

EUR/USD straddles \$1.09

There was a relatively quiet start to the week on financial markets yesterday. On equity markets, the S&P 500 gained a modest 0.3% amid a slight softening in US market rate expectations. In contrast, the Euro Stoxx 50 shed 1.2%.

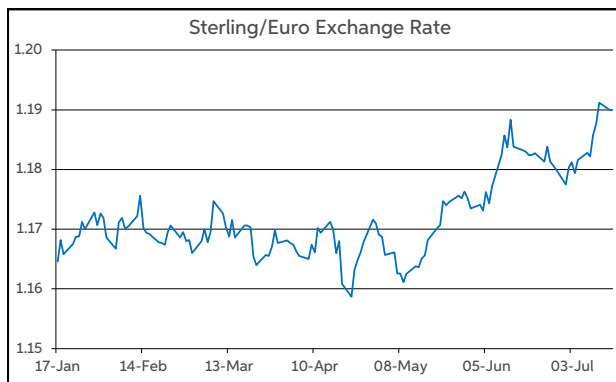
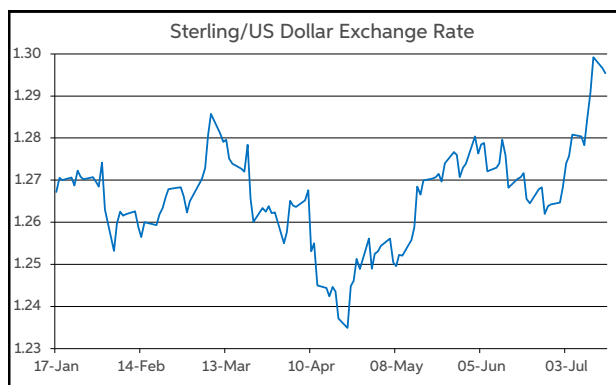
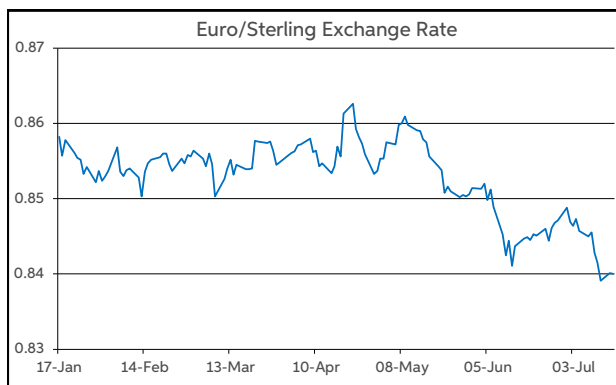
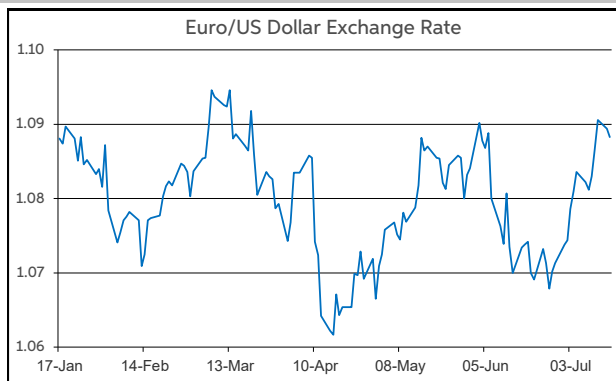
Data-wise, the main release of note was Eurozone industrial production for May. A weak reading showed output declined by 0.6% in the month, albeit this was better than the 0.8% contraction forecast. Meantime, in the US, the NY Fed manufacturing index deteriorated but also printed above the consensus, falling to -6.6 in June, compared to -7.0 expected. Overall, the data had only a negligible impact on markets.

Against this backdrop, the main FX pairs operated within quite tight ranges throughout yesterday. Of the limited moves to register, the dollar was under some marginal downward pressure. This was reflected by GBP/USD recording a fresh YTD high above \$1.299. At the same time EUR/USD tested above \$1.09 once more. However, the greenback recouped its losses overnight, supported by upbeat remarks from Fed Chair Powell on the US economy.

In level terms, EUR/USD opens this morning in the upper half of the \$1.08-1.09 corridor. GBP/USD is changing hands near the midpoint of \$1.29-1.30. Elsewhere, EUR/GBP is at the 84p handle. USD/JPY is in the top half of the ¥158-159 trading band.

Turning to the day ahead, the German ZEW economic sentiment survey is expected to show a deterioration in July. In the US, retail sales, which have softened in recent months, are projected to contract by 0.3% in June. Elsewhere in the US, homebuilder sentiment is forecast to remain at 43.0 in July.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0883	-0.08	-1.39
EUR/GBP	0.84	0.07	-3.09
GBP/USD	1.2954	-0.14	1.77
GBP/EUR	1.1899	-0.07	3.19
USD/JPY	158.62	0.40	12.45
EUR/JPY	172.67	0.33	10.95

* 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	5.44	5.55	5.06	4.55	4.11
EUR	4.25	3.63	3.66	3.45	3.07	2.74
GBP	5.25	5.14	5.09	4.78	4.61	4.13

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

Tuesday 16 July 2024
07:11 am



Euro

EUR/GBP	0.84
EUR/USD	1.0883
EUR/JPY	172.67
EUR/SEK	11.5701
EUR/DKK	7.4606
EUR/NOK	11.8064
EUR/CHF	0.9742
EUR/AUD	1.6161
EUR/HKD	8.4952
EUR/CAD	1.4905

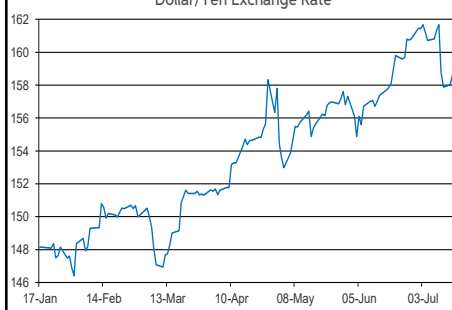
Sterling

GBP/EUR	1.1899
GBP/USD	1.2954
GBP/CAD	1.7738
GBP/NZD	2.1415
GBP/JPY	205.48
GBP/SEK	13.7677
GBP/DKK	8.8774
GBP/NOK	14.047
GBP/CHF	1.1594
GBP/AUD	1.9235

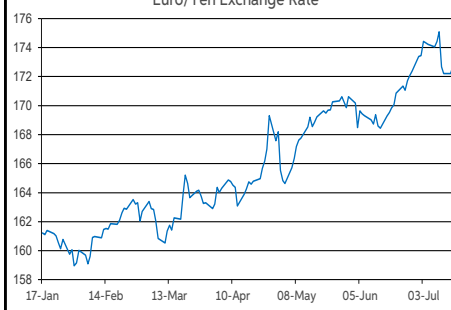
Dollar

USD/JPY	158.62
USD/CAD	1.3692
USD/CHF	0.895
USD/CNY	7.2653
USD/BRL	5.4484
USD/RUB	88
USD/INR	83.585
AUD/USD	0.6734
NZD/USD	0.6047

Dollar/Yen Exchange Rate

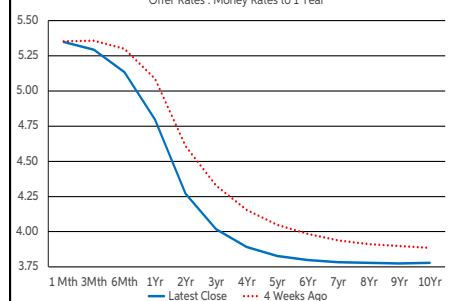


Euro/Yen Exchange Rate



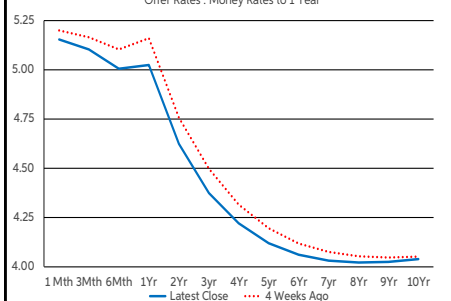
US Swap Curve

Offer Rates : Money Rates to 1 Year



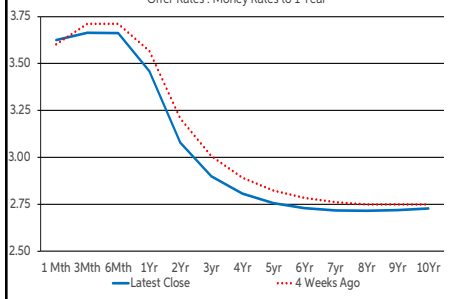
UK Swap Curve

Offer Rates : Money Rates to 1 Year

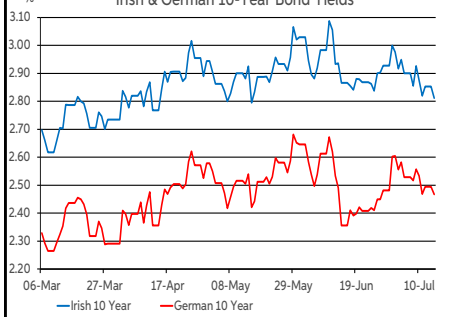


Eurozone Swap Curve

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	4.23	+4	-5	+37
Germany	2.47	-3	+6	+44
UK	4.10	-1	-2	+56
Ireland	2.84	-4	-5	+48
Belgium	3.03	-3	-6	+34
France	3.11	-4	-5	+56
Italy	3.75	-4	-20	+5
Spain	3.23	-3	-13	+24
Portugal	3.05	-3	-12	+27
Greece	3.46	-3	-22	+38

5 Year Swap %				
US	4.09	+3	-20	+30
Eurozone	2.76	-3	-6	+33
UK	4.12	-1	-7	+47

2 Year Swap %				
US	4.53	-0	-33	+20
Eurozone	3.08	-3	-12	+28
UK	4.61	-2	-14	+34

10 Year Government Bond Spreads to Benchmark bps				
Ireland	37	-1	-11	+4
Belgium	56	-1	-12	-10
France	64	-1	-11	+11
Italy	128	-2	-26	-39
Spain	76	-1	-19	-20
Portugal	58	-1	-18	-18
Greece	99	-1	-27	-6

Commodities

	Close	% Change		
		Day	4 Weeks	End 23
Brent Oil	84.85	-0.21	+0.71	+10.14
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2422.1	+0.45	+4.45	+17.43

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