged back nearer to the midpoint of 84-85p. GBP/USD has traded higher within the \$1.26-1.27 corridor. Elsewhere, USD/JPY is continuing its gradual ascent, trading to a new 38-year high at ¥161.9

Today's macro data diary features the final readings of the PMIs for June from the US, Eurozone and UK. A busy US slate also includes the non-manufacturing ISM (June), weekly jobless claims and the ADP employment report. In terms of monetary policy, the Fed minutes from their June 11-12th meeting are also due.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0737	0.08	-2.71
EUR/GBP	0.8466	-0.31	-2.33
GBP/USD	1.2677	0.36	-0.41
GBP/EUR	1.1805	0.31	2.39
USD/JPY	161.92	0.15	14.79
EUR/JPY	173.86	0.22	11.71

* 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	5.58	5.29	4.91	4.41
EUR	4.25	3.66	3.71	3.54	3.24	2.93
GBP	5.25	5.19	5.10	4.88	4.76	4.28

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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Euro

EUR/GBP	0.8466
EUR/USD	1.0737
EUR/JPY	173.86
EUR/SEK	11.3677
EUR/DKK	7.4584
EUR/NOK	11.4583
EUR/CHF	0.9714
EUR/AUD	1.6091
EUR/HKD	8.3874
EUR/CAD	1.4694

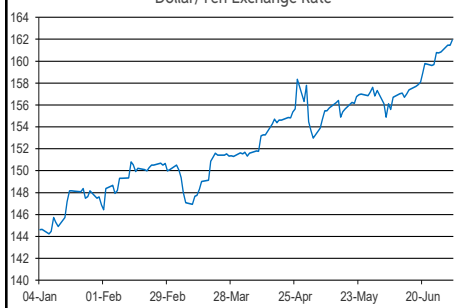
Sterling

GBP/EUR	1.1805
GBP/USD	1.2677
GBP/CAD	1.7351
GBP/NZD	2.088
GBP/JPY	205.27
GBP/SEK	13.4196
GBP/DKK	8.8075
GBP/NOK	13.5343
GBP/CHF	1.1471
GBP/AUD	1.9004

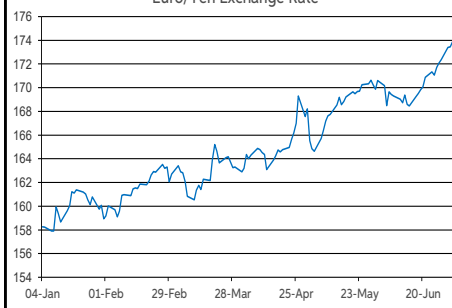
Dollar

USD/JPY	161.92
USD/CAD	1.3684
USD/CHF	0.9046
USD/CNY	7.2733
USD/BRL	5.6759
USD/RUB	86.8
USD/INR	83.55
AUD/USD	0.667
NZD/USD	0.607

Dollar/Yen Exchange Rate

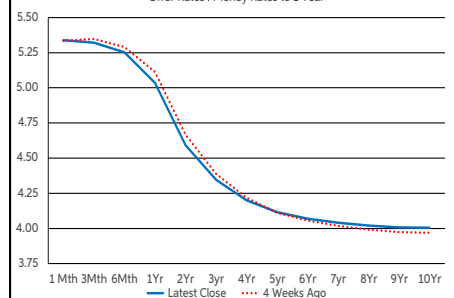


Euro/Yen Exchange Rate



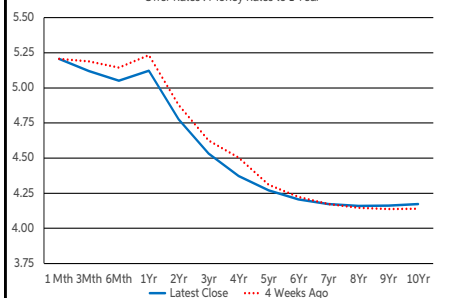
US Swap Curve

Offer Rates : Money Rates to 1 Year



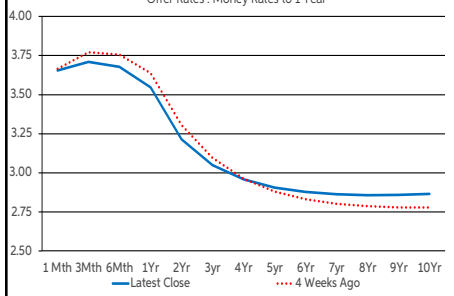
UK Swap Curve

Offer Rates : Money Rates to 1 Year

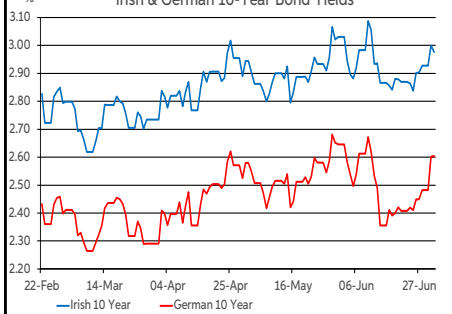


Eurozone Swap Curve

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	4.44	-4	+10	+58
Germany	2.61	+0	+7	+58
UK	4.25	-3	+7	+71
Ireland	3.00	-4	+7	+64
Belgium	3.20	-2	+11	+51
France	3.32	-3	+28	+76
Italy	4.07	-4	+21	+37
Spain	3.46	-3	+17	+47
Portugal	3.28	-1	+14	+49
Greece	3.72	-4	+13	+64
5 Year Swap %				
US	4.37	-4	+437	+58
Eurozone	2.91	-2	+4	+48
UK	4.27	-2	-3	+62
2 Year Swap %				
US	4.84	-4	-8	+50
Eurozone	3.22	-4	-8	+42
UK	4.76	-2	-11	+49
10 Year Government Bond Spreads to Benchmark bps				
Ireland	39	-4	+0	+5
Belgium	59	-3	+4	-7
France	71	-3	+21	+18
Italy	146	-5	+14	-21
Spain	85	-3	+10	-12
Portugal	67	-2	+7	-9
Greece	111	-4	+6	+6

Commodities

	Close	% Change		
		Day	4 Weeks	End 23
Brent Oil	86.24	-0.42	+11.25	+11.94
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2329.3	-0.10	+0.07	+12.93

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