

US macro data continues to disappoint

There was a muted and cautious tone to investor sentiment yesterday compared to the previous day's more bullish mood. Most of the main equity indices posted modest losses over their respective trading sessions. In Europe, the Euro Stoxx 50 registered a 0.6% fall. Meanwhile, at the closing bell on Wall Street last night, the S&P 500 was 0.2% lower on the day.

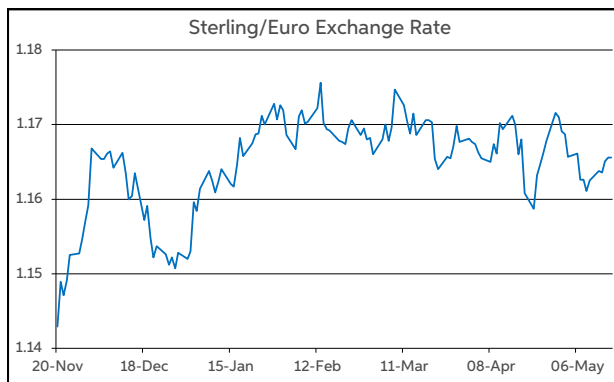
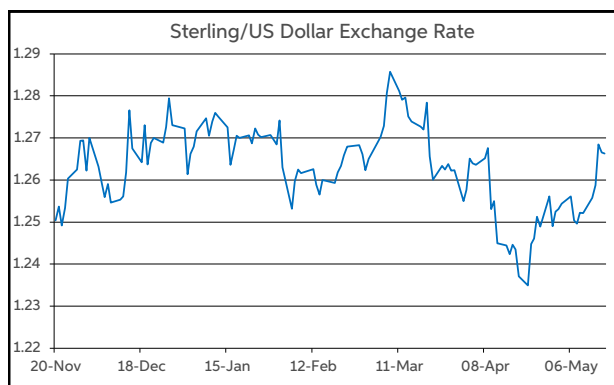
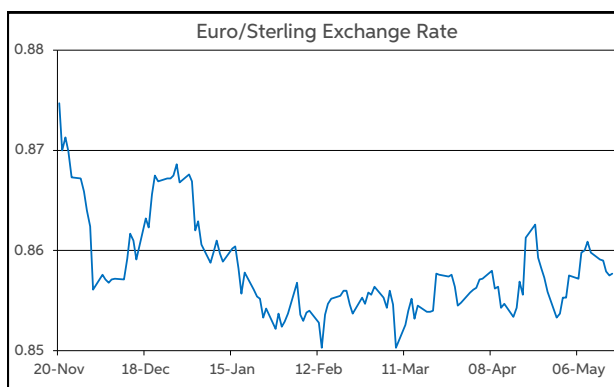
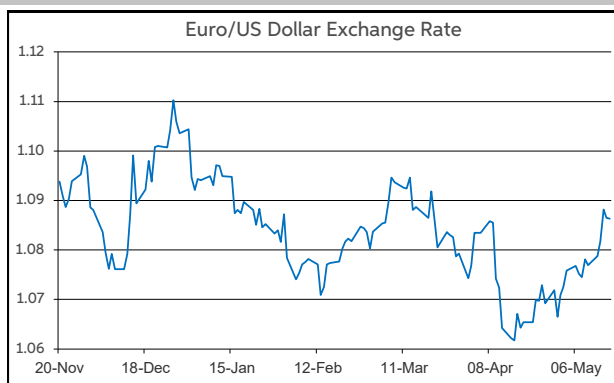
In terms of yesterday's macro newsflow, the focus remained on the US economy given the quiet data schedule elsewhere. In a continuation of the recent trend, the US data tended to disappoint versus expectations. This included industrial production and housing starts for April coming in below forecasts.

From a currency viewpoint, the dollar managed to halt its recent slide. Some upward moves in US yields/swap rates provided support to the greenback yesterday amid higher than expected import price data. In level terms though, EUR/USD remains in the upper half of the \$1.08-1.09 band, while GBP/USD continues to trade above the midpoint of \$1.26-1.27.

Meantime, the action in EUR/GBP continues to be uneventful. The pair has been changing hands in a very narrow 85.7-85.9p range. Elsewhere, the yen has experienced downward pressure over the past 24 hours amid some weaker than expected Japanese Q1 GDP data, with USD/JPY above ¥155 and EUR/JPY above ¥169.

Looking ahead, today's macro calendar is very quiet heading into the weekend. The only release of any note is the final reading of Eurozone HICP inflation for April. The consensus is for no change to the first estimate of 2.4% y/y. The sparse data agenda today lends itself to continued range trading amongst the FX majors.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0863	-0.18	-1.57
EUR/GBP	0.8577	-0.02	-1.05
GBP/USD	1.2663	-0.18	-0.52
GBP/EUR	1.1653	0.02	1.06
USD/JPY	155.69	1.15	10.37
EUR/JPY	169.15	0.96	8.69

* 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	5.39	4.97	4.46
EUR	4.50	3.83	3.82	3.64	3.29	2.85
GBP	5.25	5.19	5.10	4.84	4.72	4.19

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 17 May 2024
07:22 am



Euro

EUR/GBP	0.8577
EUR/USD	1.0863
EUR/JPY	169.15
EUR/SEK	11.6432
EUR/DKK	7.4609
EUR/NOK	11.623
EUR/CHF	0.9848
EUR/AUD	1.6275
EUR/HKD	8.4746
EUR/CAD	1.4794

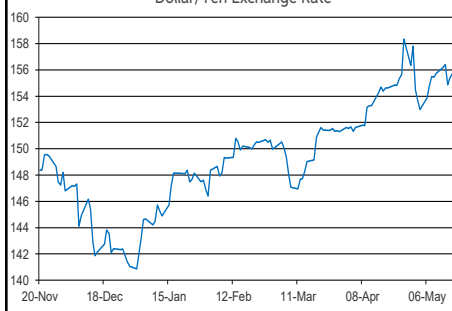
Sterling

GBP/EUR	1.1653
GBP/USD	1.2663
GBP/CAD	1.7245
GBP/NZD	2.0683
GBP/JPY	197.15
GBP/SEK	13.5713
GBP/DKK	8.695
GBP/NOK	13.548
GBP/CHF	1.1478
GBP/AUD	1.897

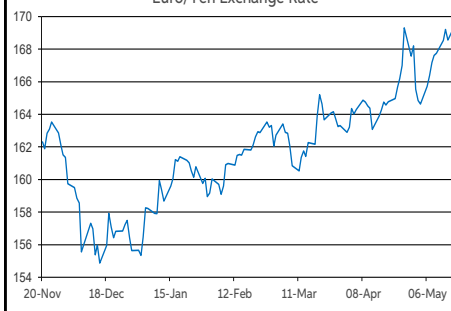
Dollar

USD/JPY	155.69
USD/CAD	1.3618
USD/CHF	0.9063
USD/CNY	7.2218
USD/BRL	5.1288
USD/RUB	91.0375
USD/INR	83.465
AUD/USD	0.6675
NZD/USD	0.612

Dollar/Yen Exchange Rate

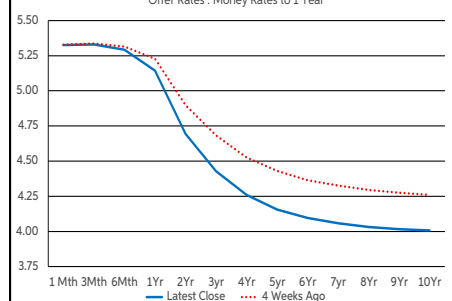


Euro/Yen Exchange Rate



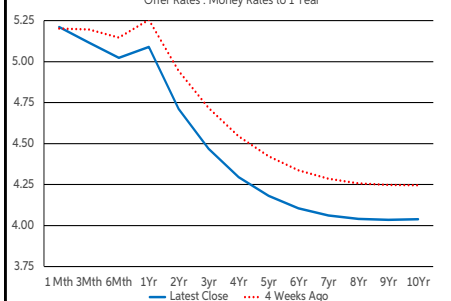
US Swap Curve

Offer Rates : Money Rates to 1 Year



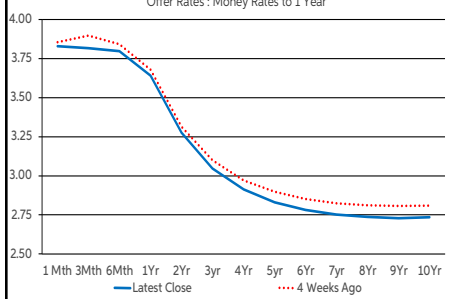
UK Swap Curve

Offer Rates : Money Rates to 1 Year

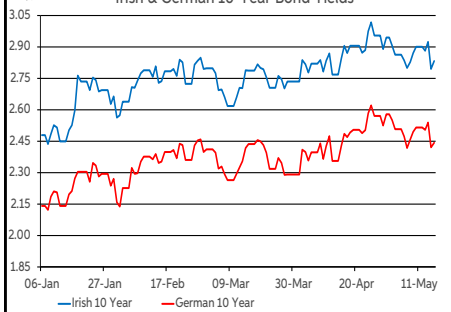


Eurozone Swap Curve

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	4.38	+2	-27	+52
Germany	2.45	+2	-5	+42
UK	4.08	+1	-19	+54
Ireland	0.00	-295	-293	-237
Belgium	2.99	+2	-7	+30
France	2.95	+2	-6	+39
Italy	3.75	+2	-14	+5
Spain	3.21	+2	-11	+22
Portugal	3.07	+2	-10	+28
Greece	3.46	+1	-0	+38

5 Year Swap %				
US	4.42	+5	-26	+63
Eurozone	2.83	+4	-6	+40
UK	4.18	+2	-24	+53

2 Year Swap %				
US	4.94	+5	-21	+61
Eurozone	3.28	+5	-3	+48
UK	4.71	+2	-23	+45

10 Year Government Bond Spreads to Benchmark bps				
Ireland	-245	-297	-288	-278
Belgium	54	+0	-2	-12
France	50	+0	-1	-3
Italy	131	-0	-9	-36
Spain	76	-1	-6	-20
Portugal	63	-0	-5	-13
Greece	101	-1	+4	-4

Commodities

	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	83.27	+0.63	-4.41	+8.09
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2376.4	-0.40	-0.08	+15.22

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