

Slightly firmer tone to sterling

The mixed mood on markets continued yesterday. Amid heightened geopolitical tensions, the Euro Stoxx 50 declined by 0.8%. Meanwhile the S&P 500 registered a 0.4% gain. Elsewhere on bond markets, yields fell by 1-4bps in the US, UK and Eurozone.

Of the limited data releases to note yesterday, the final reading of Eurozone HICP inflation confirmed the headline rate at 2.0% in October, while the core rate was running at 2.7%. In the US, both building permits and housing starts declined in October and printed below the consensus. However, neither release impacted on financial markets.

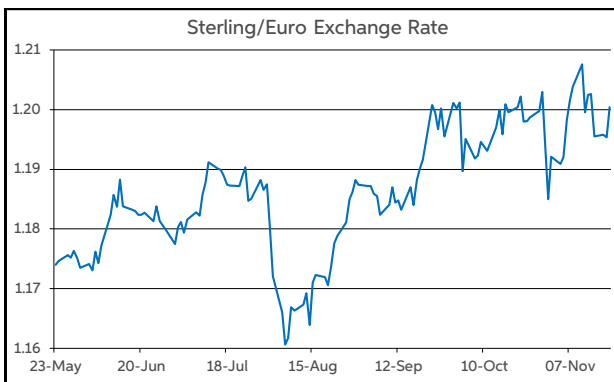
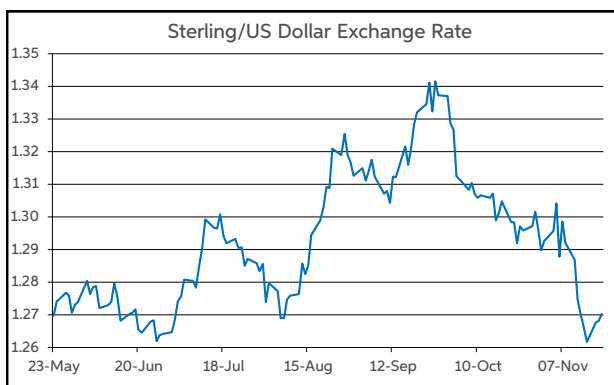
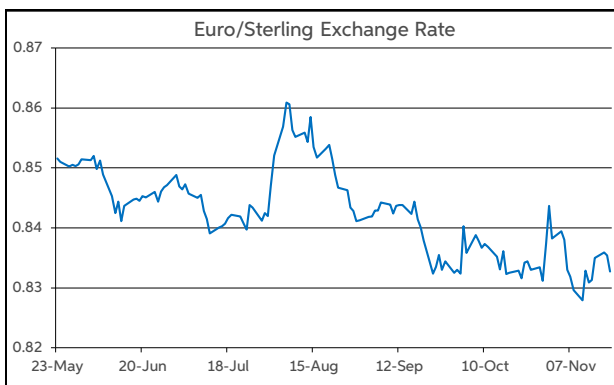
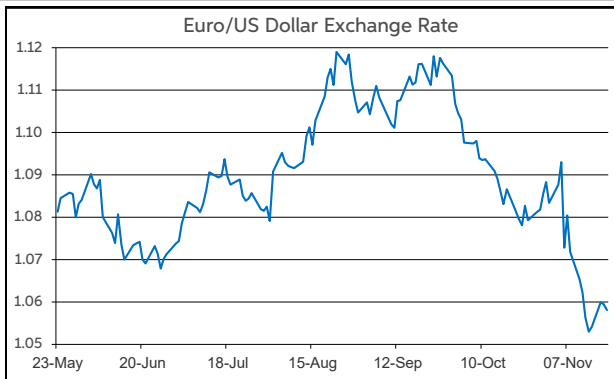
Against this backdrop, the main FX pairs were somewhat range bound yesterday. EUR/USD briefly tested the \$1.06 threshold but was unable to break above it. Meantime, sterling was holding a slightly firmer tone.

As trading gets underway this morning, EUR/GBP is down in the lower half of the 83-84p corridor. GBP/USD is operating just above the \$1.27 threshold. Elsewhere, EUR/USD is in the top half of the \$1.05-1.06.

Already today, UK CPI inflation has printed above the consensus. The headline rate jumped to 2.3% in October (vs. 2.2% f'cast), and the core rate rose to 3.3% (vs. 3.1% f'cast). Furthermore, services inflation accelerated to 5.0% in the month. Sterling has moved slightly higher in early trading following the release.

The remainder of today's data calendar is without any other top tier data releases. However, remarks from central bank officials and some key earnings reports on Wall Street will be in focus.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0581	-0.02	-4.12
EUR/GBP	0.8328	-0.29	-3.92
GBP/USD	1.2704	0.29	-0.20
GBP/EUR	1.2006	0.29	4.08
USD/JPY	155.53	0.73	10.26
EUR/JPY	164.57	0.69	5.74

* v Previous Day's European Open

See Next Page for More Rates

Opening Interest Rates						
	Money Market			Swap Rates		
	Base Rate	1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	4.63	4.58	4.51	4.27	4.38	4.22
EUR	3.40	3.04	3.00	2.46	2.29	2.28
GBP	4.75	4.69	4.68	4.46	4.53	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

Wednesday 20 November 2024
07:35 am



Euro

EUR/GBP	0.8328
EUR/USD	1.0581
EUR/JPY	164.57
EUR/SEK	11.5758
EUR/DKK	7.4595
EUR/NOK	11.63
EUR/CHF	0.9358
EUR/AUD	1.6219
EUR/HKD	8.2338
EUR/CAD	1.4772

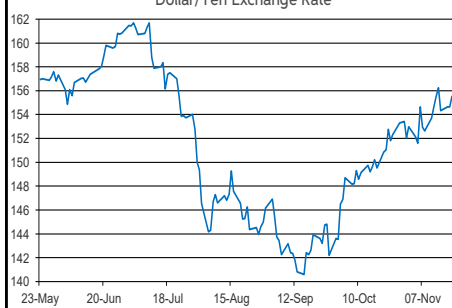
Sterling

GBP/EUR	1.2006
GBP/USD	1.2704
GBP/CAD	1.7731
GBP/NZD	2.1534
GBP/JPY	197.57
GBP/SEK	13.897
GBP/DKK	8.954
GBP/NOK	13.963
GBP/CHF	1.1231
GBP/AUD	1.9468

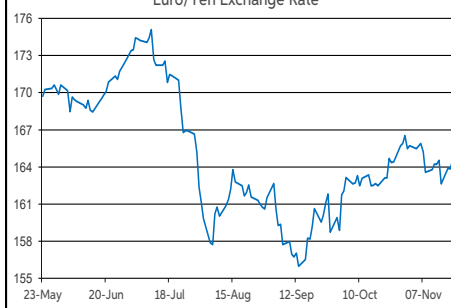
Dollar

USD/JPY	155.53
USD/CAD	1.3961
USD/CHF	0.8844
USD/CNY	7.2411
USD/BRL	5.7726
USD/RUB	100.25
USD/INR	84.347
AUD/USD	0.6523
NZD/USD	0.5897

Dollar/Yen Exchange Rate

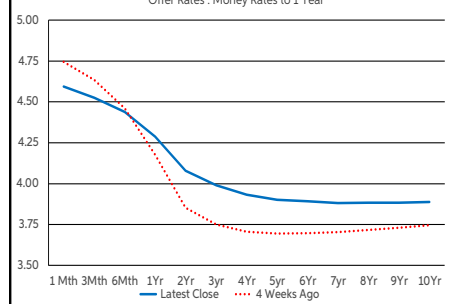


Euro/Yen Exchange Rate



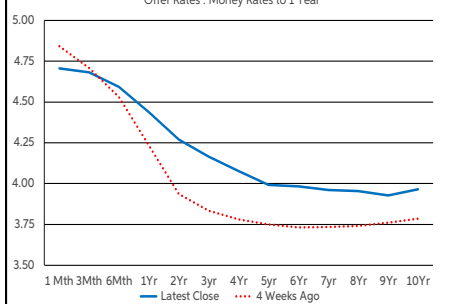
US Swap Curve

Offer Rates : Money Rates to 1 Year



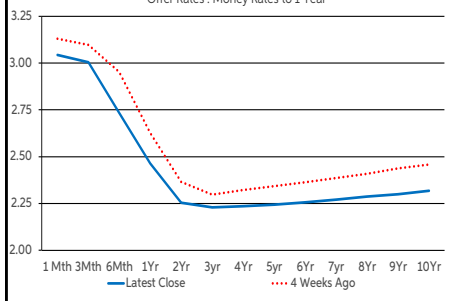
UK Swap Curve

Offer Rates : Money Rates to 1 Year

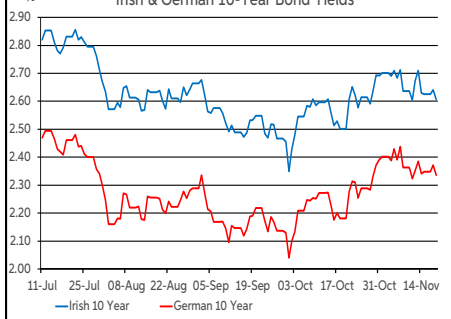


Eurozone Swap Curve

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	4.38	-4	+17	+52
Germany	2.34	-3	+2	+31
UK	4.45	-2	+28	+91
Ireland	2.64	-3	-4	+27
Belgium	2.92	-3	+1	+23
France	3.08	-2	+3	+52
Italy	3.55	-2	+0	-15
Spain	3.05	-3	+2	+5
Portugal	2.79	-2	+3	+1
Greece	3.21	-4	+4	+14
5 Year Swap %				
US	4.17	-1	+22	+37
Eurozone	2.24	+1	-9	-18
UK	4.26	-1	+27	+61
2 Year Swap %				
US	4.33	+4	+24	-0
Eurozone	2.26	+1	-10	-54
UK	4.49	+0	+32	+23
10 Year Government Bond Spreads to Benchmark bps				
Ireland	30	-0	-6	-4
Belgium	58	+0	-1	-9
France	74	+1	+1	+21
Italy	122	+1	-2	-46
Spain	71	+1	-1	-26
Portugal	46	+1	+1	-30
Greece	87	-0	+1	-17

Commodities

	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	73.31	+0.01	-3.59	-4.84
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2631.7	+0.75	-4.25	+27.59

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