

ECB on hold and stresses data dependency

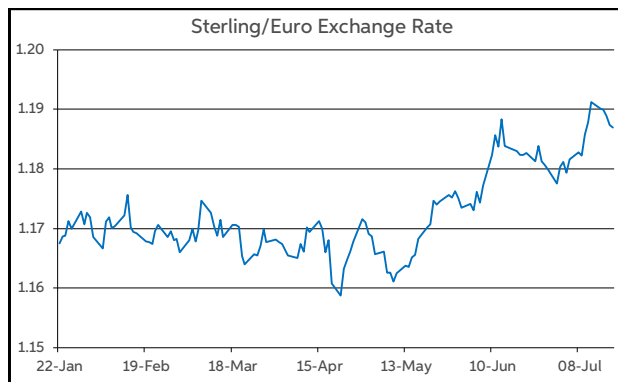
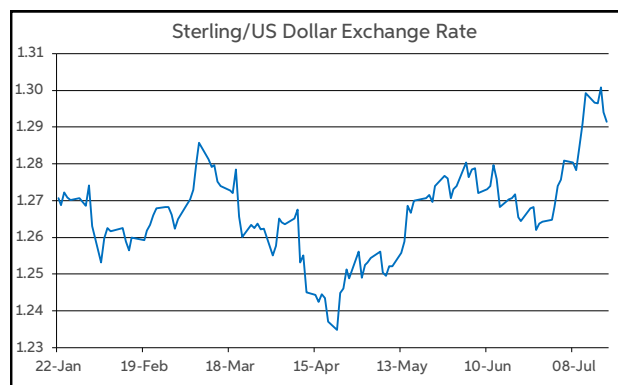
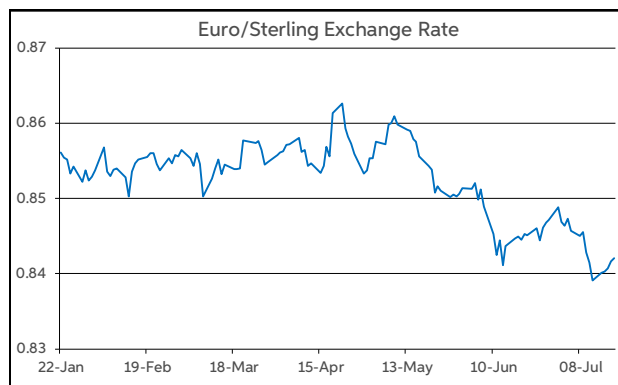
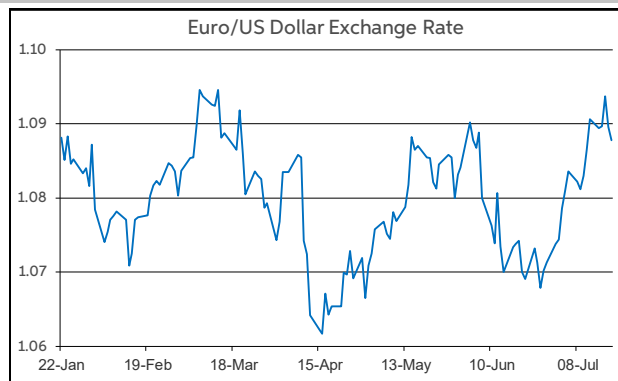
As had been widely anticipated, the ECB left monetary policy on hold yesterday. Furthermore, the meeting statement and press conference provided no specific guidance on the near-term path for interest rates. Indeed, the ECB noted that it is not “pre-committing to a particular rate path”, while President Lagarde stated that the next meeting in September “is wide open”.

Against this backdrop, the market reaction to the ECB policy decision was limited. Futures contracts pricing indicates that investors see a lower probability of a rate cut in September (65% chance vs. 90% before hand). However, a total of 45bps of policy easing is still priced in for year end. Elsewhere on markets, benchmark equity indices continued to move lower on both sides of the Atlantic, while bond yields were little changed.

Currency-wise, the main FX pairs operated in relatively narrow ranges. The ECB meeting did not impact the euro. Overall, of the muted action to note, the dollar was holding a slightly firmer tone, while the yen was on the defensive. In level terms, this sees USD/JPY up above the ¥157 threshold. EUR/USD is operating below the \$1.09 handle. GBP/USD is changing hands in the \$1.29-1.30 range. Meantime, EUR/GBP remains in and around the 84p mark.

Already this morning, UK retail sales have printed below the consensus, contracting by 1.2% in June (vs. -0.6% f'cast). However, the data have not impacted sterling in early trading. Meantime, UK consumer confidence also came in below expectations in July, rising to -13 from -14 (vs. -12 f'cast). The remainder of today's data calendar is quite sparse. However, remarks from a number of Fed speakers will warrant attention.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0878	-0.49	-1.43
EUR/GBP	0.8421	0.17	-2.85
GBP/USD	1.2915	-0.66	1.46
GBP/EUR	1.1868	-0.17	2.93
USD/JPY	157.29	0.61	11.51
EUR/JPY	171.12	0.11	9.95

* 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	5.46	5.54	5.09	4.59	4.14
EUR	4.25	3.60	3.68	3.42	3.03	2.71
GBP	5.25	5.12	5.08	4.78	4.59	4.10

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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Opening Levels

Friday 19 July 2024
09:54 am



Euro

EUR/GBP	0.8421
EUR/USD	1.0878
EUR/JPY	171.12
EUR/SEK	11.6017
EUR/DKK	7.4609
EUR/NOK	11.8238
EUR/CHF	0.9667
EUR/AUD	1.6255
EUR/HKD	8.4968
EUR/CAD	1.4921

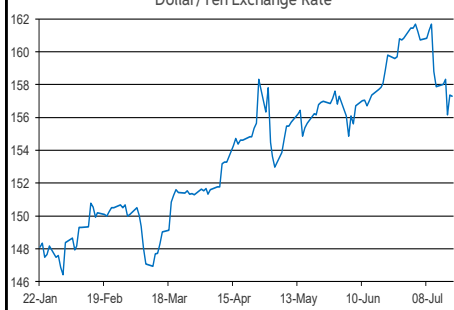
Sterling

GBP/EUR	1.1868
GBP/USD	1.2915
GBP/CAD	1.7714
GBP/NZD	2.1428
GBP/JPY	203.14
GBP/SEK	13.7714
GBP/DKK	8.8558
GBP/NOK	14.03
GBP/CHF	1.1477
GBP/AUD	1.9298

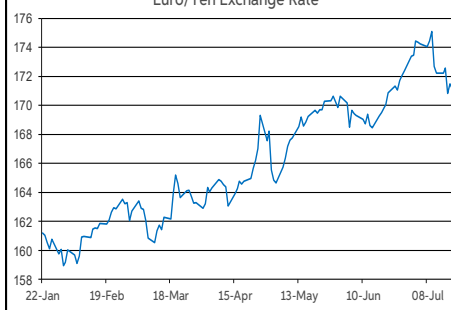
Dollar

USD/JPY	157.29
USD/CAD	1.3714
USD/CHF	0.8885
USD/CNY	7.2673
USD/BRL	5.544
USD/RUB	87.9
USD/INR	83.62
AUD/USD	0.6692
NZD/USD	0.6025

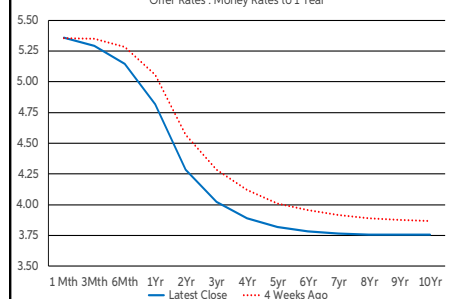
Dollar/Yen Exchange Rate



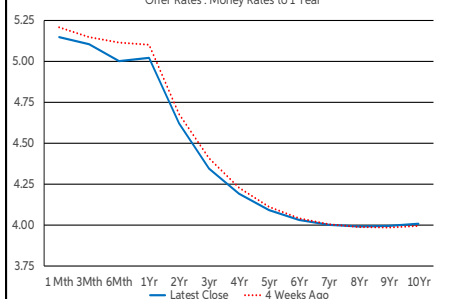
Euro/Yen Exchange Rate



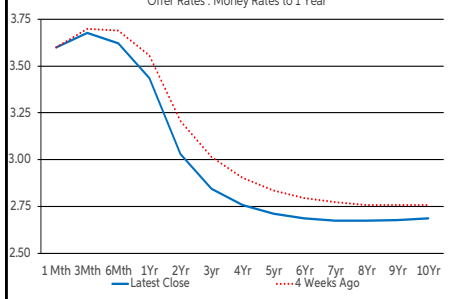
US Swap Curve
Offer Rates : Money Rates to 1 Year



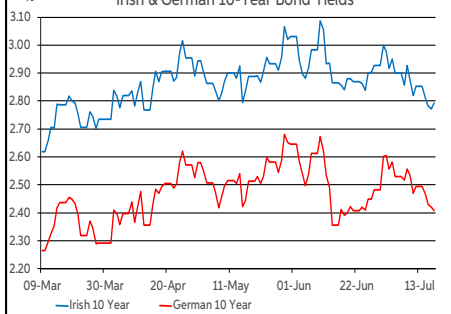
UK Swap Curve
Offer Rates : Money Rates to 1 Year



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	4.19	+4	-7	+33
Germany	2.41	-1	-1	+38
UK	4.07	-1	+1	+53
Ireland	2.82	+1	-9	+46
Belgium	2.97	-2	-12	+28
France	3.07	-0	-9	+51
Italy	3.72	+0	-23	+2
Spain	3.20	+0	-14	+21
Portugal	3.01	-1	-15	+22
Greece	3.39	-2	-28	+32
5 Year Swap %				
US	4.08	+4	-19	+29
Eurozone	2.71	-0	-11	+29
UK	4.09	-3	-2	+44
2 Year Swap %				
US	4.54	+1	-30	+20
Eurozone	3.03	-2	-17	+24
UK	4.58	-4	-9	+32
10 Year Government Bond Spreads to Benchmark bps				
Ireland	41	+2	-7	+7
Belgium	56	-1	-11	-10
France	66	+0	-7	+13
Italy	131	+1	-21	-36
Spain	79	+1	-13	-18
Portugal	60	-0	-13	-16
Greece	98	-1	-26	-7

Commodities

	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	85.11	+0.04	-0.70	+10.48
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2445.0	-0.55	+5.05	+18.54

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