

Dollar starts the week firmer

Amid a relatively sparse macro-calendar, the mixed mood on markets from last week carried over into yesterday. Having moved higher in early trading, the S&P 500 finished broadly flat for the day. Meanwhile the Euro Stoxx 50 declined by 1%.

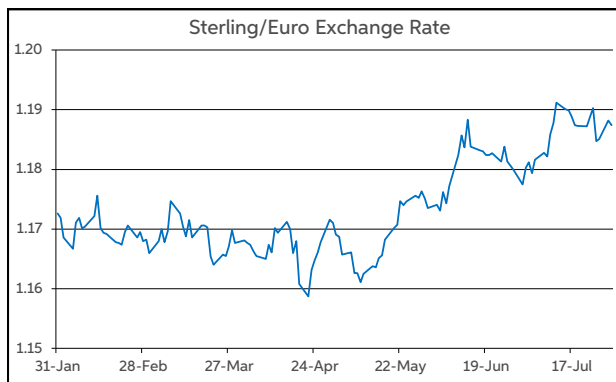
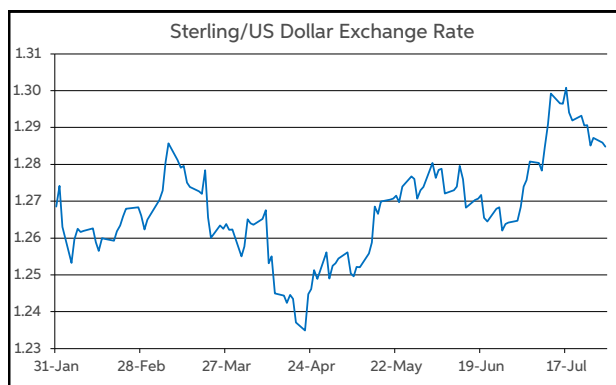
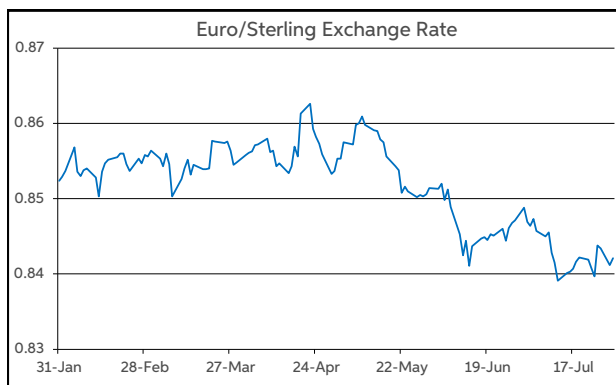
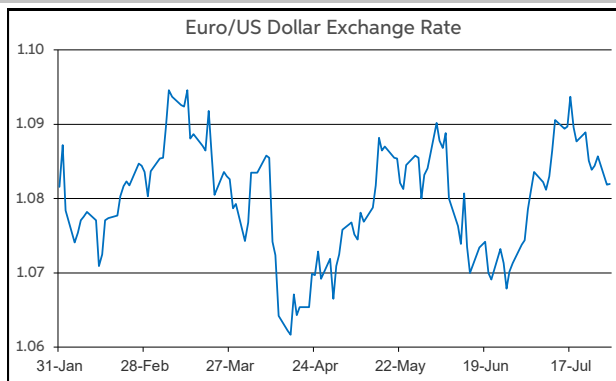
On the currency front, trading conditions were somewhat volatile, albeit within generally confined ranges. Overall, the dollar was in the ascendancy. Meantime, sterling initially weakened as UK rates softened. Market pricing is now consistent with a 60% probability that the BoE will cut rates this week (up from 50%). This saw EUR/GBP trade to a high of 84.6p. However, sterling recovered its losses versus the euro before the close. Elsewhere, the yen was under some downward pressure.

In level terms, EUR/GBP opens this morning back closer to the 84p threshold. Meanwhile, the firmer dollar is reflected in EUR/USD operating down in the lower half of the \$1.08-1.09 range. GBP/USD is at the midpoint of the \$1.28-1.29 corridor. Elsewhere, USD/JPY is changing hands up in the top half of the ¥154-155 band.

Already this morning, French GDP for Q2 has printed slightly ahead of the consensus, rising by 0.3% q/q (vs. +0.2% f'cast). Furthermore, Q1 was revised higher to +0.3% q/q also, up from +0.2%. The data have not impacted the euro in early trading, but offer some insight ahead of the first reading of Eurozone GDP for Q2 due later today. A 0.2% q/q rise is pencilled in for the bloc wide measure.

Elsewhere in the Eurozone, the EC sentiment indicators for July will be released. Meantime, the flash readings of German and Spanish HICP inflation will be of interest. In the US, consumer confidence (July) and the latest JOLTS job openings data (June) are due.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.082	-0.34	-1.96
EUR/GBP	0.8421	-0.13	-2.85
GBP/USD	1.2848	-0.19	0.93
GBP/EUR	1.1873	0.13	2.93
USD/JPY	154.74	0.87	9.70
EUR/JPY	167.43	0.51	7.58

* 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	5.52	5.02	4.54	4.09
EUR	4.25	3.62	3.66	3.34	2.94	2.64
GBP	5.25	5.06	5.03	4.71	4.55	4.08

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 30 July 2024
06:55 am



Euro

EUR/GBP	0.8421
EUR/USD	1.082
EUR/JPY	167.43
EUR/SEK	11.7156
EUR/DKK	7.4615
EUR/NOK	11.9028
EUR/CHF	0.9601
EUR/AUD	1.6505
EUR/HKD	8.4515
EUR/CAD	1.498

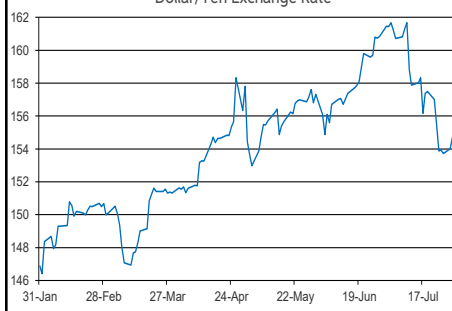
Sterling

GBP/EUR	1.1873
GBP/USD	1.2848
GBP/CAD	1.7788
GBP/NZD	2.1811
GBP/JPY	198.81
GBP/SEK	13.9081
GBP/DKK	8.8601
GBP/NOK	14.1318
GBP/CHF	1.1401
GBP/AUD	1.9597

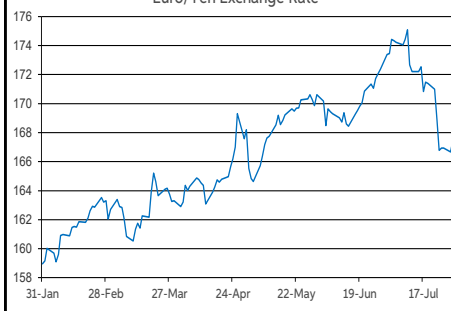
Dollar

USD/JPY	154.74
USD/CAD	1.3845
USD/CHF	0.8873
USD/CNY	7.2613
USD/BRL	5.6158
USD/RUB	86
USD/INR	83.7315
AUD/USD	0.6555
NZD/USD	0.5889

Dollar/Yen Exchange Rate

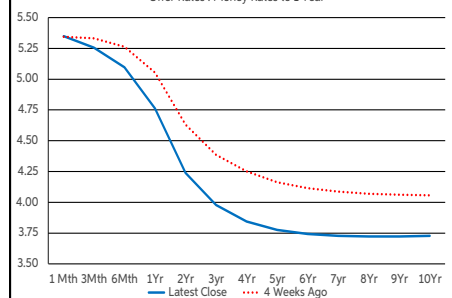


Euro/Yen Exchange Rate



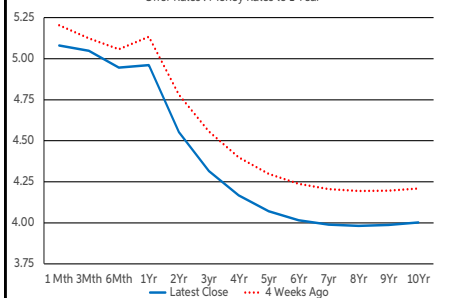
US Swap Curve

Offer Rates : Money Rates to 1 Year



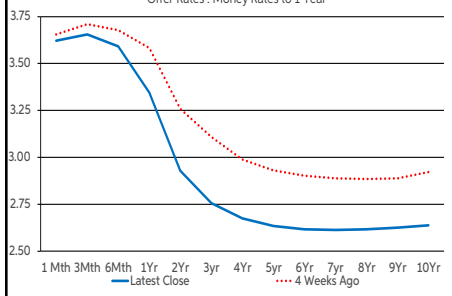
UK Swap Curve

Offer Rates : Money Rates to 1 Year

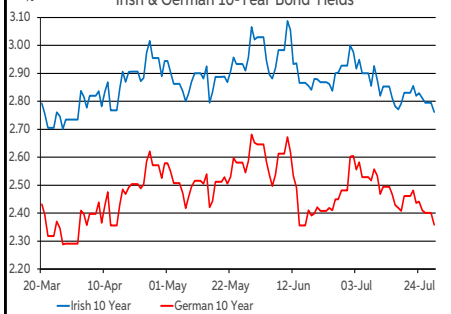


Eurozone Swap Curve

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	4.18	-2	-30	+32
Germany	2.36	-4	-25	+33
UK	4.05	-5	-23	+51
Ireland	2.79	-4	-24	+43
Belgium	2.95	-4	-27	+27
France	3.07	-4	-28	+51
Italy	3.71	-5	-40	+1
Spain	3.19	-5	-30	+20
Portugal	3.01	-4	-29	+22
Greece	3.39	-7	-36	+32
5 Year Swap %				
US	4.04	+1	-37	+25
Eurozone	2.63	-4	-29	+21
UK	4.07	-3	-22	+42
2 Year Swap %				
US	4.49	+2	-39	+15
Eurozone	2.93	-2	-33	+14
UK	4.54	-1	-23	+28
10 Year Government Bond Spreads to Benchmark bps				
Ireland	43	+1	+0	+9
Belgium	59	+1	-2	-7
France	71	+0	-4	+18
Italy	135	-1	-16	-32
Spain	83	-0	-5	-14
Portugal	65	-0	-4	-11
Greece	103	-2	-12	-1

Commodities

	Close	% Change		
		Day	4 Weeks	End 23
Brent Oil	79.78	-1.66	-7.88	+3.56
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2383.5	-0.09	+2.22	+15.56

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