

Dollar regains some ground

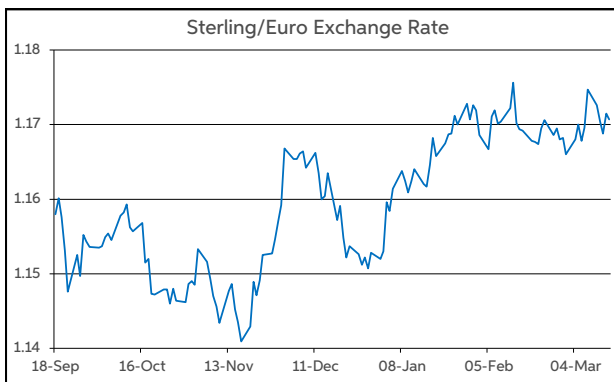
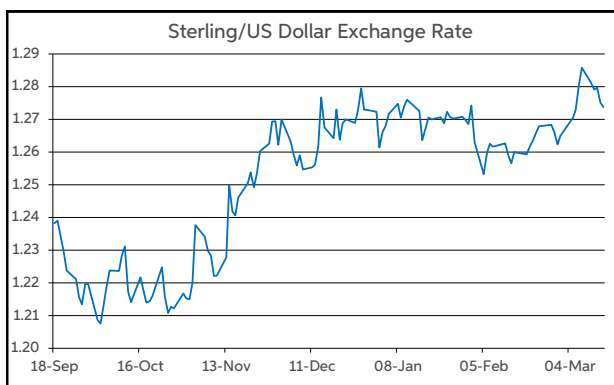
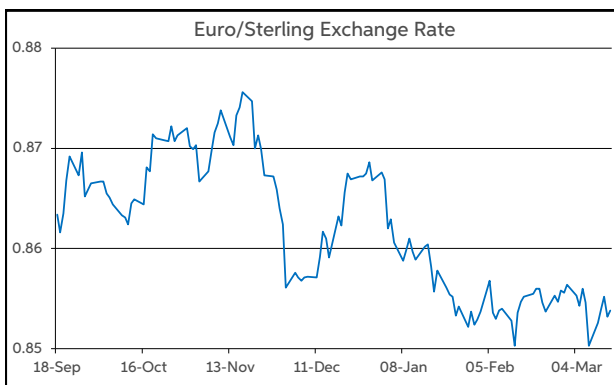
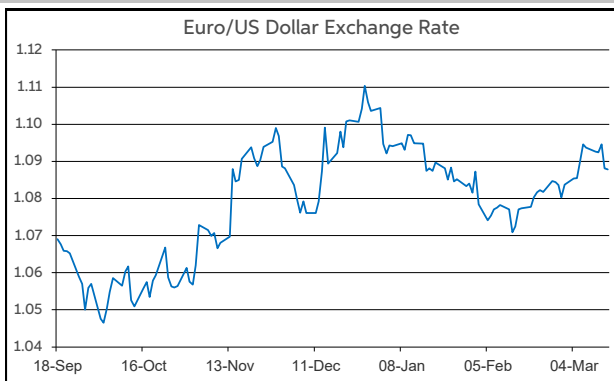
Markets were digesting US macro newsflow yesterday. Producer price inflation for February was higher than expected. The headline PPI rate printed at 1.6% y/y (forecast for 1.1%). Meanwhile, retail sales for February disappointed, rising by 0.6% m/m (forecast for +0.8%). Weakness in some key discretionary categories and downward revisions to prior months indicate some softening in the all-important consumer spending sector of the world's largest economy.

Against this macro backdrop, investor sentiment was holding a cautious tone yesterday. This was evident in modest falls in the main equity indices on both sides of the Atlantic. At the closing bell on Wall Street last night, the S&P 500 was 0.3% lower on the day. On bond markets, yields were higher, led by US Treasuries as the market digested the PPI data. The 10-year US Treasury yield rose by 10bps, while the 10-year German yield was 6bps higher. At the same time, there was some firming in US rate expectations, with the market now attaching around a 70% probability to a Fed rate cut in June (was nearer to 75% at the start of the day).

From a currency viewpoint, the dollar was in the ascendancy, aided by higher US yields. This is reflected in EUR/USD opening this morning back below the \$1.09 level and GBP/USD changing hands in the lower half of \$1.27-1.28. Elsewhere, the EUR/GBP pair continues to be defined by very tight range trading. It has spent the last 24 hours operating in a 85.3-85.5p corridor.

Looking ahead to today, the macro focus will remain on the US economy with a raft of releases due. The diary will feature industrial production (Feb), the regional Empire manufacturing survey and consumer sentiment (both March).

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0878	-0.56	-1.43
EUR/GBP	0.8538	-0.16	-1.50
GBP/USD	1.2736	-0.41	0.05
GBP/EUR	1.1705	0.16	1.52
USD/JPY	148.24	0.22	5.09
EUR/JPY	161.27	-0.33	3.62

* 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	5.59	5.31	4.85	4.33
EUR	4.50	3.86	3.94	3.68	3.22	2.78
GBP	5.25	5.18	5.19	4.96	4.77	4.22

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

Friday 15 March 2024
07:16 am



Euro

EUR/GBP	0.8538
EUR/USD	1.0879
EUR/JPY	161.28
EUR/SEK	11.263
EUR/DKK	7.456
EUR/NOK	11.5132
EUR/CHF	0.9625
EUR/AUD	1.6558
EUR/HKD	8.5105
EUR/CAD	1.4723

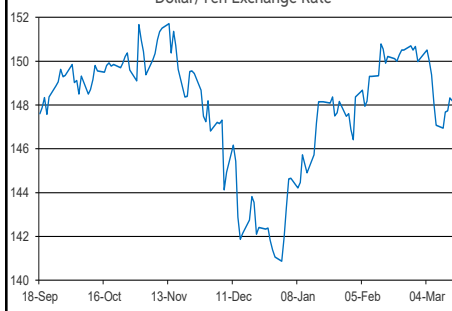
Sterling

GBP/EUR	1.1704
GBP/USD	1.2736
GBP/CAD	1.724
GBP/NZD	2.0865
GBP/JPY	188.8
GBP/SEK	13.1866
GBP/DKK	8.7289
GBP/NOK	13.4863
GBP/CHF	1.1272
GBP/AUD	1.9387

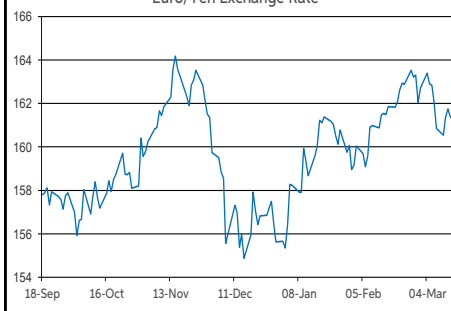
Dollar

USD/JPY	148.24
USD/CAD	1.3532
USD/CHF	0.8848
USD/CNY	7.1955
USD/BRL	4.9942
USD/RUB	91.595
USD/INR	82.888
AUD/USD	0.657
NZD/USD	0.6103

Dollar/Yen Exchange Rate

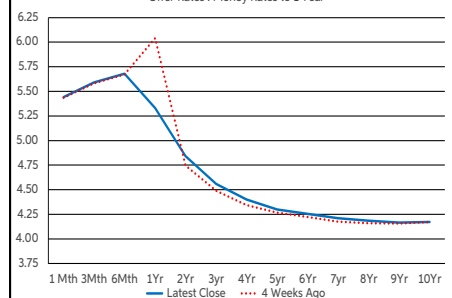


Euro/Yen Exchange Rate



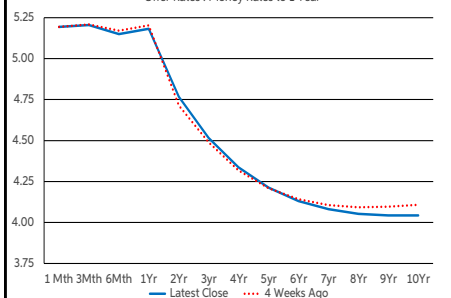
US Swap Curve

Offer Rates : Money Rates to 1 Year



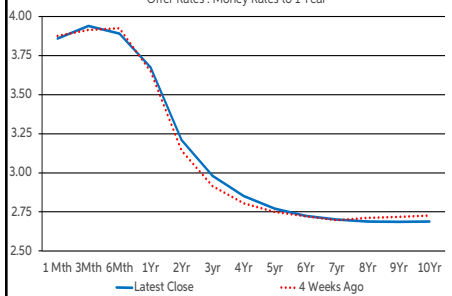
UK Swap Curve

Offer Rates : Money Rates to 1 Year

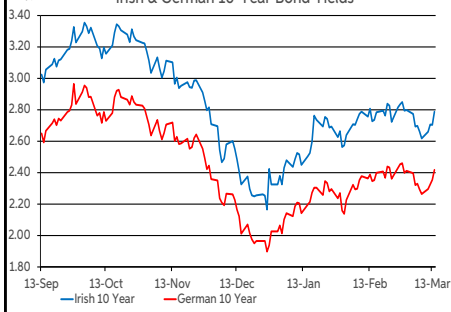


Eurozone Swap Curve

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	4.29	+10	+6	+43
Germany	2.42	+6	+7	+39
UK	4.09	+7	+4	+55
Ireland	2.83	+9	+6	+45
Belgium	2.96	+7	+1	+28
France	2.87	+7	+3	+31
Italy	3.69	+10	-17	-1
Spain	3.23	+7	-5	+23
Portugal	3.06	+6	+2	+27
Greece	3.25	+6	-9	+17
5 Year Swap %				
US	4.30	+8	+7	+51
Eurozone	2.77	+8	+3	+34
UK	4.21	+8	+1	+56
2 Year Swap %				
US	4.84	+7	+13	+51
Eurozone	3.21	+4	+8	+42
UK	4.77	+6	+6	+50
10 Year Government Bond Spreads to Benchmark bps				
Ireland	41	+2	-1	+6
Belgium	54	+0	-6	-11
France	45	+0	-4	-8
Italy	127	+3	-24	-40
Spain	81	+1	-11	-16
Portugal	64	-0	-4	-12
Greece	83	-0	-15	-22

Commodities

	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	85.42	+1.65	+3.09	+10.88
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2161.0	-0.62	+7.83	+4.77

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