

US labour market report due today

There was a mixed tone to investor sentiment yesterday, as European markets returned in full from the Labour Day Holiday. The Euro Stoxx 50 declined by 0.6%. On Wall Street, the S&P 500 registered a 0.9% rise, boosted by some strong Q1 earnings data. On bond markets, benchmark sovereign yields fell by 2-8bps.

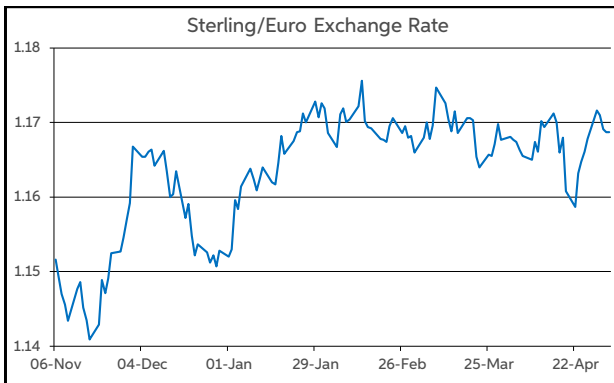
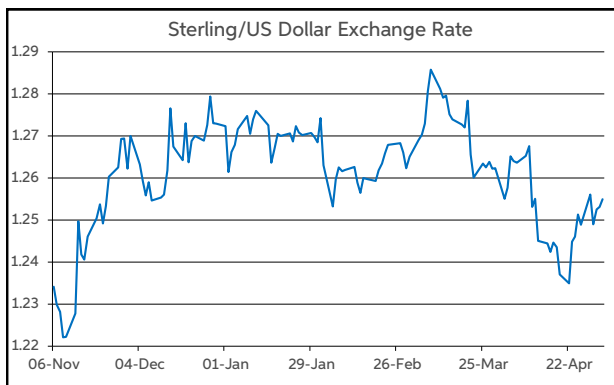
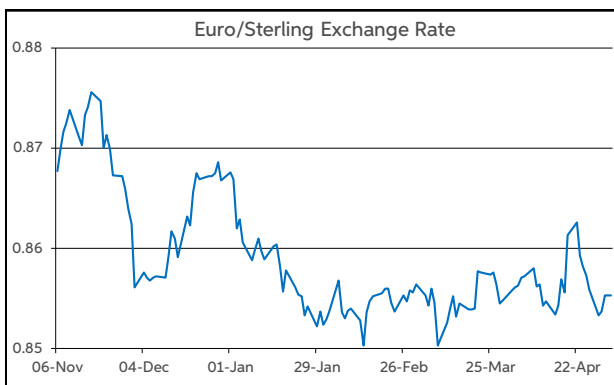
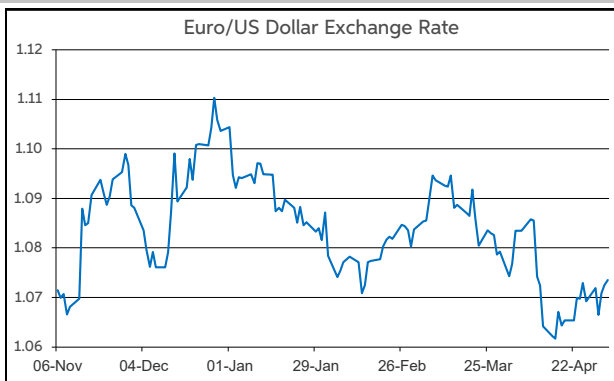
Data-wise, a quiet macro calendar failed to provide any directional impact for markets. Of the limited releases to note, the latest US initial joblessness claims remained at 208k, broadly matching the consensus. Elsewhere, US productivity gains were weaker and unit labour costs were higher than anticipated in Q1. However, the data can be volatile and they did not spark a reaction on markets.

On the currency front, against the modest risk averse backdrop during the European session, traditional safe havens were in demand. The dollar, yen and Swiss franc were all on the front foot. However, the dollar handed back its gains overnight.

As trading gets underway this morning, EUR/USD opens in the lower half of \$1.07-1.08. GBP/USD is operating at the midpoint of the \$1.25-1.26 corridor. Elsewhere, EUR/GBP is at the halfway mark of the 85-86p range. USD/JPY is down at the ¥153 threshold.

Today, the main highlight will be the US labour market report for April. Conditions in the labour market have softened slightly in recent months but remain tight overall. This trend is set to continue, with payrolls rising by 243k, the unemployment rate staying at 3.8%, and average earnings growth slowing to +4.0% y/y. Elsewhere, the US non-manufacturing ISM is projected to register a modest improvement to 52.0 in April, from 51.4. In the Eurozone, the unemployment rate is expected to remain at 6.5% in March.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0734	0.16	-2.74
EUR/GBP	0.8553	0.02	-1.33
GBP/USD	1.2549	0.12	-1.41
GBP/EUR	1.1688	-0.02	1.34
USD/JPY	152.97	-1.82	8.44
EUR/JPY	164.23	-1.66	5.53

* 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	5.45	5.11	4.64
EUR	4.50	3.87	3.83	3.65	3.34	2.91
GBP	5.25	5.18	5.16	4.97	4.90	4.40

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 03 May 2024
07:00 am



Euro

EUR/GBP	0.8553
EUR/USD	1.0734
EUR/JPY	164.23
EUR/SEK	11.6509
EUR/DKK	7.4575
EUR/NOK	11.7862
EUR/CHF	0.9752
EUR/AUD	1.632
EUR/HKD	8.3872
EUR/CAD	1.4665

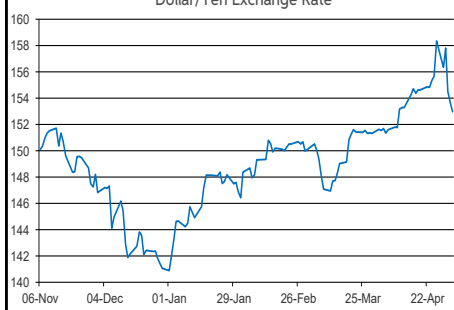
Sterling

GBP/EUR	1.1688
GBP/USD	1.2549
GBP/CAD	1.7144
GBP/NZD	2.1007
GBP/JPY	191.96
GBP/SEK	13.6197
GBP/DKK	8.7162
GBP/NOK	13.775
GBP/CHF	1.1399
GBP/AUD	1.9077

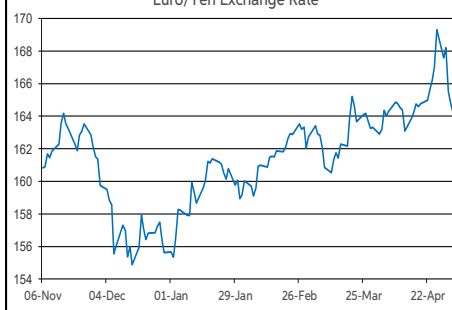
Dollar

USD/JPY	152.97
USD/CAD	1.3662
USD/CHF	0.9084
USD/CNY	7.2401
USD/BRL	5.1109
USD/RUB	91.9725
USD/INR	83.371
AUD/USD	0.6577
NZD/USD	0.5971

Dollar/Yen Exchange Rate

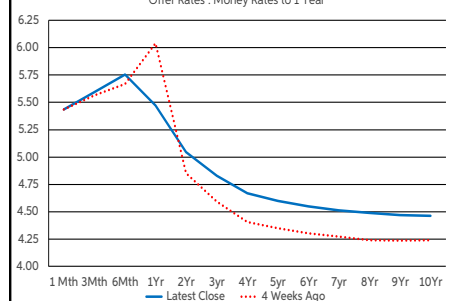


Euro/Yen Exchange Rate



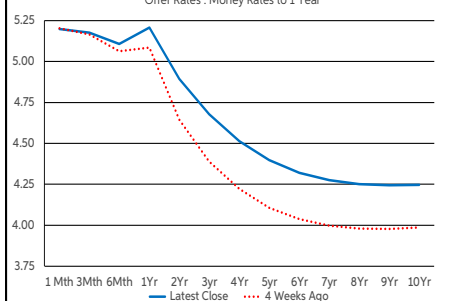
US Swap Curve

Offer Rates : Money Rates to 1 Year



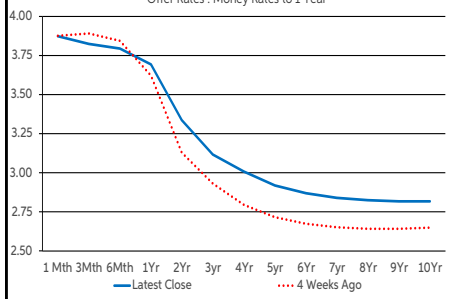
UK Swap Curve

Offer Rates : Money Rates to 1 Year

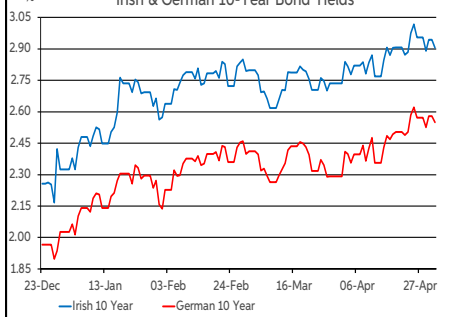


Eurozone Swap Curve

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	4.57	-2	+26	+71
Germany	2.55	-3	+19	+53
UK	4.29	-8	+27	+75
Ireland	2.93	-4	+12	+56
Belgium	3.08	-2	+15	+40
France	3.05	-3	+18	+49
Italy	3.87	-1	+15	+17
Spain	3.32	-3	+13	+33
Portugal	3.18	-1	+14	+40
Greece	3.56	+9	+25	+48
5 Year Swap %				
US	4.60	-8	+29	+81
Eurozone	2.92	-4	+21	+49
UK	4.40	-10	+29	+75
2 Year Swap %				
US	5.04	-11	+23	+71
Eurozone	3.34	-4	+21	+54
UK	4.89	-9	+25	+63
10 Year Government Bond Spreads to Benchmark bps				
Ireland	38	-1	-7	+4
Belgium	53	+1	-4	-13
France	49	-0	-2	-4
Italy	131	+2	-4	-36
Spain	77	-0	-7	-20
Portugal	63	+2	-5	-13
Greece	101	+11	+5	-4

Commodities

	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	83.67	+0.28	-7.70	+8.61
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2303.3	-0.63	+0.61	+11.67

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