

Euro edges marginally lower

There was a quiet start to the week on financial markets yesterday. A sparse data schedule likely contributed to the lacklustre price action. Against this backdrop, equity markets followed the path of least resistance, inching slightly higher on both sides of the Atlantic. The Euro Stoxx 50 rose by 0.2%, while the S&P 500 gained 0.1%.

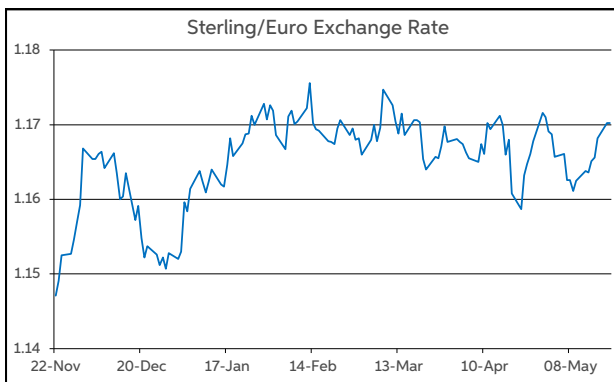
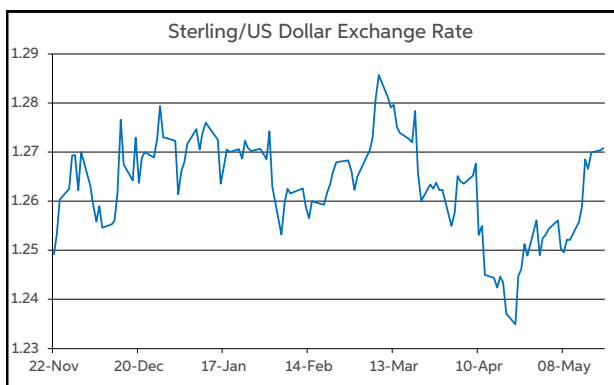
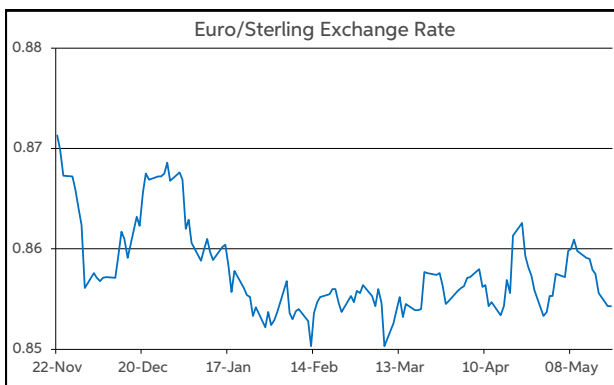
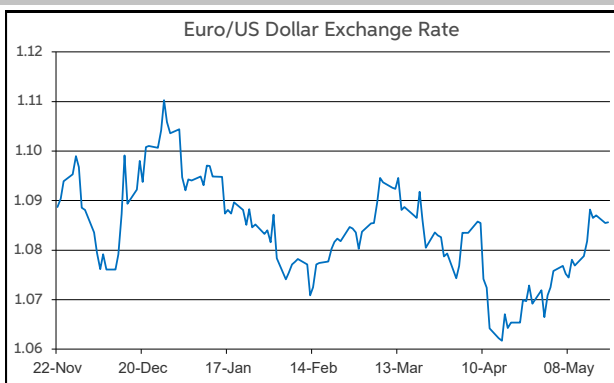
Amid a barren release docket, remarks from a number of central bank officials were front and centre yesterday. In the UK, MPC voter Broadbent noted that if the data evolve in line with the BoE's forecasts, "then it's possible Bank Rate could be cut some time over the summer". Meantime in the US, comments from the Fed's Barr, Jefferson and Mester, were all somewhat cautious on the current trajectory for inflation, indicating that the Fed needs more evidence to be confident inflation is moving back to 2% on a sustainable basis. However, the impact on futures pricing from the remarks was immaterial.

On the currency front, the main FX pairs were confined to narrow trading ranges. Of the limited price action to register, the euro was holding a marginally softer tone. The single currency inched 0.2% lower versus sterling and the dollar.

In level terms, this sees EUR/USD open this morning near the midpoint of the \$1.08-1.09 range. Meantime, GBP/USD continues to operate just above the \$1.27 handle. Elsewhere, EUR/GBP is changing hands close to the halfway mark of the 85-86p trading band. USD/JPY is above the ¥156 threshold.

Looking to the day ahead, the macro calendar remains muted on both sides of the Atlantic. However, remarks from a plethora of central bank officials will garner some attention once again.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0856	-0.21	-1.63
EUR/GBP	0.8543	-0.20	-1.44
GBP/USD	1.2709	0.02	-0.16
GBP/EUR	1.1703	0.20	1.46
USD/JPY	156.16	0.25	10.70
EUR/JPY	169.56	0.04	8.95

* 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	5.41	5.02	4.52
EUR	4.50	3.80	3.83	3.66	3.33	2.91
GBP	5.25	5.19	5.10	4.89	4.77	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
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Opening Levels

Tuesday 21 May 2024
07:51 am



Euro

EUR/GBP	0.8543
EUR/USD	1.0856
EUR/JPY	169.56
EUR/SEK	11.6096
EUR/DKK	7.4609
EUR/NOK	11.6274
EUR/CHF	0.9878
EUR/AUD	1.6317
EUR/HKD	8.4706
EUR/CAD	1.4803

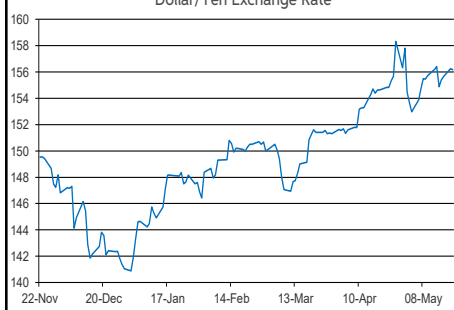
Sterling

GBP/EUR	1.1703
GBP/USD	1.2709
GBP/CAD	1.7327
GBP/NZD	2.0839
GBP/JPY	198.46
GBP/SEK	13.5864
GBP/DKK	8.731
GBP/NOK	13.6096
GBP/CHF	1.1562
GBP/AUD	1.9099

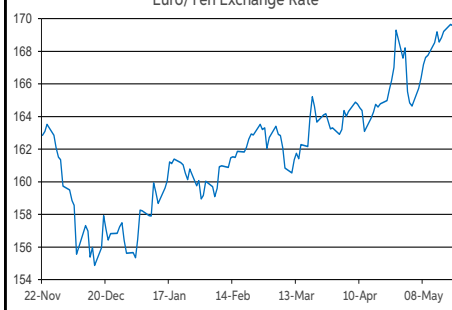
Dollar

USD/JPY	156.16
USD/CAD	1.3634
USD/CHF	0.9097
USD/CNY	7.2368
USD/BRL	5.104
USD/RUB	90.45
USD/INR	83.329
AUD/USD	0.6653
NZD/USD	0.6096

Dollar/Yen Exchange Rate

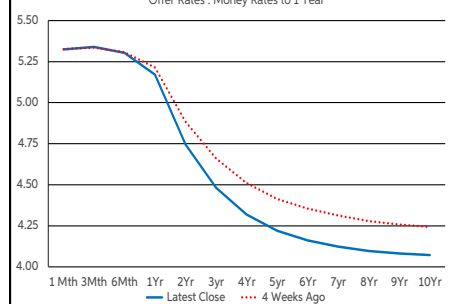


Euro/Yen Exchange Rate



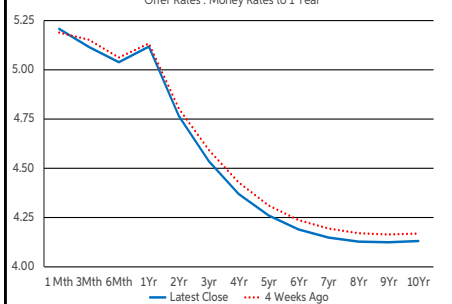
US Swap Curve

Offer Rates : Money Rates to 1 Year



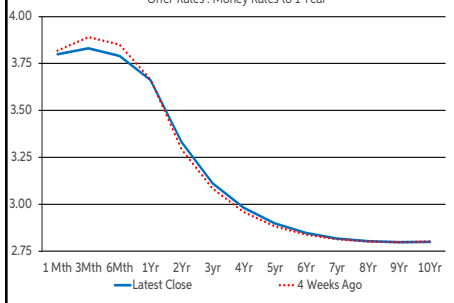
UK Swap Curve

Offer Rates : Money Rates to 1 Year

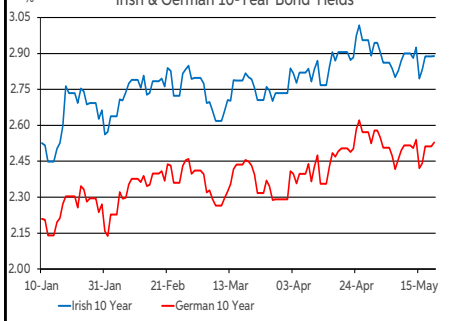


Eurozone Swap Curve

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	4.44	+2	-19	+58
Germany	2.53	+2	+4	+50
UK	4.17	+4	-4	+63
Ireland	2.92	+1	+4	+55
Belgium	3.06	+1	+2	+37
France	3.02	+1	+3	+46
Italy	3.82	+0	+0	+12
Spain	3.29	+1	+2	+30
Portugal	3.16	+2	+2	+37
Greece	3.52	+1	+4	+44

5 Year Swap %				
US	4.49	+2	-17	+69
Eurozone	2.90	+1	+3	+47
UK	4.26	+4	-5	+61

2 Year Swap %				
US	5.00	+1	-13	+66
Eurozone	3.33	-1	+4	+54
UK	4.77	+2	-3	+50

10 Year Government Bond Spreads to Benchmark bps				
Ireland	39	-1	-0	+5
Belgium	53	-0	-2	-13
France	49	-1	-1	-4
Italy	128	-1	-4	-39
Spain	75	-0	-2	-21
Portugal	62	+0	-2	-13
Greece	99	-1	+0	-6

Commodities

	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	83.71	-0.32	-3.78	+8.66
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2425.1	+0.42	+4.25	+17.58

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