

## Dollar softer, Election day in the UK

There was a positive tone to investor sentiment yesterday. This was reflected in gains on equity markets on both sides of the Atlantic. In Europe, the Euro Stoxx 50 continued its seesaw mood. After rising Monday, falling on Tuesday, it rose yesterday, gaining 1.2%. On Wall Street, the gains were more modest in nature. At the closing bell last night, the S&P 500 was up by 0.5%.

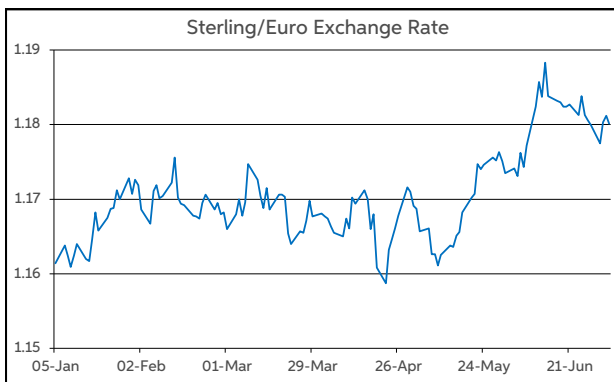
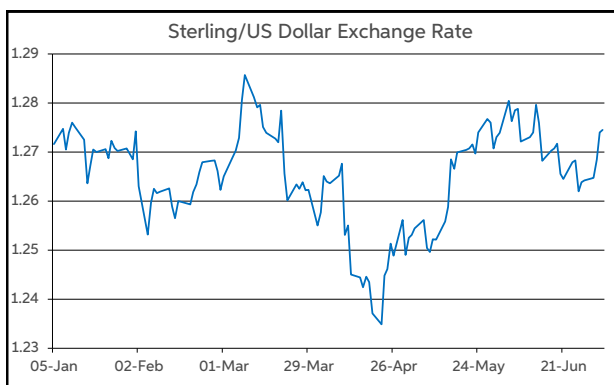
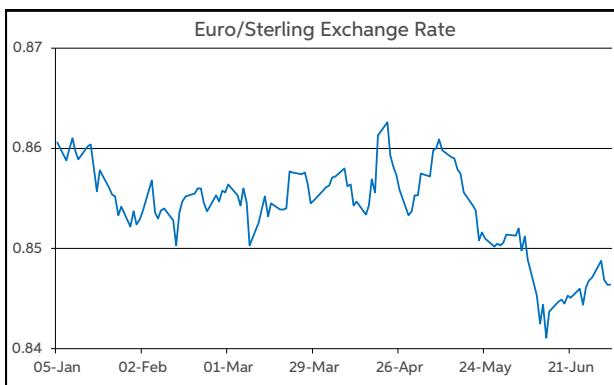
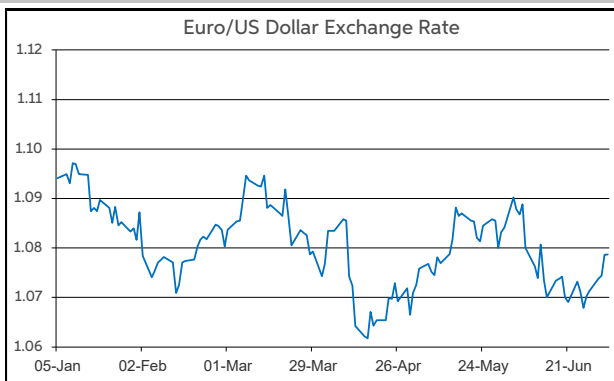
Data-wise, a batch of US releases disappointed versus expectations. The most noticeable being the non-manufacturing ISM for June, which fell to a 4-year low of 48.8, well below the consensus forecast of 52.5. There were also weaker than expected prints from the ADP Employment report and weekly jobless claims.

On the currency front, the weaker US data acted as a headwind for the dollar. EUR/USD tested above \$1.08 before settling just below this level. GBP/USD moved up into \$1.27-1.28 territory. Meanwhile, USD/JPY did not breach the ¥162 mark and traded back into the lower half of ¥161-162. Elsewhere, EUR/GBP remained range bound near the midpoint of 84-85p.

Looking ahead to today, there is a very quiet macro data agenda. There is a market holiday in the US for Independence Day. The main European release of note is the ECB meeting account for June. This will provide some additional insight into the central bank's policy deliberations last month when the Governing Council decided to cut rates by 25bps.

Meanwhile, in the UK the main event is the General Election. Polls have been consistent in indicating a Labour win, with a significant majority. Therefore, if the outcome is in line with polls/expectations, it may not generate much of a sterling reaction.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0787	0.42	-2.26
EUR/GBP	0.8464	-0.01	-2.35
GBP/USD	1.2745	0.47	0.13
GBP/EUR	1.1811	0.01	2.41
USD/JPY	161.39	-0.20	14.41
EUR/JPY	174.12	0.23	11.88

\* 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	5.27	4.85	4.35
EUR	4.25	3.65	3.71	3.54	3.22	2.89
GBP	5.25	5.17	5.09	4.86	4.73	4.23

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 04 July 2024  
07:21 am



## Euro

EUR/GBP	0.8464
EUR/USD	1.0787
EUR/JPY	174.12
EUR/SEK	11.3143
EUR/DKK	7.4586
EUR/NOK	11.3871
EUR/CHF	0.9713
EUR/AUD	1.6068
EUR/HKD	8.4244
EUR/CAD	1.4701

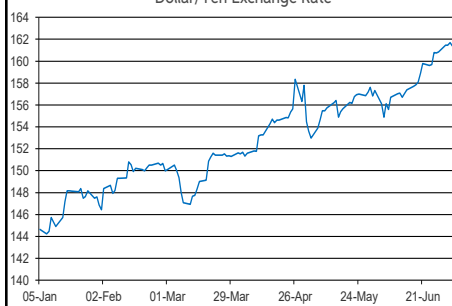
## Sterling

GBP/EUR	1.1811
GBP/USD	1.2745
GBP/CAD	1.7367
GBP/NZD	2.0848
GBP/JPY	205.69
GBP/SEK	13.3639
GBP/DKK	8.81
GBP/NOK	13.446
GBP/CHF	1.1474
GBP/AUD	1.8981

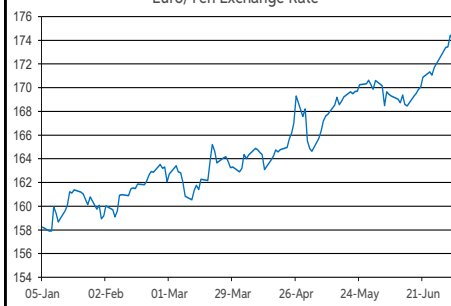
## Dollar

USD/JPY	161.39
USD/CAD	1.3626
USD/CHF	0.9002
USD/CNY	7.2716
USD/BRL	5.558
USD/RUB	87.1
USD/INR	83.529
AUD/USD	0.6714
NZD/USD	0.611

Dollar/Yen Exchange Rate

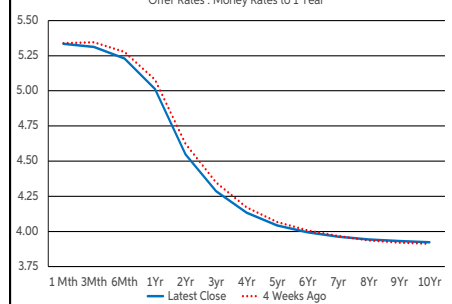


Euro/Yen Exchange Rate



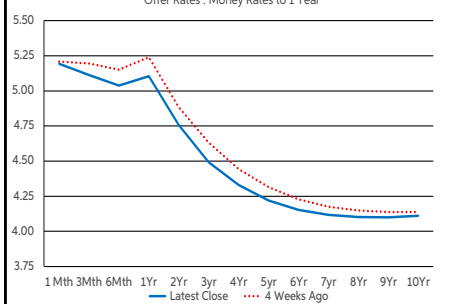
US Swap Curve

Offer Rates : Money Rates to 1 Year



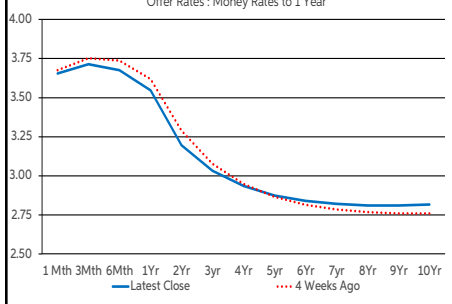
UK Swap Curve

Offer Rates : Money Rates to 1 Year

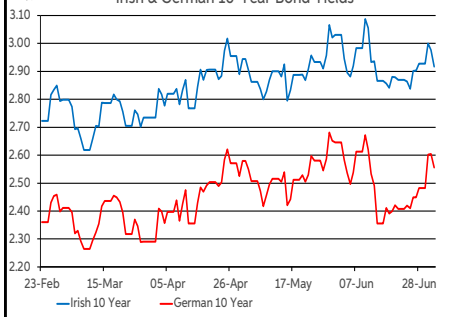


Eurozone Swap Curve

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	4.35	-9	+6	+49
Germany	2.56	-5	+6	+53
UK	4.17	-8	-1	+63
Ireland	2.95	-5	+5	+59
Belgium	3.13	-7	+8	+44
France	3.26	-6	+27	+70
Italy	3.99	-8	+18	+29
Spain	3.39	-7	+16	+40
Portugal	3.20	-7	+11	+42
Greece	3.70	-1	+16	+63
<b>5 Year Swap %</b>				
US	4.31	-7	+0	+52
Eurozone	2.87	-3	+2	+45
UK	4.22	-5	-9	+57
<b>2 Year Swap %</b>				
US	4.81	-4	-5	+48
Eurozone	3.20	-5	-8	+40
UK	4.73	-3	-15	+46
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	39	+0	-1	+6
Belgium	57	-2	+2	-9
France	70	-1	+21	+17
Italy	143	-3	+12	-24
Spain	83	-2	+10	-14
Portugal	65	-3	+5	-11
Greece	115	+4	+10	+10

## Commodities

	Close	% Change		
		Day	4 Weeks	End 23
Brent Oil	87.34	+1.28	+11.39	+13.37
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2356.1	+1.15	+0.05	+14.23

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