

Currency markets remain range bound

The relatively quiet start to the week on financial markets from Monday carried through into yesterday's price action. In a similar vein to the day before, the Euro Stoxx 50 declined by 0.7%, while the S&P 500 edged 0.6% higher. Some negative earnings reports weighed on Eurozone equity markets.

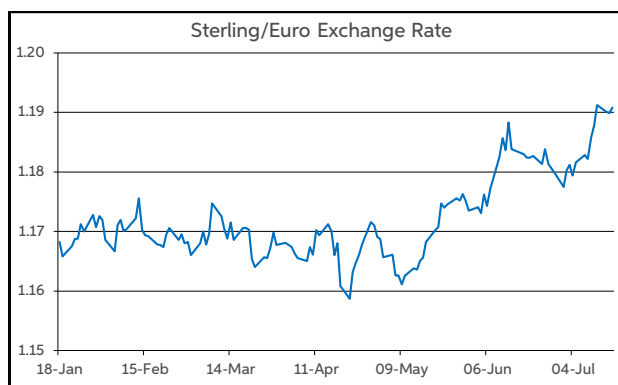
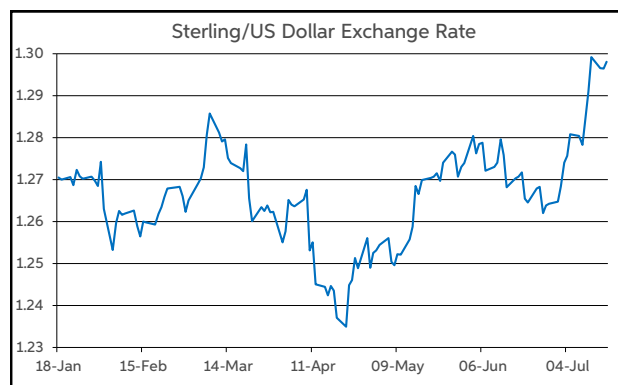
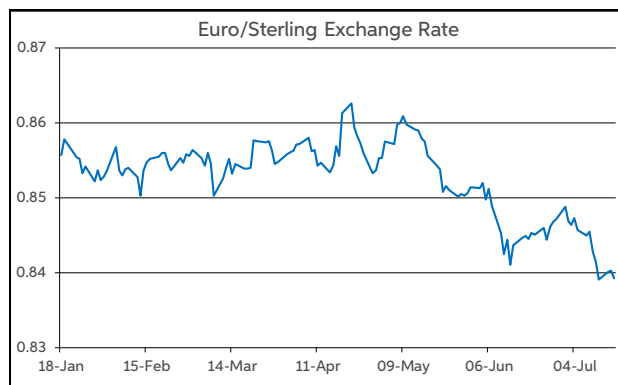
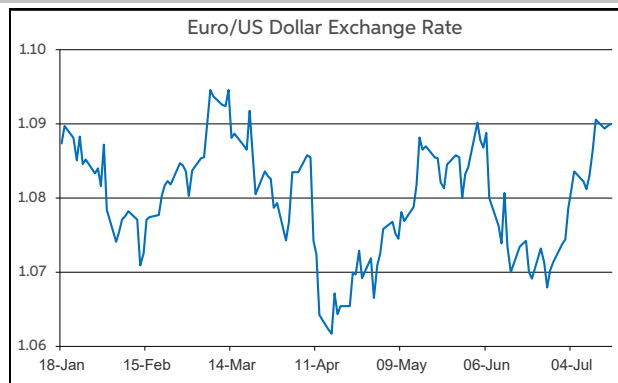
On the data front, the main release of note was US retail sales for June. Headline sales stagnated in the month, but printed above the consensus for a 0.3% contraction. Meanwhile, the control group measure rose by 0.9%, well above the 0.2% forecast. Elsewhere in the US, homebuilder sentiment inched lower to 42 in July from 43 (and vs. 43 f'cast). In the Eurozone, the German ZEW investor sentiment indicator deteriorated by more than expected in July.

Currency-wise, the main FX pairs operated within quite tight ranges throughout yesterday. Of the limited moves to note, the dollar was initially under some marginal downward pressure. However, the greenback took the ascendancy in the aftermath of the retail sales release, before softening once again overnight.

In level terms, EUR/USD opens this morning up at the \$1.09 threshold. GBP/USD is changing hands in the upper half of the \$1.29-1.30 corridor. Elsewhere, EUR/GBP is just below the 84p handle. USD/JPY is down under the ¥158 mark.

Already this morning, UK CPI data have broadly printed in-line with expectations. Both the headline and core rates were unchanged at 2.0% and 3.5%, respectively. Sterling has been holding a slightly firmer tone following the release. Later today, the final reading of Eurozone HICP for June is set to confirm inflation stood at 2.8% in the month. In the US, industrial production data for June are due.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.09	0.09	-1.23
EUR/GBP	0.8393	-0.08	-3.17
GBP/USD	1.2981	0.15	1.98
GBP/EUR	1.1907	0.08	3.28
USD/JPY	157.92	-0.45	11.95
EUR/JPY	172.16	-0.36	10.62

* 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	5.55	5.07	4.56	4.10
EUR	4.25	3.57	3.66	3.43	3.05	2.72
GBP	5.25	5.15	5.11	4.81	4.61	4.10

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

Wednesday 17 July 2024
07:45 am



Euro

EUR/GBP	0.8393
EUR/USD	1.09
EUR/JPY	172.17
EUR/SEK	11.5456
EUR/DKK	7.4578
EUR/NOK	11.7777
EUR/CHF	0.974
EUR/AUD	1.6184
EUR/HKD	8.5096
EUR/CAD	1.4912

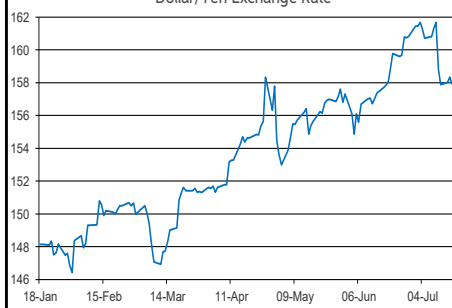
Sterling

GBP/EUR	1.1907
GBP/USD	1.2981
GBP/CAD	1.776
GBP/NZD	2.1375
GBP/JPY	205.02
GBP/SEK	13.7498
GBP/DKK	8.8821
GBP/NOK	14.0272
GBP/CHF	1.1603
GBP/AUD	1.9277

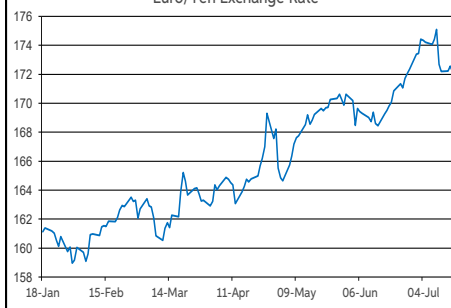
Dollar

USD/JPY	157.94
USD/CAD	1.3679
USD/CHF	0.8936
USD/CNY	7.2683
USD/BRL	5.4248
USD/RUB	87.9
USD/INR	83.5427
AUD/USD	0.6733
NZD/USD	0.6071

Dollar/Yen Exchange Rate

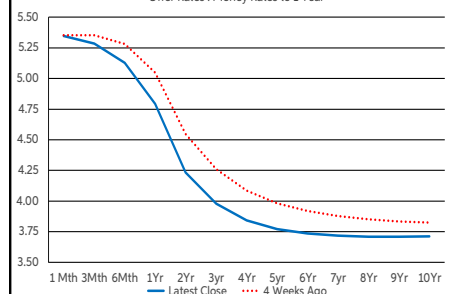


Euro/Yen Exchange Rate



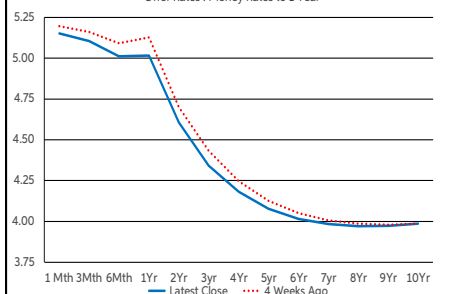
US Swap Curve

Offer Rates : Money Rates to 1 Year



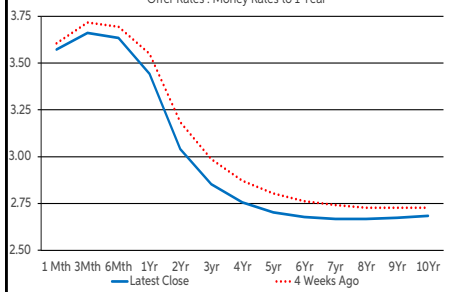
UK Swap Curve

Offer Rates : Money Rates to 1 Year

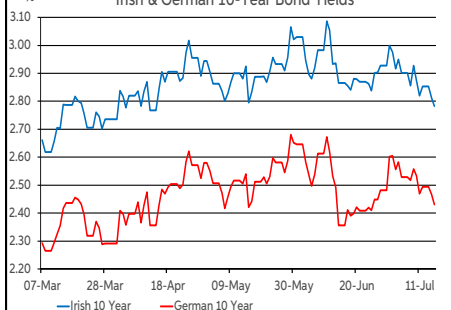


Eurozone Swap Curve

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	4.17	-6	-5	+31
Germany	2.43	-4	+4	+40
UK	4.05	-5	-0	+51
Ireland	2.81	-4	-6	+44
Belgium	3.00	-3	-6	+31
France	3.09	-3	-3	+53
Italy	3.71	-4	-18	+1
Spain	3.20	-3	-11	+21
Portugal	3.02	-3	-11	+23
Greece	3.42	-4	-19	+34
5 Year Swap %				
US	4.03	-7	-21	+23
Eurozone	2.70	-5	-9	+28
UK	4.08	-4	-4	+43
2 Year Swap %				
US	4.50	-3	-31	+17
Eurozone	3.04	-4	-14	+25
UK	4.58	-3	-11	+32
10 Year Government Bond Spreads to Benchmark bps				
Ireland	38	+0	-10	+4
Belgium	57	+1	-10	-9
France	65	+1	-7	+12
Italy	128	-0	-22	-40
Spain	77	+1	-15	-20
Portugal	59	+0	-15	-17
Greece	98	-0	-23	-6

Commodities

	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	83.73	-1.32	-1.88	+8.68
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2468.6	+1.92	+6.02	+19.68

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