

## EUR/USD near the midpoint of \$1.05-1.06

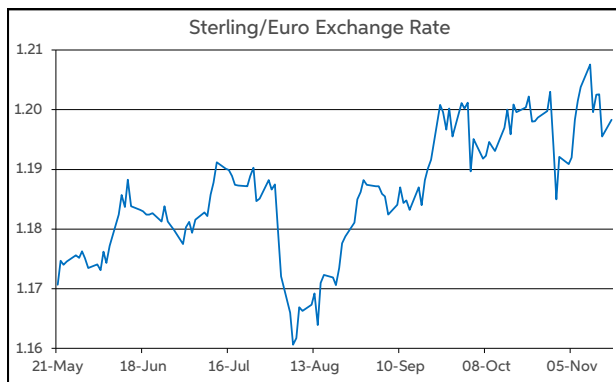
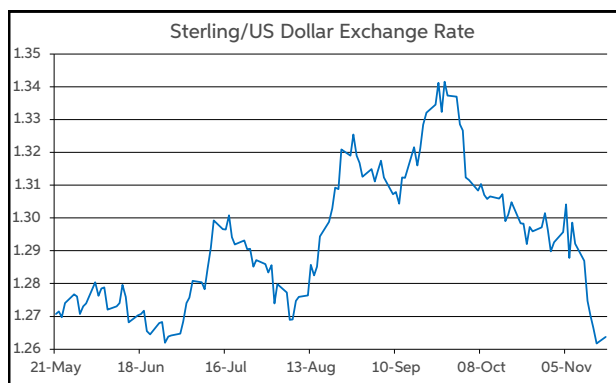
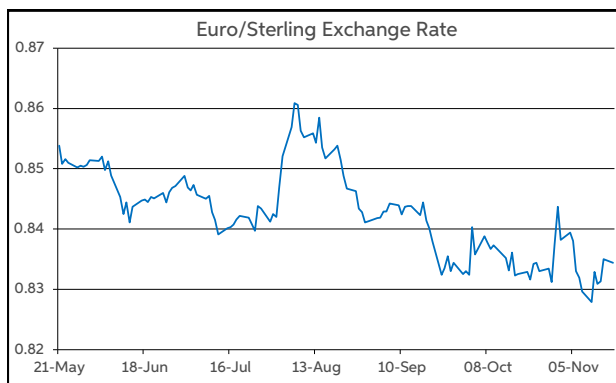
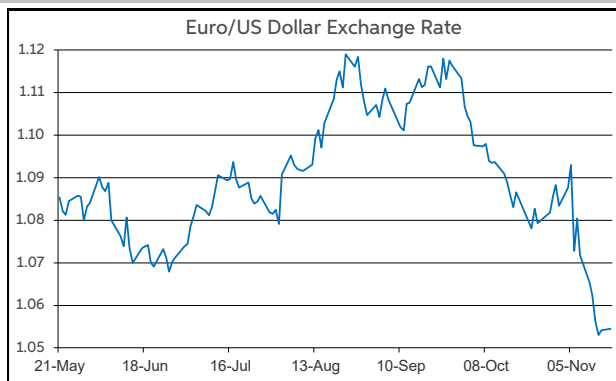
In a similar vein to the week prior, the potential impact of President-elect Trump's policy agenda and political turbulence in Germany affected financial markets last week. At the same time, hawkish remarks from Fed officials, weak UK GDP data and Q3 earning reports also led to some volatility across various asset classes.

Overall on the week, the S&P 500 declined by 2.1%, while the Euro Stoxx 50 edged 0.2% lower. Meantime on bond markets, US Treasury yields rose by 5-15bps along the curve. The move coincided with remarks from a number of Fed officials, including Chair Powell, indicating that the Fed will proceed cautiously with future rate cuts. However, it should be noted that the rise in yields was more pronounced at the long-end of the curve. This is likely reflecting expectations for a more inflationary/higher interest rate environment, as well as potentially wider US fiscal deficits.

On the currency front, the dollar remained in the ascendancy throughout last week. This was reflected by EUR/USD registering a fresh YTD low just below the \$1.05 mark. Meanwhile, sterling was on the defensive. A slight contraction in GDP in September provided an unhelpful backdrop for the pound. As trading gets underway this morning, EUR/USD is near the midpoint of the \$1.05-1.06 range. GBP/USD is down in the bottom half of the \$1.26-1.27 corridor. Elsewhere, EUR/GBP is close to the halfway mark of 83-84p, having opened below 83p last Monday.

Turning to the week ahead, the flash PMIs for November in the Eurozone, UK and US will be the main data highlight. Across the board, the services sector is expected to continue to outperform manufacturing. In terms of some other releases, a busy UK calendar includes updates on inflation and retail sales for October.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0545	0.06	-4.45
EUR/GBP	0.8344	0.36	-3.74
GBP/USD	1.2637	-0.29	-0.72
GBP/EUR	1.1983	-0.36	3.88
USD/JPY	154.33	-1.36	9.41
EUR/JPY	162.75	-1.30	4.57

\* 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	4.63	4.59	4.50	4.26	4.38	4.22
EUR	3.40	3.06	3.00	2.41	2.22	2.22
GBP	4.75	4.69	4.66	4.43	4.52	4.30

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

Monday 18 November 2024  
06:34 am



## Euro

EUR/GBP	0.8344
EUR/USD	1.0545
EUR/JPY	162.75
EUR/SEK	11.5638
EUR/DKK	7.4582
EUR/NOK	11.6787
EUR/CHF	0.935
EUR/AUD	1.6315
EUR/HKD	8.2089
EUR/CAD	1.4851

## Sterling

GBP/EUR	1.1983
GBP/USD	1.2637
GBP/CAD	1.7797
GBP/NZD	2.1567
GBP/JPY	195.03
GBP/SEK	13.8558
GBP/DKK	8.9374
GBP/NOK	13.9907
GBP/CHF	1.1207
GBP/AUD	1.9551

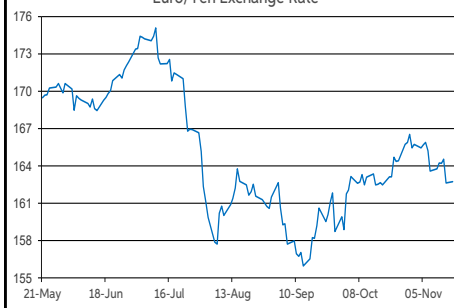
## Dollar

USD/JPY	154.33
USD/CAD	1.4083
USD/CHF	0.8868
USD/CNY	7.2396
USD/BRL	5.7947
USD/RUB	100
USD/INR	84.385
AUD/USD	0.6463
NZD/USD	0.5859

Dollar/Yen Exchange Rate

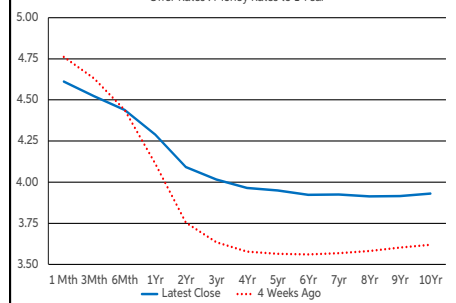


Euro/Yen Exchange Rate



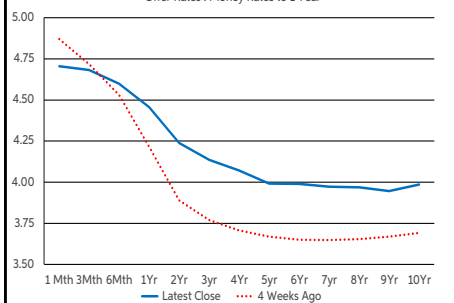
US Swap Curve

Offer Rates : Money Rates to 1 Year



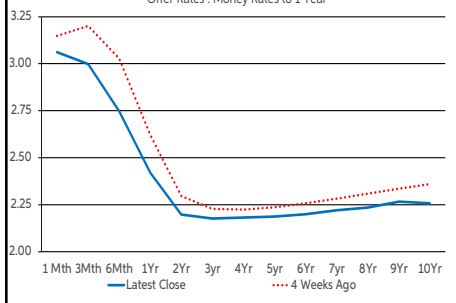
UK Swap Curve

Offer Rates : Money Rates to 1 Year

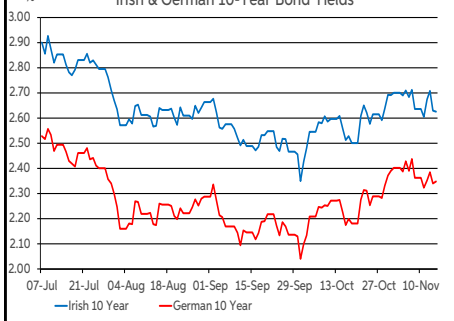


Eurozone Swap Curve

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	4.43	+1	+35	+57
Germany	2.35	+1	+17	+32
UK	4.47	-1	+42	+93
Ireland	2.67	+1	+14	+30
Belgium	2.93	-2	+17	+25
France	3.08	+0	+18	+53
Italy	3.56	+1	+20	-14
Spain	3.05	+0	+18	+6
Portugal	2.80	+0	+18	+2
Greece	3.21	-1	+16	+13
5 Year Swap %				
US	4.20	-4	+39	+41
Eurozone	2.19	-1	-4	-24
UK	4.25	-4	+35	+60
2 Year Swap %				
US	4.33	-7	+32	-1
Eurozone	2.20	+1	-9	-60
UK	4.48	-2	+36	+21
10 Year Government Bond Spreads to Benchmark bps				
Ireland	32	+0	-3	-2
Belgium	59	-2	+0	-8
France	73	-0	+2	+20
Italy	121	+0	+3	-46
Spain	70	-0	+1	-26
Portugal	45	-0	+2	-30
Greece	86	-2	-0	-19

## Commodities

	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	71.04	-2.09	-2.76	-7.79
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2561.2	-0.19	-5.85	+24.18

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