

## Encouraging Eurozone growth data

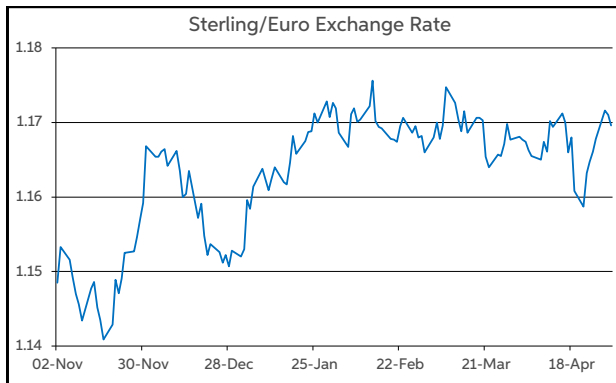
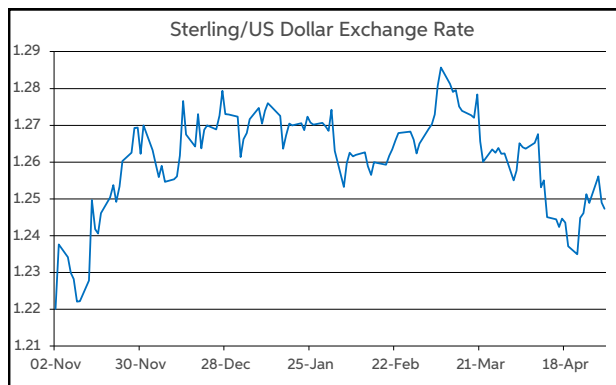
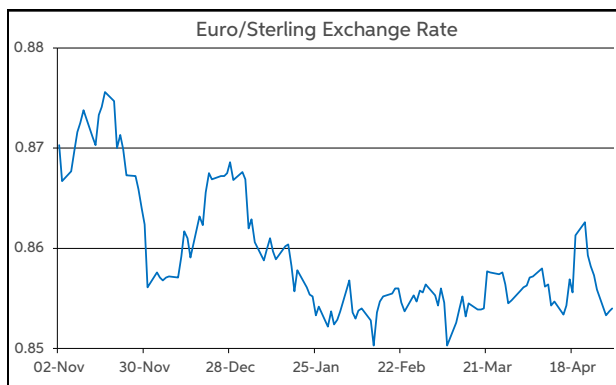
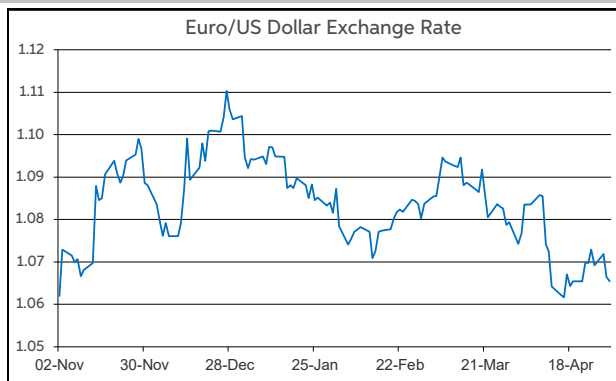
After the previous few days of 'yen' dominated market discourse, attention yesterday shifted back to the macro data diary. There were important releases on both sides of the Atlantic. In the Eurozone, we got a raft of preliminary Q1 GDP readings. There were upside surprises from quarterly growth estimates in France, Spain, Italy and Germany. Meanwhile, the Eurozone aggregate number posted a 0.3% increase in the quarter, compared to a 0.2% forecast. There were also inflation numbers, with the Eurozone core-HICP rate easing to 2.7% in April, from 2.9% (vs. f'cast for 2.6%).

In the US, the Fed's preferred wage gauge-the Employment Cost Index- printed stronger than expected in Q1, rising by 1.2% in the quarter (vs. f'cast for +1.0%). The underlying wages component rose by 1.1% in Q1, matching its pace from Q4'23. Meanwhile, consumer confidence for April missed to the downside of forecasts, falling to 97.0 (f'cast for 104).

Currency-wise, the Eurozone GDP numbers provided some upside to the euro. However, these gains were short-lived. Instead, it is the dollar that is firmer over the past 24 hours. This has occurred against a risk averse backdrop and a move higher in US yields/rates amid stronger than expected US wage pressures in Q1. EUR/USD is at the midpoint of \$1.06-1.07, GBP/USD is below \$1.25, while USD/JPY is above ¥157. EUR/GBP remains within the 85-86p band.

This evening we get the conclusion of the two-day US Fed policy setting meeting. The overwhelming consensus is for no change to rates. Indeed, amid higher than expected inflation and more hawkish Fed comments recently, the first rate cut is now not fully price in until December. Therefore, Chair Powell's press conference will be closely analysed for guidance on the outlook for US rates.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0654	-0.47	-3.46
EUR/GBP	0.854	0.11	-1.48
GBP/USD	1.2472	-0.57	-2.02
GBP/EUR	1.1702	-0.11	1.50
USD/JPY	157.88	0.73	11.92
EUR/JPY	168.24	0.32	8.10

\* 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	5.43	5.59	5.54	5.24	4.78
EUR	4.50	3.86	3.84	3.67	3.39	2.97
GBP	5.25	5.19	5.17	5.03	4.97	4.48

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

Wednesday 01 May 2024  
07:19 am



## Euro

EUR/GBP	0.854
EUR/USD	1.0654
EUR/JPY	168.24
EUR/SEK	11.7544
EUR/DKK	7.4579
EUR/NOK	11.8478
EUR/CHF	0.9818
EUR/AUD	1.6444
EUR/HKD	8.3338
EUR/CAD	1.4682

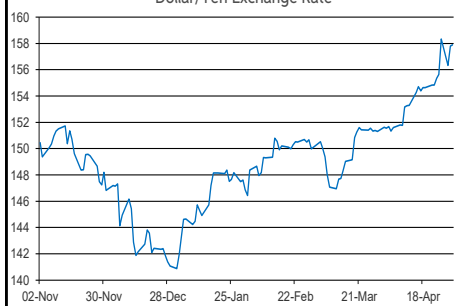
## Sterling

GBP/EUR	1.1702
GBP/USD	1.2472
GBP/CAD	1.7186
GBP/NZD	2.1181
GBP/JPY	196.92
GBP/SEK	13.7577
GBP/DKK	8.7304
GBP/NOK	13.87
GBP/CHF	1.1491
GBP/AUD	1.9249

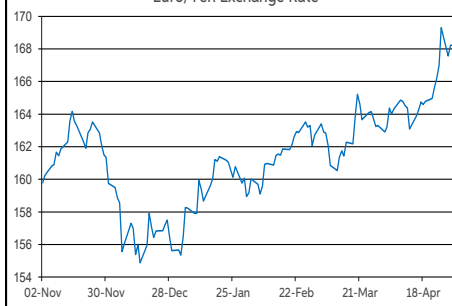
## Dollar

USD/JPY	157.89
USD/CAD	1.3777
USD/CHF	0.9212
USD/CNY	7.2401
USD/BRL	5.1936
USD/RUB	93.4455
USD/INR	83.515
AUD/USD	0.6478
NZD/USD	0.5886

Dollar/Yen Exchange Rate

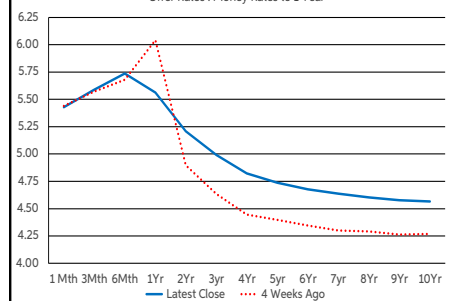


Euro/Yen Exchange Rate



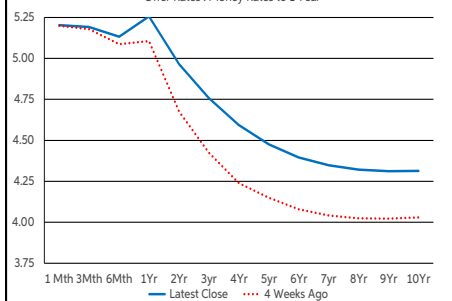
US Swap Curve

Offer Rates : Money Rates to 1 Year



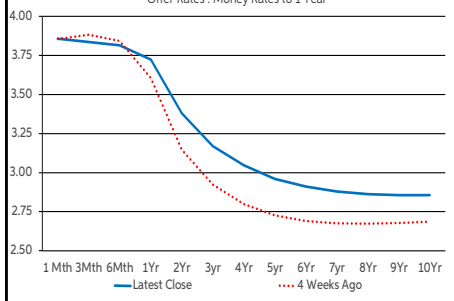
UK Swap Curve

Offer Rates : Money Rates to 1 Year

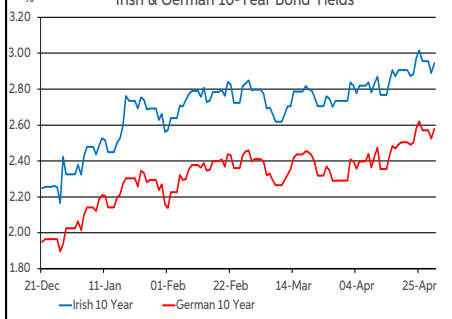


Eurozone Swap Curve

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	4.68	+7	+32	+82
Germany	2.58	+5	+17	+55
UK	4.35	+6	+26	+81
Ireland	2.97	+5	+10	+60
Belgium	3.10	+5	+10	+42
France	3.08	+5	+15	+52
Italy	3.88	+6	+7	+18
Spain	3.35	+5	+9	+36
Portugal	3.20	+5	+9	+41
Greece	3.48	+4	+7	+40
5 Year Swap %				
US	4.74	+7	+38	+95
Eurozone	2.96	+6	+24	+53
UK	4.48	+7	+33	+82
2 Year Swap %				
US	5.21	+5	+35	+87
Eurozone	3.38	+7	+24	+59
UK	4.97	+7	+30	+70
10 Year Government Bond Spreads to Benchmark bps				
Ireland	38	-0	-7	+5
Belgium	52	-0	-7	-14
France	50	-1	-2	-3
Italy	130	+0	-10	-37
Spain	77	-1	-8	-19
Portugal	61	-1	-8	-15
Greece	89	-2	-10	-16

## Commodities

	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	87.86	-0.61	-1.19	+14.04
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2285.6	-2.09	+0.24	+10.81

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