

## EUR/GBP bounces off fresh YTD low

There was a rather quiet start to the week on financial markets yesterday. Market holidays in the US and UK contributed to the subdued price action. Similarly, a light data schedule in the Eurozone provided little impetus for investors.

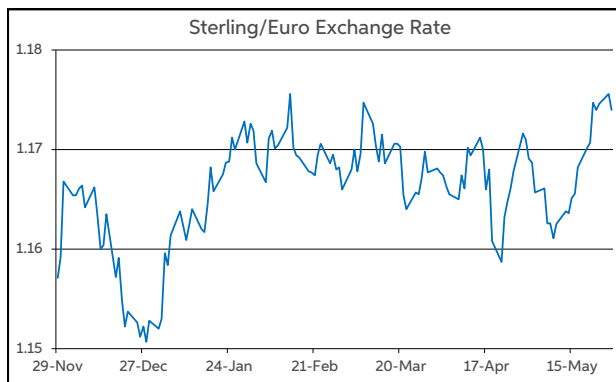
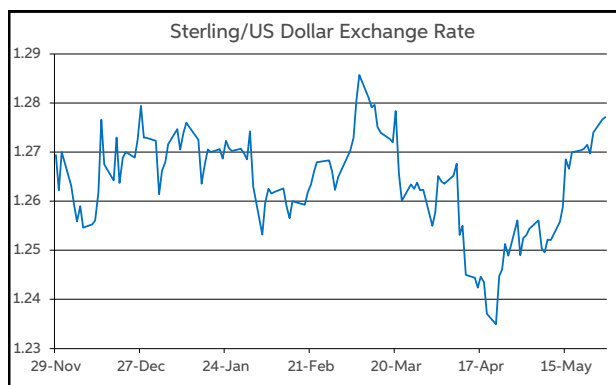
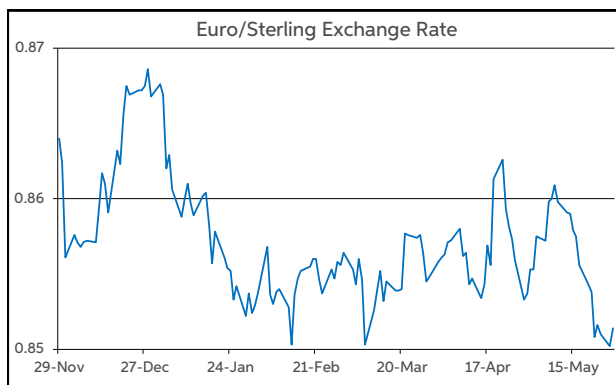
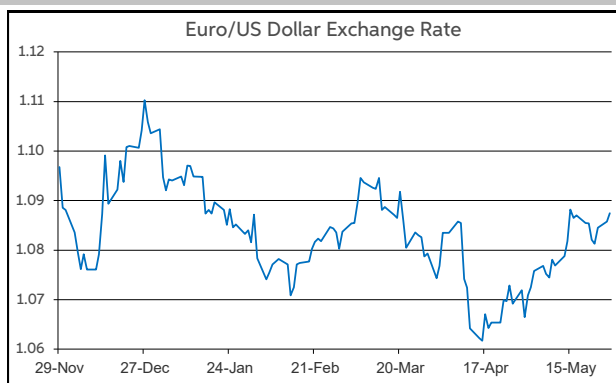
Indeed, the only release of note was the German Ifo reading for May. The main sentiment index was unchanged from April at 89.3 but below the consensus of 90.4. Overall, the survey suggests that despite bottoming out in recent months, growth prospects for the German economy remain muted.

Meantime, on the monetary policy front, ECB Chief Economist Lane and French Central Bank Governor Villeroy struck dovish tones in remarks yesterday. The former stated that *"further disinflation can be expected in the course of 2025"*, while the latter refused to rule out a rate cut in July. Eurozone futures softened by circa 5bps, with markets now pricing in around 60bps worth of easing by year end.

Against that backdrop, the euro was under some modest downward pressure yesterday. Meantime, sterling maintained its recent upward momentum. This culminated in EUR/GBP registering a fresh YTD low just below 85p. Overnight though, the euro recouped its losses. This is reflected by EUR/GBP opening this morning just above 85p. Elsewhere, GBP/USD is in the top half of \$1.27-1.28. EUR/USD is up in the upper half of \$1.08-1.09.

Turning to day ahead, the data schedule remains sparse on both sides of the Atlantic, as US and UK investors return to their desks. The main release will be the US Conference Board measure of Consumer Confidence for May. However, barring any major surprises, the data may not impact the dollar.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0875	0.26	-1.46
EUR/GBP	0.8514	0.04	-1.78
GBP/USD	1.2772	0.24	0.34
GBP/EUR	1.174	-0.04	1.81
USD/JPY	156.83	0.04	11.18
EUR/JPY	170.59	0.31	9.61

\* 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	5.60	5.45	5.10	4.56
EUR	4.50	3.79	3.81	3.66	3.37	2.93
GBP	5.25	5.20	5.19	5.05	4.93	4.37

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 28 May 2024  
07:35 am



## Euro

EUR/GBP	0.8514
EUR/USD	1.0875
EUR/JPY	170.59
EUR/SEK	11.4941
EUR/DKK	7.4609
EUR/NOK	11.3866
EUR/CHF	0.9916
EUR/AUD	1.6323
EUR/HKD	8.4915
EUR/CAD	1.4818

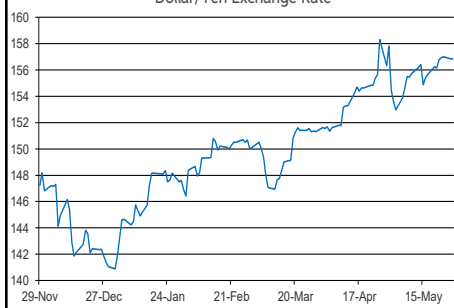
## Sterling

GBP/EUR	1.174
GBP/USD	1.2772
GBP/CAD	1.74
GBP/NZD	2.0731
GBP/JPY	200.3
GBP/SEK	13.4957
GBP/DKK	8.7595
GBP/NOK	13.365
GBP/CHF	1.1647
GBP/AUD	1.9166

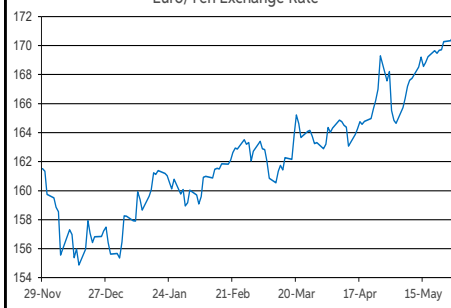
## Dollar

USD/JPY	156.83
USD/CAD	1.3623
USD/CHF	0.9117
USD/CNY	7.2466
USD/BRL	5.1728
USD/RUB	88.5625
USD/INR	83.121
AUD/USD	0.6663
NZD/USD	0.6158

Dollar/Yen Exchange Rate

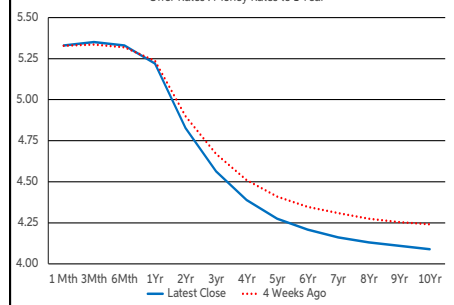


Euro/Yen Exchange Rate



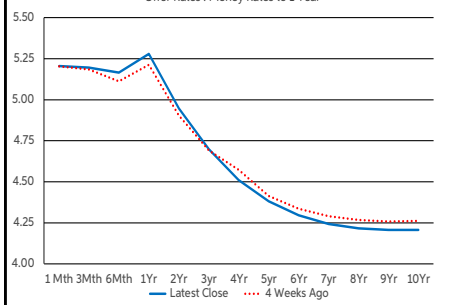
US Swap Curve

Offer Rates : Money Rates to 1 Year



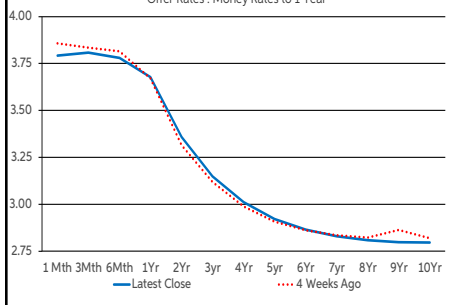
UK Swap Curve

Offer Rates : Money Rates to 1 Year

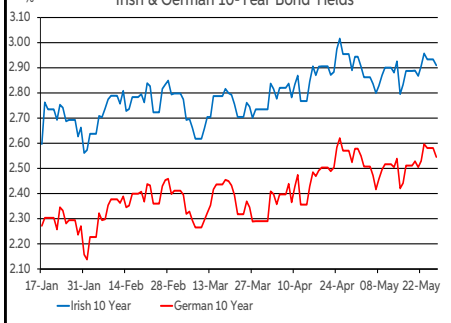


Eurozone Swap Curve

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	4.47	-0	-14	+61
Germany	2.55	-4	+2	+52
UK	4.26	-0	-3	+73
Ireland	2.93	-4	+2	+57
Belgium	3.07	-3	+2	+39
France	3.03	-5	+0	+47
Italy	3.83	-6	+1	+13
Spain	3.30	-5	-0	+31
Portugal	3.16	-6	+1	+38
Greece	3.55	-7	+11	+47
5 Year Swap %				
US	4.53	+0	-14	+74
Eurozone	2.92	-3	+2	+49
UK	4.38	+0	-3	+73
2 Year Swap %				
US	5.09	+0	-6	+76
Eurozone	3.36	-4	+5	+57
UK	4.95	-0	+5	+68
10 Year Government Bond Spreads to Benchmark bps				
Ireland	39	-0	-0	+5
Belgium	53	+0	+0	-13
France	48	-1	-2	-5
Italy	129	-3	-1	-39
Spain	75	-1	-2	-21
Portugal	62	-2	-1	-14
Greece	100	-4	+9	-5

## Commodities

	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	83.1	+1.19	-6.00	+7.87
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2350.7	+0.73	+0.70	+13.97

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