

## EUR/USD regains the \$1.07 handle

The recent risk-off mood in Europe paused for breath yesterday, amid a relatively quiet macro calendar. The Euro Stoxx 50 rose by 0.9%, having suffered heavy losses last week. On Wall Street, the S&P 500 also moved higher, edging up by 0.8%.

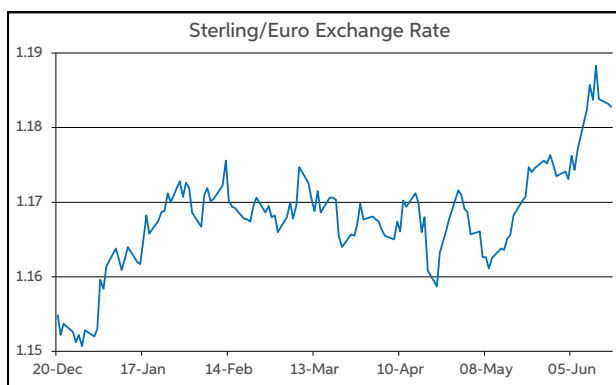
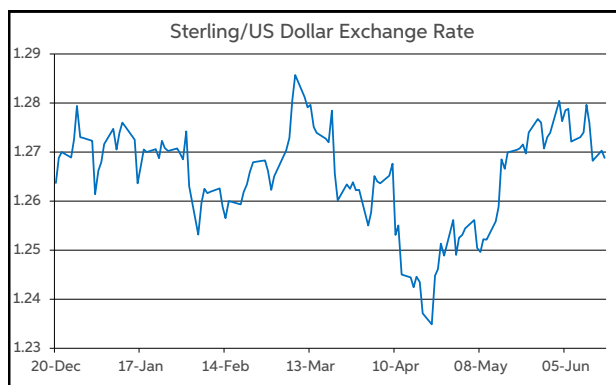
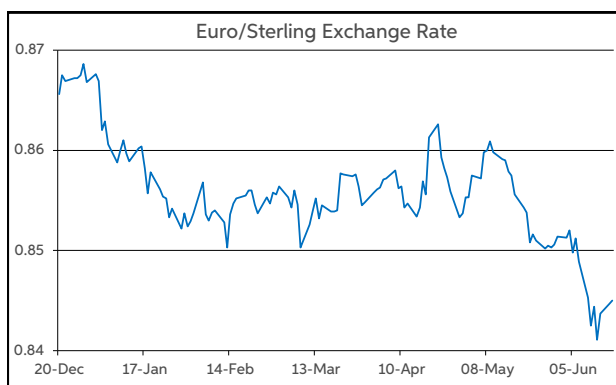
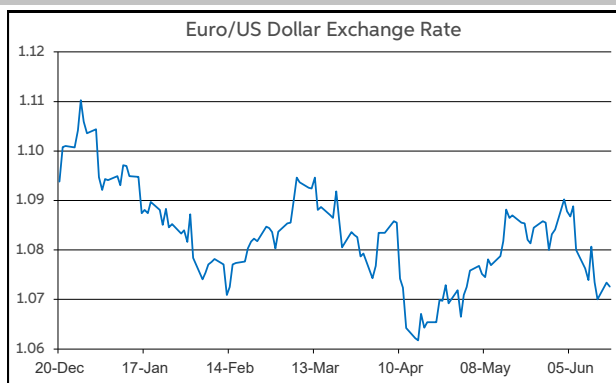
On bond markets, US Treasury, German Bund and UK Gilt yields rose by 3-7bps, amid a slight firming in futures contracts. Notably Eurozone yield spreads relative to German Bunds narrowed. The 10-year French spread declined to 75bps. This coincided with remarks from ECB officials, including President Lagarde and Chief Economist Lane, indicating that the central bank would intervene in markets if needed to ensure the transmission of monetary policy, following recent volatility. However, Lane went on to note that any intervention is currently unlikely.

Currency-wise, the main FX pairs were confined to narrow ranges yesterday. Amid the more positive tone to investor sentiment, the dollar was under some slight downward pressure. Elsewhere, the euro edged off its lows from last week.

In level terms, EUR/USD opens this morning back above the \$1.07 threshold. Meanwhile, EUR/GBP is changing hands at the midpoint of 84-85p. GBP/USD continues to operate in the top half of the \$1.26-1.27 corridor.

Turning to the day ahead, the final reading of Eurozone HICP is set to confirm the headline rate was 2.6% in May. Elsewhere, a busy US data calendar includes retail sales and industrial production for May. A modest increase in both metrics is pencilled in for the month. However, barring any major surprises, the releases may not impact on forex markets.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0726	0.22	-2.81
EUR/GBP	0.845	0.15	-2.51
GBP/USD	1.269	0.08	-0.31
GBP/EUR	1.1827	-0.15	2.58
USD/JPY	157.93	0.36	11.96
EUR/JPY	169.42	0.58	8.86

\* 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	5.61	5.34	4.86	4.33
EUR	4.50	3.58	3.72	3.57	3.22	2.83
GBP	5.25	5.19	5.16	4.94	4.75	4.19

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 18 June 2024  
07:41 am



## Euro

EUR/GBP	0.845
EUR/USD	1.0726
EUR/JPY	169.42
EUR/SEK	11.2305
EUR/DKK	7.4592
EUR/NOK	11.4393
EUR/CHF	0.9544
EUR/AUD	1.6182
EUR/HKD	8.3758
EUR/CAD	1.4729

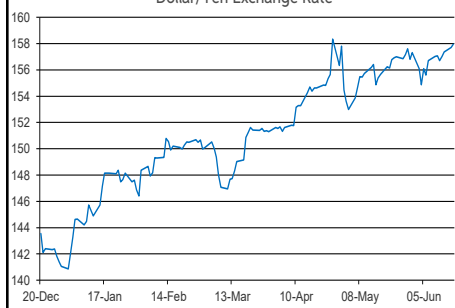
## Sterling

GBP/EUR	1.1827
GBP/USD	1.269
GBP/CAD	1.7426
GBP/NZD	2.0728
GBP/JPY	200.41
GBP/SEK	13.2866
GBP/DKK	8.8233
GBP/NOK	13.5341
GBP/CHF	1.129
GBP/AUD	1.9144

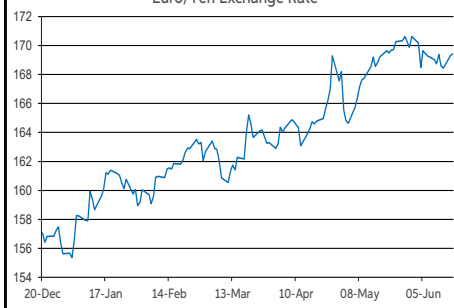
## Dollar

USD/JPY	157.93
USD/CAD	1.373
USD/CHF	0.8896
USD/CNY	7.2557
USD/BRL	5.4201
USD/RUB	88.2
USD/INR	83.45
AUD/USD	0.6628
NZD/USD	0.612

Dollar/Yen Exchange Rate

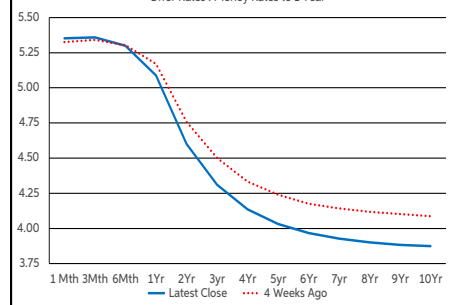


Euro/Yen Exchange Rate



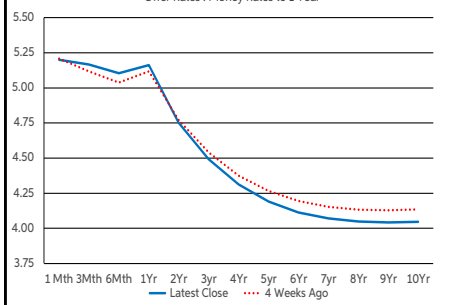
US Swap Curve

Offer Rates : Money Rates to 1 Year



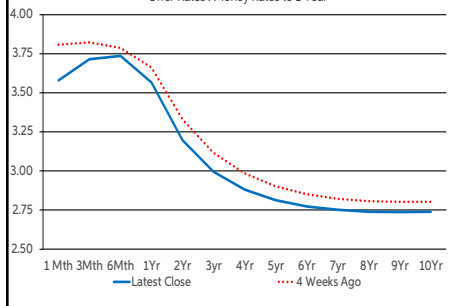
UK Swap Curve

Offer Rates : Money Rates to 1 Year

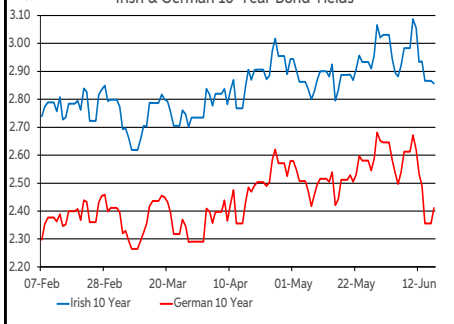


Eurozone Swap Curve

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	4.28	+7	-16	+42
Germany	2.41	+6	-12	+39
UK	4.12	+6	-5	+58
Ireland	2.90	+1	-2	+53
Belgium	3.09	+3	+3	+40
France	3.17	+3	+15	+61
Italy	3.95	+2	+13	+25
Spain	3.36	+3	+7	+37
Portugal	3.17	+2	+2	+39
Greece	3.67	+1	+15	+60
5 Year Swap %				
US	4.29	+6	-20	+49
Eurozone	2.81	+2	-9	+39
UK	4.19	+4	-7	+54
2 Year Swap %				
US	4.85	+5	-16	+51
Eurozone	3.20	+1	-13	+40
UK	4.75	+2	-1	+49
10 Year Government Bond Spreads to Benchmark bps				
Ireland	48	-5	+10	+15
Belgium	68	-3	+15	+2
France	75	-3	+27	+22
Italy	154	-3	+25	-14
Spain	95	-3	+19	-2
Portugal	76	-4	+14	+0
Greece	126	-4	+27	+21

## Commodities

	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	84.25	+1.97	+0.65	+9.36
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2318.9	-0.59	-4.38	+12.43

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