

## Mixed PMI data impact sentiment

The cautious mood on markets persisted yesterday, as the flash PMI data for May in the main advanced economics impacted sentiment throughout. Against this backdrop, the Euro Stoxx 50 rose by 0.2%. Meantime, having initially moved higher, the S&P 500 finished the day down by 0.7%.

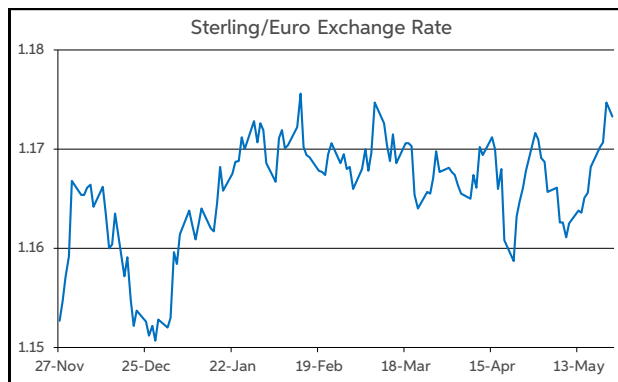
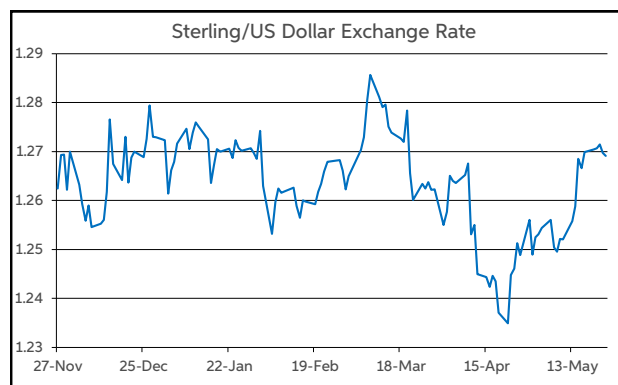
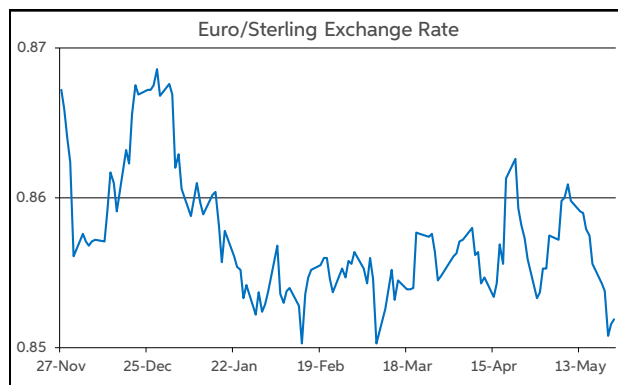
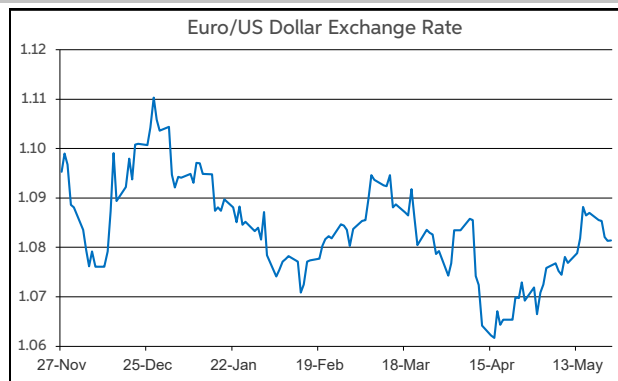
Overall, the flash PMI data for May were mixed. In the UK, both sectors printed in expansion territory, albeit the services reading declined. Meanwhile, both Eurozone PMIs improved, although the manufacturing sector remained in contraction mode. Similarly, both of the US PMIs moved higher in May. However, the underlying details indicated inflationary pressures remained elevated in the US, which led to a modest firming in US futures contracts.

Elsewhere, Eurozone negotiated wage growth accelerated in Q1 to +4.7 % y/y from + 4.5% in Q4. However, the data are unlikely to stall a June rate cut from the ECB. Indeed, the release had no major impact on market rate expectations in the Eurozone.

Currency-wise, having treaded water in early trading, the dollar retook the ascendancy as US futures firmed late on. However, the main FX pairs were confined to very narrow ranges yesterday. As trading gets underway this morning, EUR/USD opens in the lower half of \$1.08-1.09. GBP/USD is changing hands back below the \$1.27 handle. EUR/GBP remains in the bottom half of 85-86p.

Already this morning, UK retail sales have printed well below the consensus, contracting by 2.3% in April (vs. -0.6% f'cast). However, the impact on sterling has been muted in early trading. There is a relatively sparse data schedule for the remainder of today, meaning remarks from central bank officials will be in focus.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0814	-0.11	-2.01
EUR/GBP	0.8519	0.13	-1.72
GBP/USD	1.2692	-0.27	-0.29
GBP/EUR	1.1732	-0.13	1.75
USD/JPY	157.05	0.21	11.34
EUR/JPY	169.86	0.12	9.14

\* 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	5.46	5.10	4.57
EUR	4.50	3.80	3.82	3.70	3.41	2.98
GBP	5.25	5.20	5.20	5.06	4.94	4.38

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 24 May 2024  
07:37 am



## Euro

EUR/GBP	0.8519
EUR/USD	1.0814
EUR/JPY	169.86
EUR/SEK	11.6049
EUR/DKK	7.461
EUR/NOK	11.5413
EUR/CHF	0.9895
EUR/AUD	1.6385
EUR/HKD	8.4483
EUR/CAD	1.4851

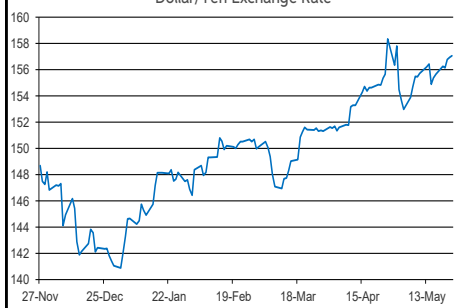
## Sterling

GBP/EUR	1.1732
GBP/USD	1.2692
GBP/CAD	1.743
GBP/NZD	2.0827
GBP/JPY	199.33
GBP/SEK	13.617
GBP/DKK	8.7541
GBP/NOK	13.5428
GBP/CHF	1.1612
GBP/AUD	1.9228

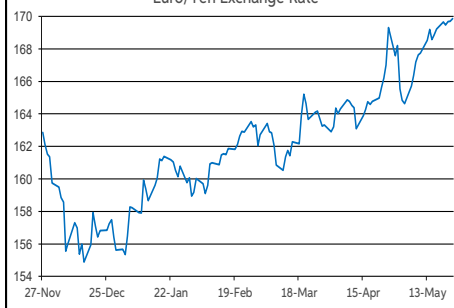
## Dollar

USD/JPY	157.05
USD/CAD	1.3731
USD/CHF	0.9149
USD/CNY	7.2446
USD/BRL	5.1442
USD/RUB	89.95
USD/INR	83.112
AUD/USD	0.66
NZD/USD	0.6092

Dollar/Yen Exchange Rate

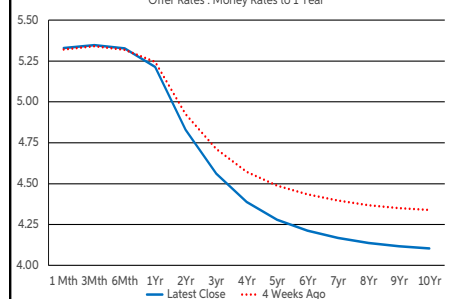


Euro/Yen Exchange Rate



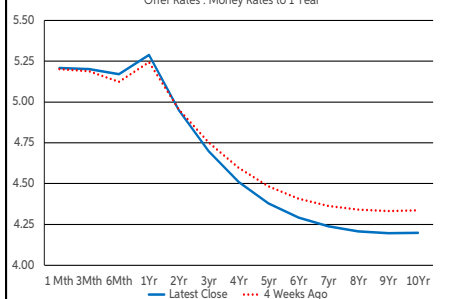
US Swap Curve

Offer Rates : Money Rates to 1 Year



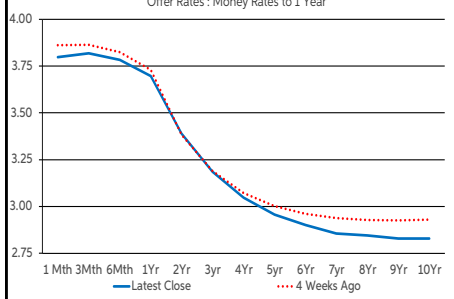
UK Swap Curve

Offer Rates : Money Rates to 1 Year

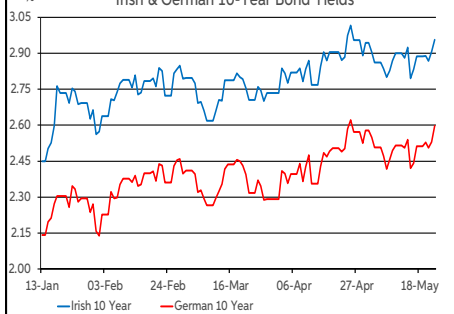


Eurozone Swap Curve

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	+4	-23	+62
Germany	2.60	+7	-2	+57
UK	4.27	+3	-10	+73
Ireland	2.98	+5	-6	+62
Belgium	3.12	+6	-5	+43
France	3.08	+5	-5	+52
Italy	3.89	+6	-10	+19
Spain	3.35	+5	-8	+36
Portugal	3.23	+6	-5	+44
Greece	3.57	+5	-3	+50
5 Year Swap %				
US	4.54	+6	-20	+75
Eurozone	2.96	+5	-3	+53
UK	4.38	+3	-10	+73
2 Year Swap %				
US	5.07	+4	-11	+73
Eurozone	3.39	+5	+2	+60
UK	4.95	+4	-0	+69
10 Year Government Bond Spreads to Benchmark bps				
Ireland	38	-1	-3	+4
Belgium	52	-0	-3	-14
France	48	-2	-2	-5
Italy	129	-1	-8	-38
Spain	75	-2	-6	-21
Portugal	63	-1	-2	-13
Greece	97	-1	-0	-7

## Commodities

	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	81.36	-0.66	-8.59	+5.61
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2328.4	-2.10	-0.15	+12.89

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