

## EUR/GBP remains pinned at 85p

The subdued tone to investor sentiment continued yesterday, as market participants in the US and UK returned from respective bank holiday weekends. A limited macro calendar contributed to the lacklustre price action once again. In terms of the main benchmark equity indices, the Euro Stoxx 50 shed 0.6%, while on Wall Street, the S&P 500 finished flat for the day amid relatively light trading conditions.

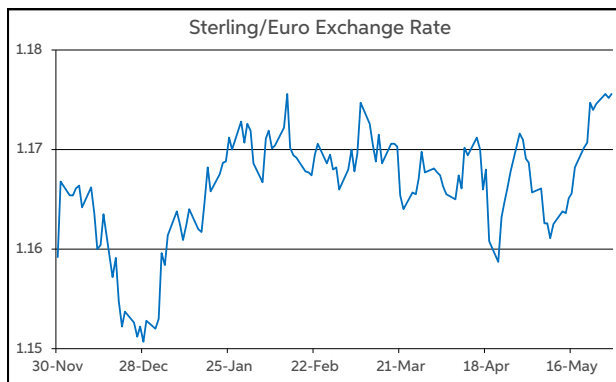
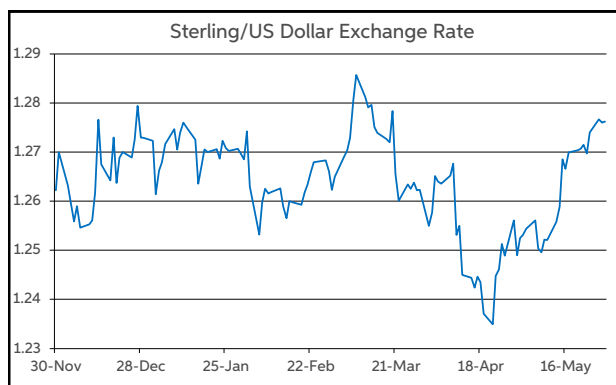
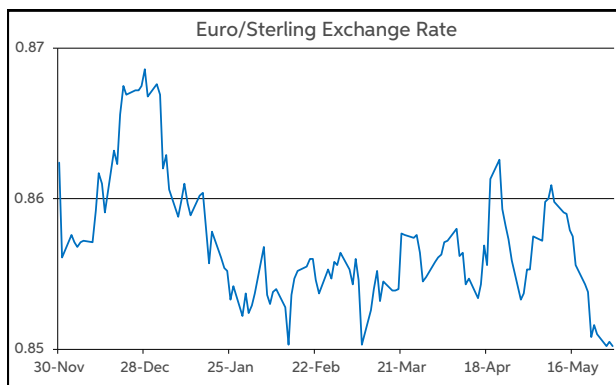
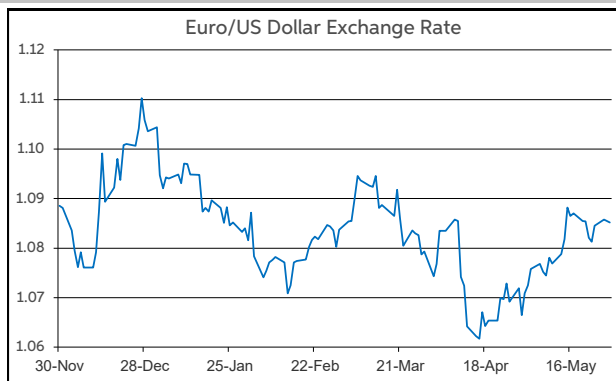
The only release of note yesterday was the May reading of the Conference Board measure of US Consumer Confidence. The index printed above the consensus of 95.9, and ended a run of three straight declines, rising to 102.0. However, the release had no major impact on the dollar yesterday.

Indeed, the main FX pairs were confined to quite narrow trading ranges, amid the muted release schedule. Of the limited price action to note, the dollar was under some slight downward pressure in the early part of the European session. However, before the closing bell, the greenback had recouped its losses. Elsewhere, EUR/GBP continued to trade in and around the 85p mark.

In level terms, as trading gets underway this morning, EUR/GBP opens at the 85p threshold. Meanwhile, GBP/USD remains in the top half of the \$1.27-1.28 corridor. EUR/USD is operating near to the midpoint of the \$1.08-1.09 band.

Turning to today, the main release will be the flash estimate of German HICP inflation for May. The headline rate is forecast to rise to 2.7% from 2.4%, largely owing to base effects in transport costs from reduced rail fares last year. Meantime, the Eurozone monetary aggregates and lending data for April are also due.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0852	-0.20	-1.67
EUR/GBP	0.8502	-0.12	-1.92
GBP/USD	1.2761	-0.10	0.25
GBP/EUR	1.1755	0.12	1.95
USD/JPY	157.08	0.26	11.36
EUR/JPY	170.5	0.05	9.55

\* 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	5.47	5.16	4.64
EUR	4.50	3.79	3.80	3.67	3.40	2.99
GBP	5.25	5.20	5.18	5.07	4.98	4.41

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

Wednesday 29 May 2024  
07:50 am



## Euro

EUR/GBP	0.8502
EUR/USD	1.0852
EUR/JPY	170.5
EUR/SEK	11.48
EUR/DKK	7.4607
EUR/NOK	11.3967
EUR/CHF	0.9901
EUR/AUD	1.6308
EUR/HKD	8.48
EUR/CAD	1.482

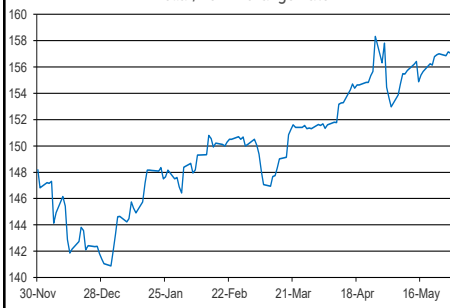
## Sterling

GBP/EUR	1.1755
GBP/USD	1.2761
GBP/CAD	1.7425
GBP/NZD	2.0794
GBP/JPY	200.45
GBP/SEK	13.4984
GBP/DKK	8.7713
GBP/NOK	13.392
GBP/CHF	1.1641
GBP/AUD	1.9175

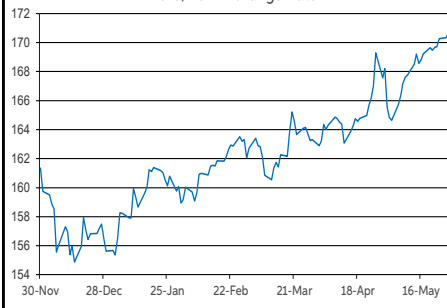
## Dollar

USD/JPY	157.08
USD/CAD	1.3654
USD/CHF	0.9121
USD/CNY	7.2476
USD/BRL	5.1602
USD/RUB	89.015
USD/INR	83.3403
AUD/USD	0.6654
NZD/USD	0.6135

Dollar/Yen Exchange Rate

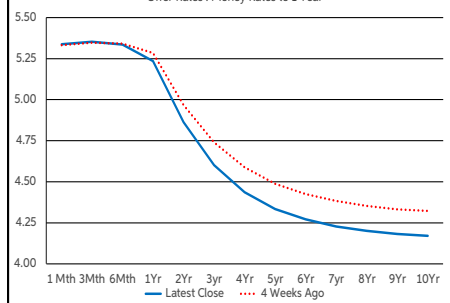


Euro/Yen Exchange Rate



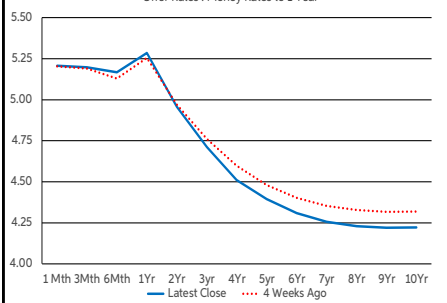
US Swap Curve

Offer Rates : Money Rates to 1 Year



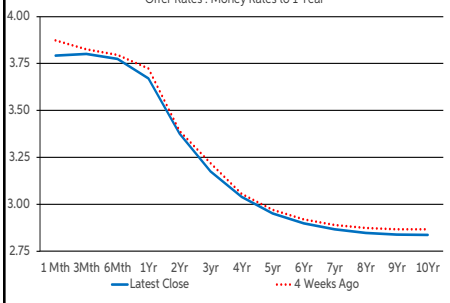
UK Swap Curve

Offer Rates : Money Rates to 1 Year

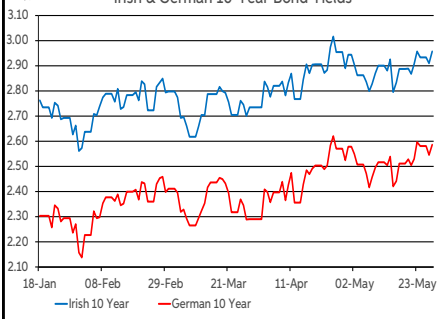


Eurozone Swap Curve

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	4.54	+7	-14	+68
Germany	2.59	+4	+1	+56
UK	4.29	+2	-7	+75
Ireland	2.98	+5	+1	+62
Belgium	3.13	+5	+2	+44
France	3.08	+5	+1	+53
Italy	3.90	+7	+2	+20
Spain	3.35	+5	-0	+36
Portugal	3.22	+5	+2	+43
Greece	3.57	+2	+9	+49
5 Year Swap %				
US	4.60	+7	-14	+81
Eurozone	2.95	+3	-1	+52
UK	4.39	+1	-8	+74
2 Year Swap %				
US	5.11	+2	-12	+77
Eurozone	3.38	+0	-0	+58
UK	4.96	+1	-1	+69
10 Year Government Bond Spreads to Benchmark bps				
Ireland	39	+1	+1	+5
Belgium	54	+1	+1	-12
France	49	+1	-0	-4
Italy	131	+3	+1	-36
Spain	76	+1	-1	-20
Portugal	63	+1	+1	-13
Greece	98	-2	+9	-7

## Commodities

	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	84.22	+1.35	-4.14	+9.32
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2361.0	+0.43	+3.30	+14.47

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.