

Euro remains on the defensive

There was a risk off tone to investor sentiment throughout the European session, as investors continued to digest the impact of the EU parliamentary elections. Against this backdrop, the Euro Stoxx 50 declined by 0.7%, while 10-year sovereign yields rose by 6 -12bps in the Eurozone, led higher by the French OAT. Meantime, on Wall Street, the S&P 500 edged 0.3% higher, and US Treasury yields rose by a more modest 4bps.

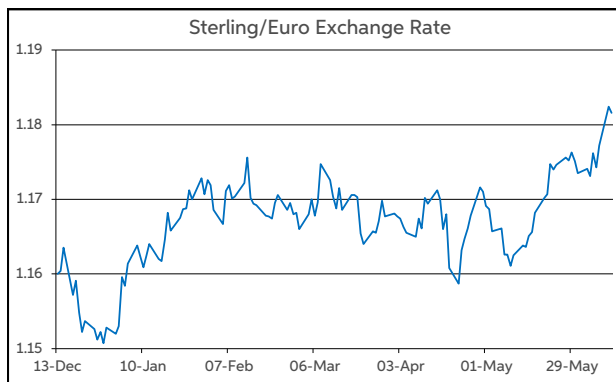
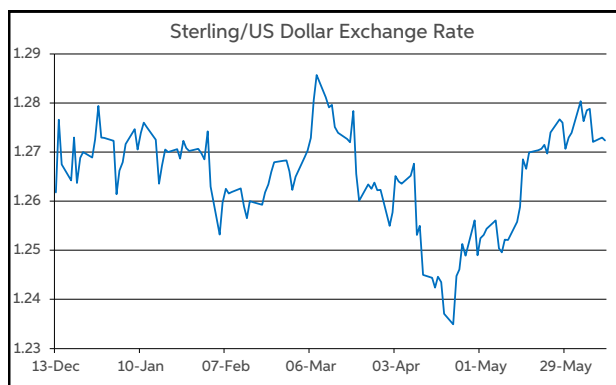
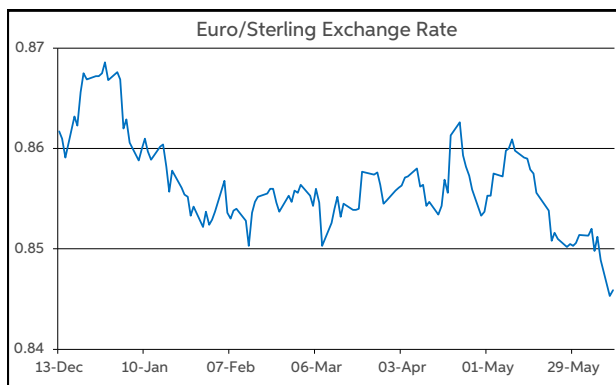
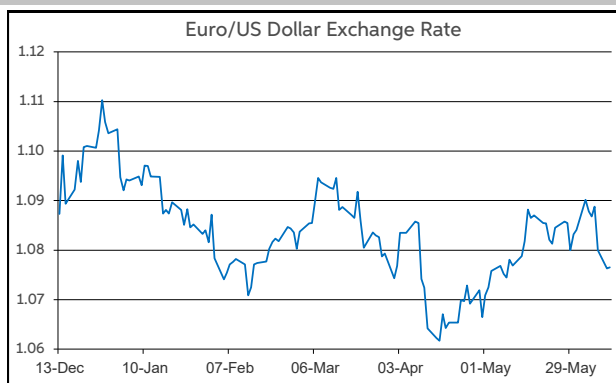
Data-wise, there was a sparse macro calendar on both sides of the Atlantic. The only releases of note, the EU sentix index printed above the consensus, improving for an eighth consecutive month, and rising to 0.3 in June from -3.6. However, the release had little impact on the euro yesterday.

Indeed, the single currency remained on the back-foot, having suffered significant losses in APAC trading at the start of the week. The euro registered its lowest reading against sterling since August 2022, at 84.4p. Similarly, EUR/USD fell to a fresh four-week low of \$1.073. However, the euro moved off its lows overnight.

In level terms, EUR/GBP opens this morning just above the midpoint of 84-85p. EUR/USD is operating in the top half of the \$1.07-1.08 range. Elsewhere, GBP/USD is operating in the lower half of the \$1.27-1.28 corridor.

Already today, UK labour market data for April have been released. The unemployment rate printed slightly above the consensus, rising to 4.4% (vs. 4.3% f'cast). Meanwhile, average earnings growth accelerated to +5.9% y/y in the 3-months to April (vs. +5.7% y/y f'cast). However, the data have not impacted sterling in early trading. Later today, US small business optimism for May is due.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0765	0.10	-2.46
EUR/GBP	0.846	0.06	-2.40
GBP/USD	1.2725	0.09	-0.03
GBP/EUR	1.1816	-0.06	2.46
USD/JPY	157.25	0.09	11.48
EUR/JPY	169.32	0.21	8.80

* 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	5.60	5.42	5.02	4.52
EUR	4.50	3.68	3.76	3.67	3.39	3.02
GBP	5.25	5.18	5.17	5.03	4.95	4.44

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 11 June 2024
07:05 am



Euro

EUR/GBP	0.8459
EUR/USD	1.0765
EUR/JPY	169.32
EUR/SEK	11.2844
EUR/DKK	7.4593
EUR/NOK	11.4647
EUR/CHF	0.9653
EUR/AUD	1.6307
EUR/HKD	8.408
EUR/CAD	1.4813

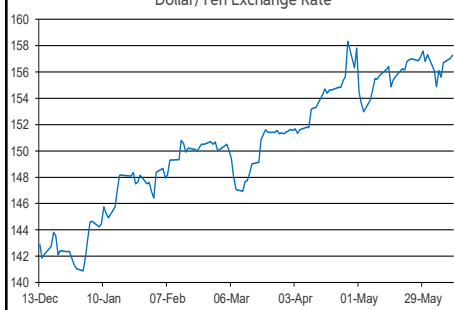
Sterling

GBP/EUR	1.1818
GBP/USD	1.2724
GBP/CAD	1.7508
GBP/NZD	2.0777
GBP/JPY	200.1
GBP/SEK	13.3346
GBP/DKK	8.8141
GBP/NOK	13.5477
GBP/CHF	1.1407
GBP/AUD	1.9272

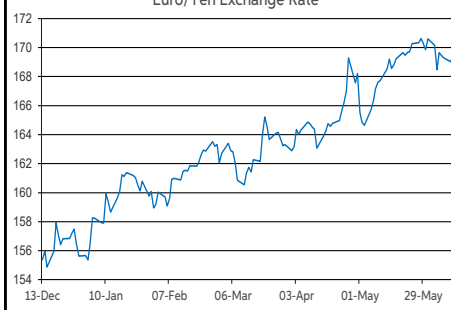
Dollar

USD/JPY	157.26
USD/CAD	1.3758
USD/CHF	0.8964
USD/CNY	7.2532
USD/BRL	5.3545
USD/RUB	88.7025
USD/INR	83.5
AUD/USD	0.6601
NZD/USD	0.6123

Dollar/Yen Exchange Rate

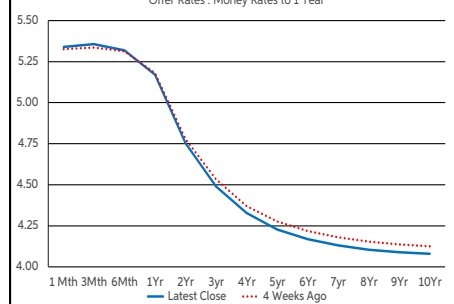


Euro/Yen Exchange Rate



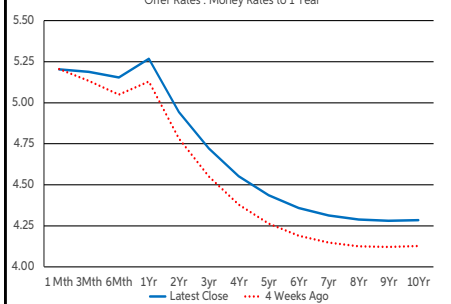
US Swap Curve

Offer Rates : Money Rates to 1 Year



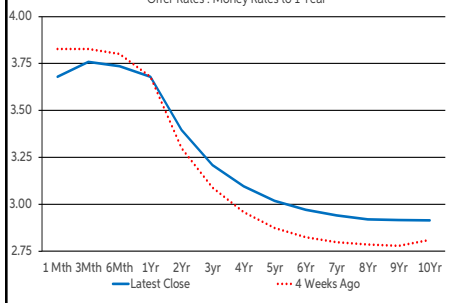
UK Swap Curve

Offer Rates : Money Rates to 1 Year

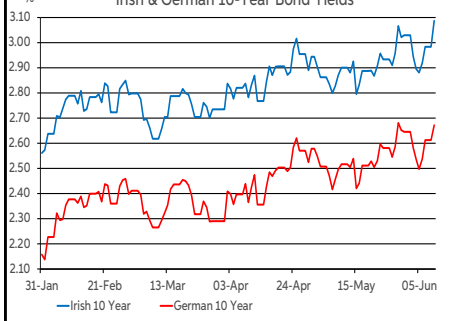


Eurozone Swap Curve

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	4.47	+4	-1	+61
Germany	2.67	+6	+17	+65
UK	4.32	+6	+15	+79
Ireland	3.11	+9	+20	+74
Belgium	3.27	+10	+22	+58
France	3.24	+12	+23	+68
Italy	4.08	+11	+22	+38
Spain	3.49	+9	+19	+50
Portugal	3.32	+9	+17	+54
Greece	3.76	+10	+24	+69

5 Year Swap %				
US	4.49	+2	-4	+70
Eurozone	3.02	+5	+16	+59
UK	4.44	+7	+18	+78

2 Year Swap %				
US	5.01	-0	-2	+68
Eurozone	3.40	+2	+11	+60
UK	4.94	+4	+17	+68

10 Year Government Bond Spreads to Benchmark bps				
Ireland	43	+3	+3	+9
Belgium	60	+4	+5	-7
France	57	+6	+6	+4
Italy	141	+5	+6	-27
Spain	82	+4	+3	-14
Portugal	65	+4	+0	-11
Greece	109	+4	+7	+4

Commodities

	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	81.63	+2.52	-2.08	+5.96
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2310.6	+0.78	-1.09	+12.02

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