

## BoE in focus today

Trading conditions were light yesterday, amid a barren European data schedule and a market holiday in the US. Overall, investor sentiment was holding a risk-off tone, with the Euro Stoxx 50 falling by 0.6%. Meantime on bond markets, 10-year German Bund and UK Gilt yields edged 1-2bps higher. Spreads to German Bunds were little changed also.

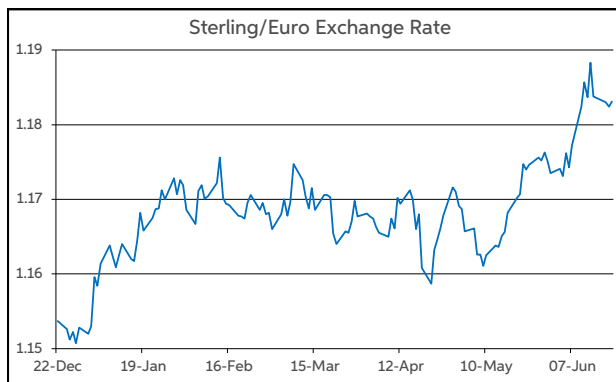
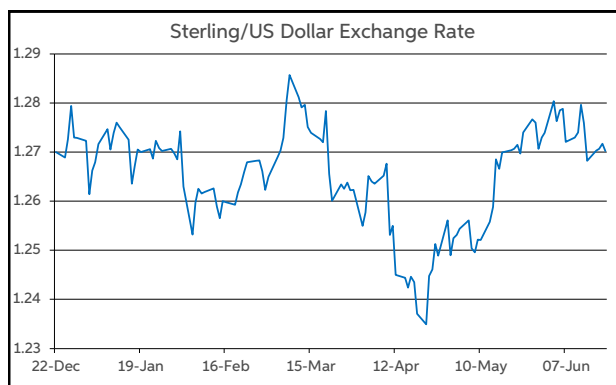
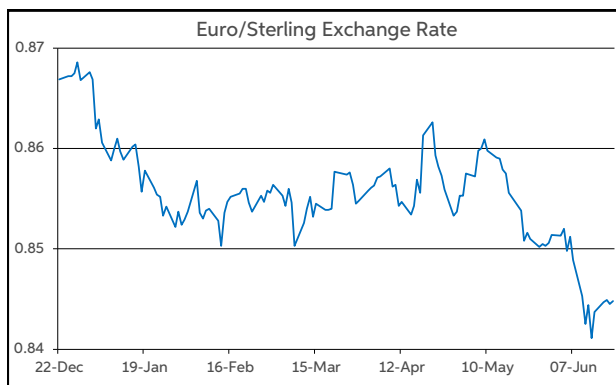
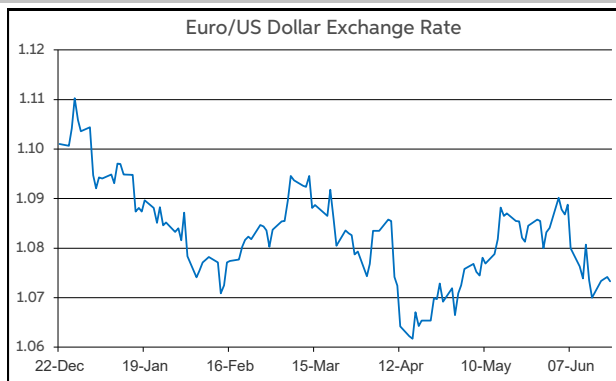
Against this backdrop, the main FX pairs continued to operate in very tight ranges. Of the limited action to register, the dollar was marginally softer, while sterling was slightly firmer during yesterday's trading. However, these moves reversed course overnight.

As trading gets underway this morning, the main pairs open broadly unchanged from 24 hours earlier. EUR/USD opens below the midpoint of the \$1.07-1.08 corridor. Meanwhile, cable (GBP/USD) is operating at the \$1.27 threshold. Elsewhere, EUR/GBP continues to change hands at the halfway mark of 84-85p.

Turning to the day ahead, the main highlight will be the BoE monetary policy decision. The MPC is expected to leave policy on hold, despite a dovish bias when it last met in May, and despite headline CPI inflation falling to 2%. The policy announcement will not be accompanied by a press conference, so investors will be paying close attention to the voting breakdown and the minutes. The meeting poses some event risk for sterling.

Data-wise, the flash reading of Eurozone consumer confidence is forecast to show an improvement in June. Meantime in the US, the latest weekly initial jobless claims figures will feature. However, barring any major surprises, the data may not impact on markets.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0733	-0.01	-2.75
EUR/GBP	0.8448	0.01	-2.54
GBP/USD	1.2702	-0.02	-0.21
GBP/EUR	1.1832	-0.01	2.60
USD/JPY	158.15	0.20	12.12
EUR/JPY	169.78	0.19	9.09

\* 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	5.61	5.32	4.87	4.31
EUR	4.50	3.61	3.72	3.56	3.22	2.83
GBP	5.25	5.19	5.18	4.93	4.73	4.15

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
---------	----------------------------	------------	------------	------------------	---------------------------	-----------------	-----------------------------------

# Opening Levels

Thursday 20 June 2024  
07:33 am



## Euro

EUR/GBP	0.8448
EUR/USD	1.0733
EUR/JPY	169.78
EUR/SEK	11.2233
EUR/DKK	7.4583
EUR/NOK	11.3567
EUR/CHF	0.9481
EUR/AUD	1.6102
EUR/HKD	8.3783
EUR/CAD	1.472

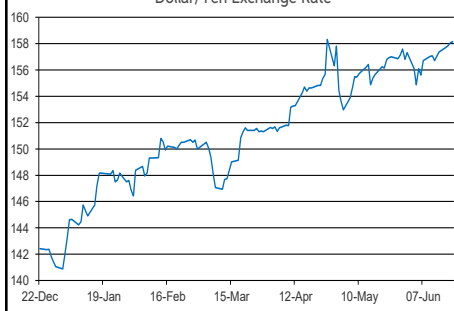
## Sterling

GBP/EUR	1.1832
GBP/USD	1.2702
GBP/CAD	1.7418
GBP/NZD	2.0713
GBP/JPY	200.88
GBP/SEK	13.2802
GBP/DKK	8.8248
GBP/NOK	13.4386
GBP/CHF	1.122
GBP/AUD	1.9053

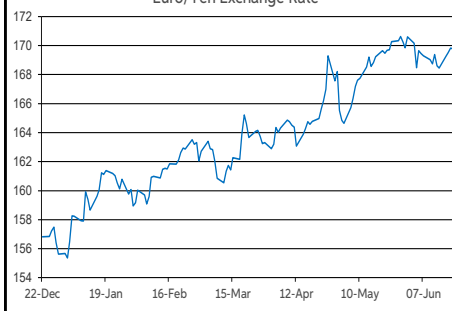
## Dollar

USD/JPY	158.15
USD/CAD	1.3712
USD/CHF	0.8832
USD/CNY	7.2601
USD/BRL	5.4232
USD/RUB	82.5
USD/INR	83.515
AUD/USD	0.6666
NZD/USD	0.6132

Dollar/Yen Exchange Rate

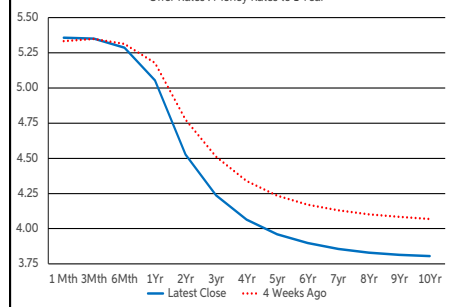


Euro/Yen Exchange Rate



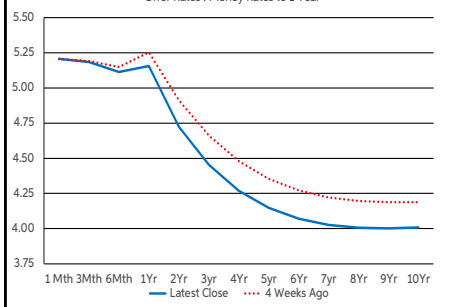
US Swap Curve

Offer Rates : Money Rates to 1 Year



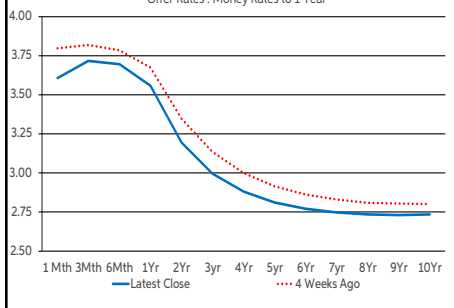
UK Swap Curve

Offer Rates : Money Rates to 1 Year

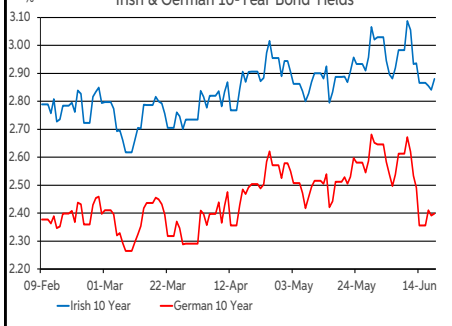


Eurozone Swap Curve

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	4.22	-6	-22	+36
Germany	2.40	+1	-13	+38
UK	4.07	+2	-17	+53
Ireland	2.90	+3	-3	+54
Belgium	3.09	+3	+3	+40
France	3.16	+4	+12	+60
Italy	3.94	+6	+11	+24
Spain	3.35	+3	+4	+35
Portugal	3.16	+3	-1	+37
Greece	3.63	+3	+11	+56
5 Year Swap %				
US	4.24	+0	-25	+44
Eurozone	2.81	+2	-9	+38
UK	4.15	+3	-20	+50
2 Year Swap %				
US	4.81	+0	-22	+48
Eurozone	3.20	+2	-14	+40
UK	4.73	+3	-18	+46
10 Year Government Bond Spreads to Benchmark bps				
Ireland	50	+2	+10	+16
Belgium	69	+2	+16	+3
France	75	+3	+25	+22
Italy	154	+5	+24	-13
Spain	94	+2	+17	-2
Portugal	75	+2	+12	-0
Greece	123	+2	+24	+18

## Commodities

	Close	% Change		
		Day	4 Weeks	End 23
Brent Oil	85.07	-0.30	+3.87	+10.42
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2327.5	-0.04	-2.13	+12.84

This publication is for information purposes and is not an invitation to deal. The information is believed to be reliable but is not guaranteed. Any expressions of opinions are subject to change without notice. This publication is not to be reproduced in whole or in part without prior permission. In the Republic of Ireland it is distributed by Allied Irish Banks, p.l.c. In the UK it is distributed by Allied Irish Banks, p.l.c. and Allied Irish Bank (GB). In Northern Ireland it is distributed by Allied Irish Bank (NI). In the United States of America it is distributed by Allied Irish Banks, p.l.c. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland. Allied Irish Bank (GB) and AIB (NI) are trade marks used under licence by AIB Group (UK) p.l.c. (a wholly owned subsidiary of Allied Irish Banks, p.l.c.), incorporated in Northern Ireland. Registered Office 92 Ann Street, Belfast BT1 3HH. Registered Number NI018800. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In the United States of America, Allied Irish Banks, p.l.c., New York Branch, is a branch licensed by the New York State Department of Financial Services. Deposits and other investment products are not FDIC insured, they are not guaranteed by any bank and they may lose value. Please note that telephone calls may be recorded in line with market practice.