

## EUR/USD at the midpoint of \$1.07-1.08

Investor sentiment was holding a positive tone yesterday, amid a relatively quiet start to the week on financial markets. The Euro Stoxx 50 gained 0.7%. Meantime, on Wall Street the S&P 500 rose by 1.0%. In terms of fixed income, benchmark sovereign yields were little changed across the board.

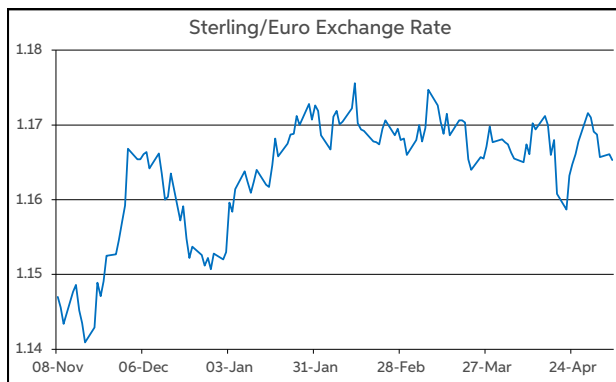
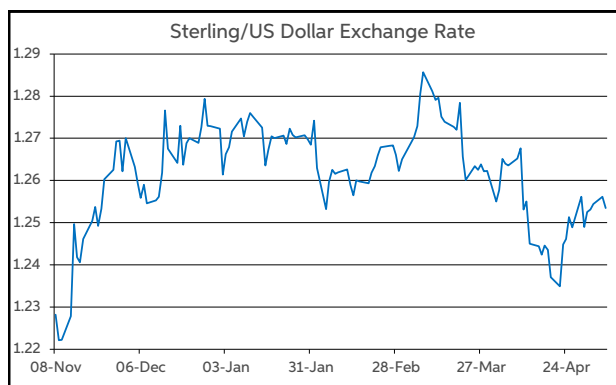
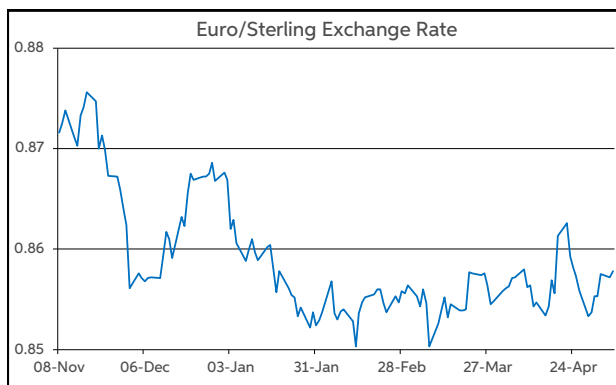
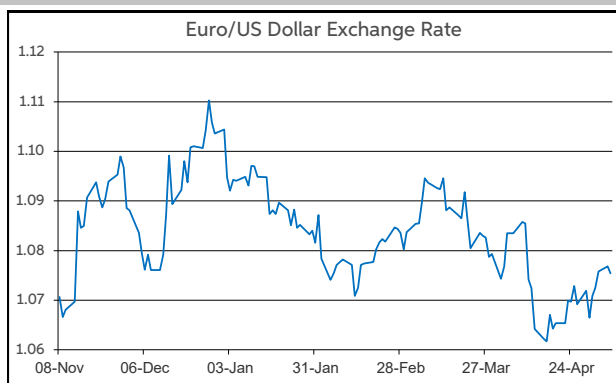
Data-wise, a scant macro calendar failed to provide any directional impact for markets. Of the limited releases to note, Eurozone producer price inflation printed at -7.8% in March, broadly in-line with expectations for a -7.7% reading. Meanwhile, the EU sentix index improved to -3.6 in May, above the consensus of -5.0.

On the currency front, the main FX pairs were confined to tight trading ranges. The price action was muted amid the quiet macro calendar. A bank holiday in the UK also likely contributed to the limited moves on the exchanges. Meantime, overnight the yen was under some modest downward pressure.

As trading gets underway this morning, EUR/USD opens at the midpoint of the \$1.07-1.08 trading band. GBP/USD is operating in the lower half of the \$1.25-1.26 corridor. Elsewhere, EUR/GBP is in the upper half of the 85-86p range. USD/JPY is at the halfway mark of ¥154-155.

Turning to the day ahead, the data calendar is rather sparse once again on both sides of the Atlantic. Thus, range trading may remain the order of the day on currency markets. However, remarks from Fed official Kashkari will garner some interest from a dollar perspective. Investors will also be paying attention to newsflow in relation to the Israel-Hamas war.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0754	-0.07	-2.56
EUR/GBP	0.8578	-0.01	-1.04
GBP/USD	1.2535	-0.06	-1.52
GBP/EUR	1.1652	0.01	1.05
USD/JPY	154.56	0.41	9.57
EUR/JPY	166.25	0.35	6.82

\* 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	5.41	5.02	4.54
EUR	4.50	3.87	3.83	3.63	3.26	2.83
GBP	5.25	5.18	5.15	4.93	4.82	4.32

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 07 May 2024  
07:03 am



## Euro

EUR/GBP	0.8578
EUR/USD	1.0754
EUR/JPY	166.25
EUR/SEK	11.658
EUR/DKK	7.4587
EUR/NOK	11.6819
EUR/CHF	0.9758
EUR/AUD	1.6317
EUR/HKD	8.4127
EUR/CAD	1.4721

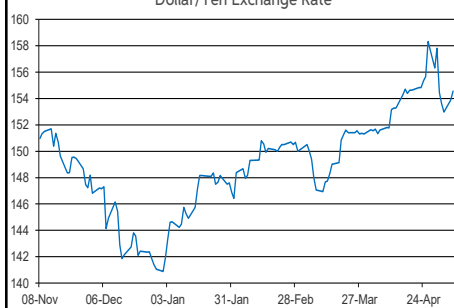
## Sterling

GBP/EUR	1.1652
GBP/USD	1.2535
GBP/CAD	1.7157
GBP/NZD	2.0875
GBP/JPY	193.74
GBP/SEK	13.5824
GBP/DKK	8.6928
GBP/NOK	13.6163
GBP/CHF	1.1376
GBP/AUD	1.9017

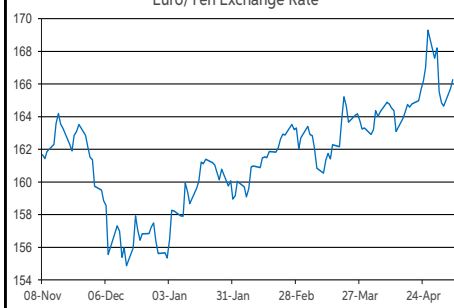
## Dollar

USD/JPY	154.56
USD/CAD	1.3685
USD/CHF	0.9072
USD/CNY	7.2175
USD/BRL	5.0758
USD/RUB	91.25
USD/INR	83.504
AUD/USD	0.6591
NZD/USD	0.6003

Dollar/Yen Exchange Rate

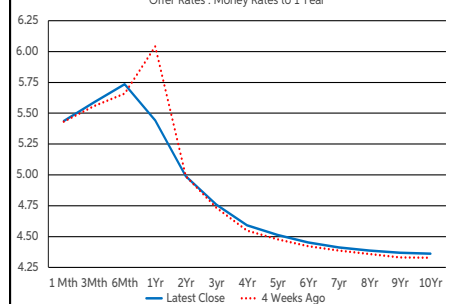


Euro/Yen Exchange Rate



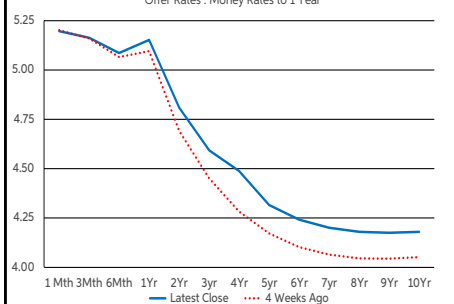
US Swap Curve

Offer Rates : Money Rates to 1 Year



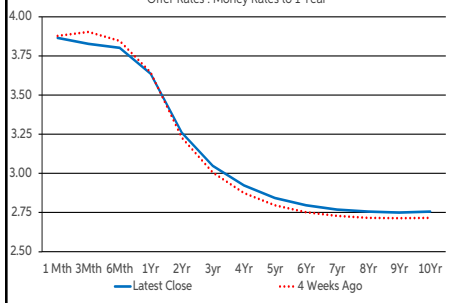
UK Swap Curve

Offer Rates : Money Rates to 1 Year

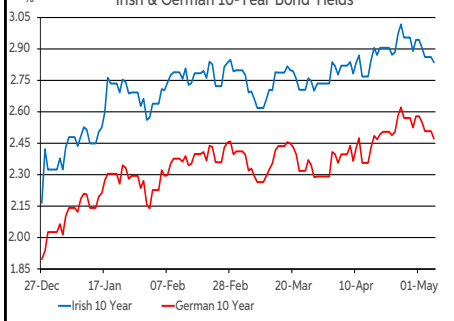


Eurozone Swap Curve

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	4.49	-1	+6	+63
Germany	2.48	-3	+4	+45
UK	4.23	-6	+14	+69
Ireland	2.86	-2	-1	+50
Belgium	3.02	-3	+1	+33
France	3.00	-5	+7	+44
Italy	3.80	-2	+0	+10
Spain	3.25	-2	-0	+26
Portugal	3.12	-3	+1	+33
Greece	3.56	+9	+18	+48
5 Year Swap %				
US	4.51	-1	+8	+72
Eurozone	2.84	-2	+6	+42
UK	4.32	-0	+15	+66
2 Year Swap %				
US	4.99	-1	+4	+65
Eurozone	3.26	-2	+4	+47
UK	4.81	-1	+12	+55
10 Year Government Bond Spreads to Benchmark bps				
Ireland	38	+1	-5	+5
Belgium	54	+0	-2	-12
France	52	-1	+3	-1
Italy	133	+2	-3	-35
Spain	77	+2	-4	-19
Portugal	64	+0	-3	-12
Greece	108	+12	+14	+4

## Commodities

	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	83.33	+0.45	-7.80	+8.16
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2323.6	+0.96	-0.66	+12.65

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