

Yen remains under pressure

There was a subdued tone to the action across markets yesterday. This was not overly surprising giving the dearth of top or even second tier data releases. The muted backdrop was evident in most of the main equity indices being in sideways mode for much of their respective trading sessions. This followed a strong performance last week. In Europe, the Euro Stoxx 50 registered a -0.1% daily return. At the closing bell on Wall Street last night, the S&P 500 index was flat on the day.

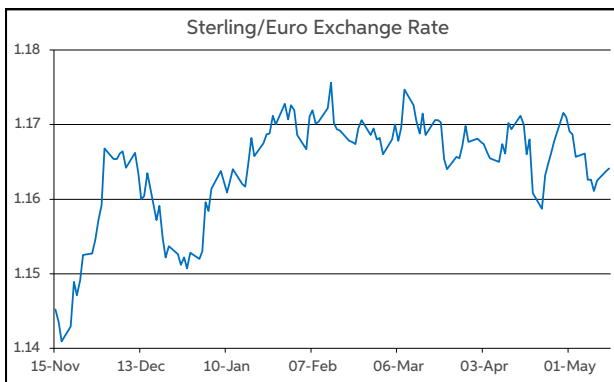
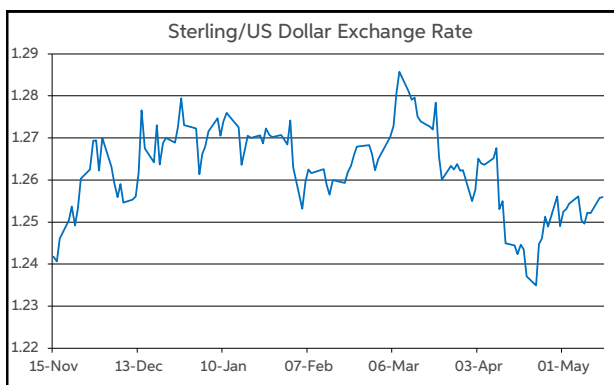
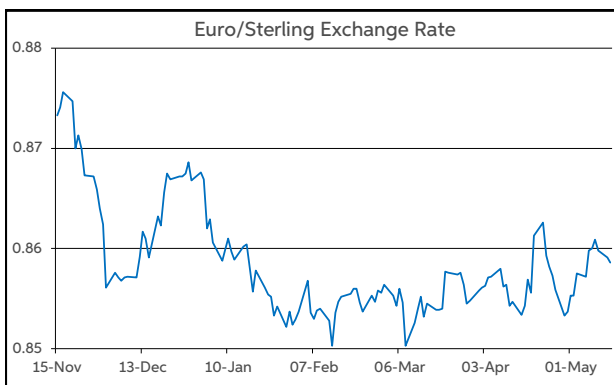
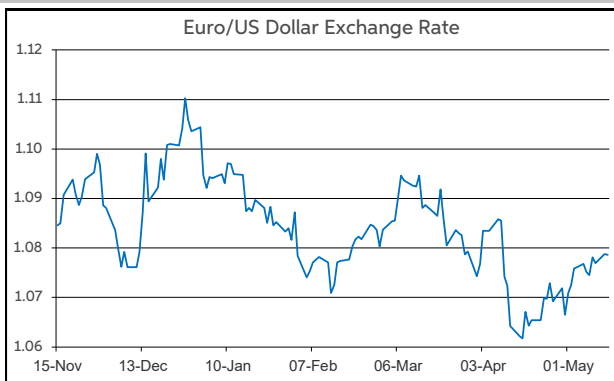
Meanwhile, on bond markets, the main benchmark sovereign yields experienced only minimal change yesterday. The magnitude of movement was generally in a 1-2bps range. The 10-year US Treasury yield edged back below 4.5%, while the 10-year German Bund traded near to the 2.5% level.

On the currency front, most of the majors were confined to narrow trading ranges. Of the action to register over the past 24 hours, the yen remains on the defensive, while the dollar is modestly weaker versus the euro and sterling.

In level terms, USD/JPY is above ¥156, while EUR/JPY is up in 168-169 territory. EUR/USD has moved modestly higher to trade nearer to the \$1.08 threshold. GBP/USD is trading close to the midpoint of \$1.25-1.26. EUR/GBP continues to straddle the 86p handle.

Already this morning, we have got a raft of UK labour market data. This included the unemployment rate for Q1 printing at 4.3%, in line with forecasts. Data-wise, the remainder of today's calendar highlights are the German ZEW survey (May) and US PPI inflation (April). Meanwhile, in terms of central bank newsflow, US Fed Chair Powell is due to speak.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0786	0.16	-2.27
EUR/GBP	0.8586	-0.13	-0.95
GBP/USD	1.2559	0.29	-1.34
GBP/EUR	1.1642	0.13	0.96
USD/JPY	156.47	0.44	10.92
EUR/JPY	168.77	0.58	8.44

* 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	5.58	5.42	5.06	4.56
EUR	4.50	3.86	3.82	3.63	3.29	2.88
GBP	5.25	5.19	5.12	4.90	4.78	4.26

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

Tuesday 14 May 2024
07:23 am



Euro

EUR/GBP	0.8586
EUR/USD	1.0786
EUR/JPY	168.77
EUR/SEK	11.7036
EUR/DKK	7.4601
EUR/NOK	11.6653
EUR/CHF	0.9796
EUR/AUD	1.6337
EUR/HKD	8.4268
EUR/CAD	1.4751

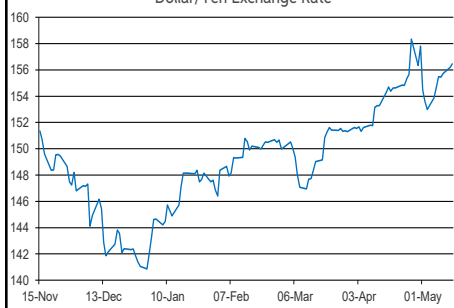
Sterling

GBP/EUR	1.1642
GBP/USD	1.2559
GBP/CAD	1.7174
GBP/NZD	2.0868
GBP/JPY	196.51
GBP/SEK	13.6225
GBP/DKK	8.6839
GBP/NOK	13.5798
GBP/CHF	1.1404
GBP/AUD	1.9023

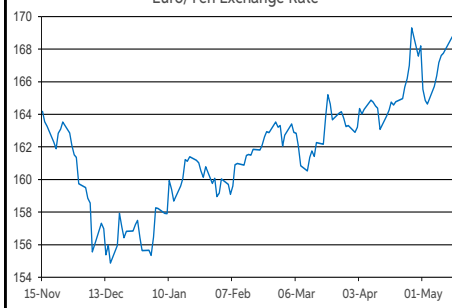
Dollar

USD/JPY	156.47
USD/CAD	1.3673
USD/CHF	0.908
USD/CNY	7.2378
USD/BRL	5.157
USD/RUB	91.225
USD/INR	83.51
AUD/USD	0.66
NZD/USD	0.6016

Dollar/Yen Exchange Rate

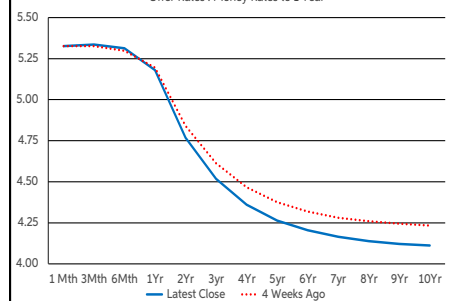


Euro/Yen Exchange Rate



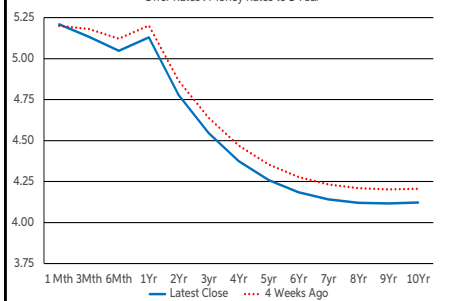
US Swap Curve

Offer Rates : Money Rates to 1 Year



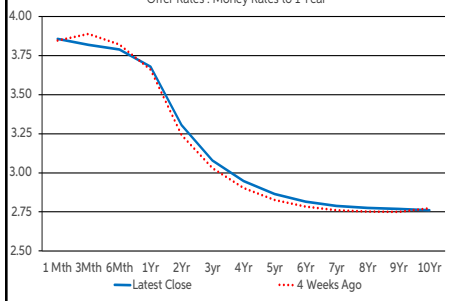
UK Swap Curve

Offer Rates : Money Rates to 1 Year

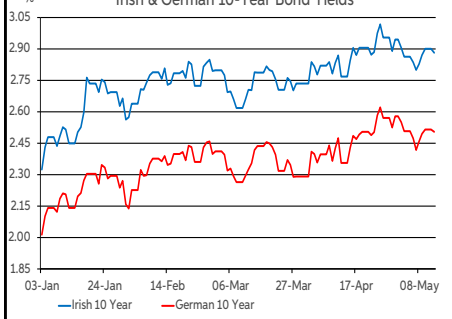


Eurozone Swap Curve

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	4.48	-2	-15	+62
Germany	2.51	-1	+7	+48
UK	4.18	+1	-7	+64
Ireland	2.91	-1	+3	+54
Belgium	3.05	-1	+5	+36
France	3.01	-1	+5	+46
Italy	3.86	+0	+1	+16
Spain	3.30	-1	+2	+31
Portugal	3.16	-1	+3	+37
Greece	3.53	-1	+14	+45
5 Year Swap %				
US	4.52	-2	-10	+73
Eurozone	2.86	-2	+5	+44
UK	4.26	+2	-9	+61
2 Year Swap %				
US	5.02	-1	-7	+69
Eurozone	3.31	-0	+7	+51
UK	4.78	+2	-8	+51
10 Year Government Bond Spreads to Benchmark bps				
Ireland	40	+0	-5	+6
Belgium	54	+0	-2	-12
France	51	+0	-2	-2
Italy	135	+1	-6	-32
Spain	79	-0	-6	-17
Portugal	65	+0	-4	-11
Greece	102	+1	+7	-3

Commodities

	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	83.36	+0.69	-7.48	+8.20
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2336.0	-1.02	-1.95	+13.26

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.