

Inflation data in focus this week

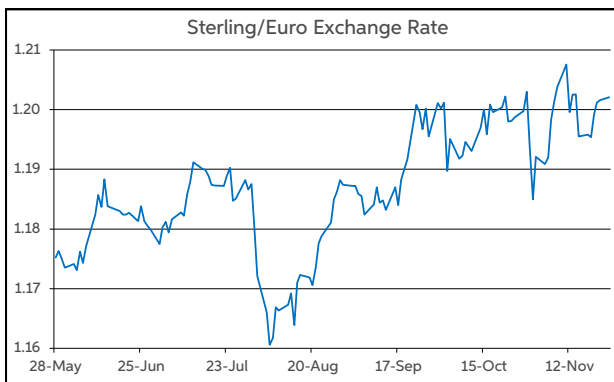
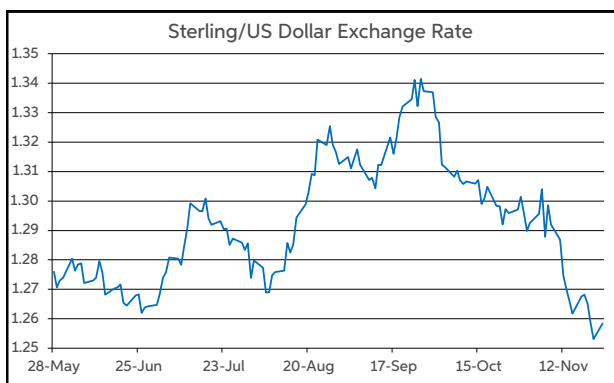
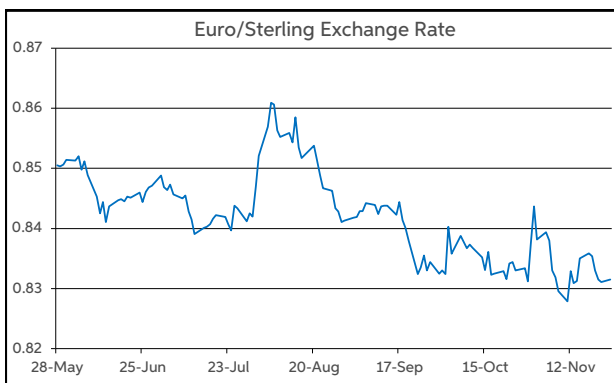
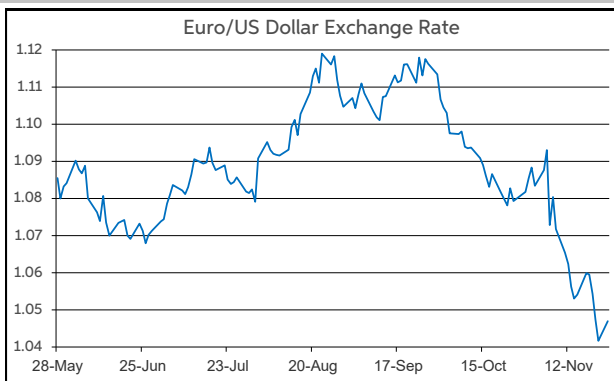
On-going geopolitical tensions and a busy slate of Q3 earnings reports last week led to choppy trading conditions at times. Furthermore, remarks from a number of central bank officials and the latest flash PMI data also induced some volatility on markets. Overall, against this backdrop, the Euro Stoxx 50 was marginally lower, at -0.1%, while the S&P 500 gained 1.7% on the week.

Some dovish remarks from a plethora of ECB officials and weaker than anticipated PMI data led to a softening in Eurozone futures contracts last week. Markets now see a 55% chance of a 50bps rate cut from the ECB in December, and there is around 150bps worth of easing in total priced in by end-25. In the UK, futures contracts softened marginally also, on the back of some weak PMI data. In contrast, hawkish comments from Fed-speakers and better than forecast US PMIs saw US market rate expectations harden last week.

Currency-wise, the dollar was on the front-foot, supported by the “Trump Trade” and heightened geo-political risks. The greenback also received an added boost following the release of the PMI data on Friday. This saw EUR/USD fall to a fresh YTD low of \$1.0335. However, the euro recouped some of its losses late on Friday. As trading gets under way this morning EUR/USD is above the midpoint of the \$1.04-1.05. Meantime, EUR/GBP is near 83p. Elsewhere, GBP/USD is in the upper half of the \$1.25-1.26 range.

This week, the focus will be on the latest US and Eurozone inflation data. The consensus is for both core-PCE and core-HICP to rise somewhat in October/November, respectively. Elsewhere, a raft of survey data in the Eurozone are due. On the monetary policy front, the Fed meeting minutes from November will garner attention.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0469	0.05	-5.14
EUR/GBP	0.8315	-0.13	-4.07
GBP/USD	1.2586	0.15	-1.12
GBP/EUR	1.2021	0.13	4.25
USD/JPY	154.28	-0.26	9.37
EUR/JPY	161.51	-0.23	3.78

* 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	4.57	4.51	4.31	4.41	4.17
EUR	3.40	3.08	3.02	2.36	2.17	2.17
GBP	4.75	4.68	4.64	4.35	4.40	4.19

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 25 November 2024
07:31 am



Euro

EUR/GBP	0.8315
EUR/USD	1.0469
EUR/JPY	161.51
EUR/SEK	11.5078
EUR/DKK	7.4569
EUR/NOK	11.558
EUR/CHF	0.9329
EUR/AUD	1.6084
EUR/HKD	8.1462
EUR/CAD	1.4609

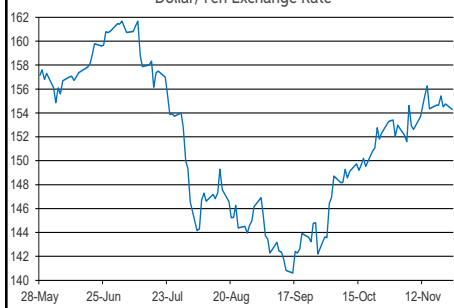
Sterling

GBP/EUR	1.2021
GBP/USD	1.2586
GBP/CAD	1.7564
GBP/NZD	2.1499
GBP/JPY	194.18
GBP/SEK	13.8363
GBP/DKK	8.9637
GBP/NOK	13.8935
GBP/CHF	1.1213
GBP/AUD	1.9331

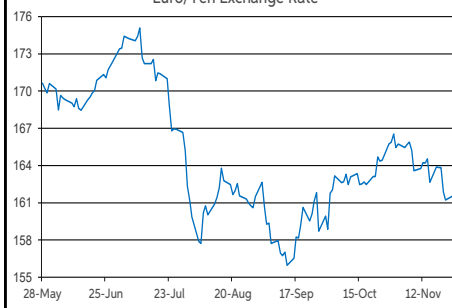
Dollar

USD/JPY	154.28
USD/CAD	1.3957
USD/CHF	0.8911
USD/CNY	7.2444
USD/BRL	5.801
USD/RUB	103.4
USD/INR	84.2975
AUD/USD	0.6508
NZD/USD	0.5851

Dollar/Yen Exchange Rate

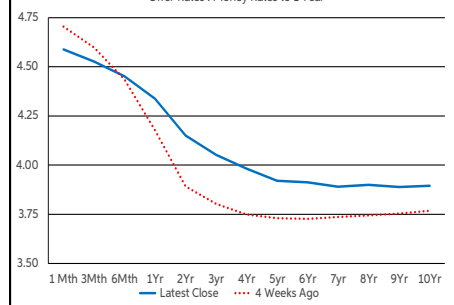


Euro/Yen Exchange Rate



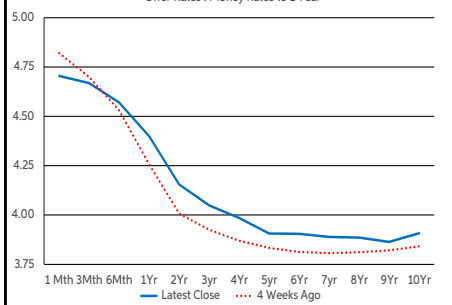
US Swap Curve

Offer Rates : Money Rates to 1 Year



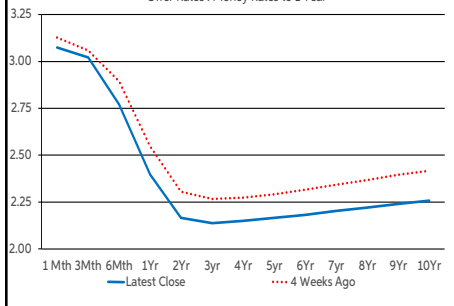
UK Swap Curve

Offer Rates : Money Rates to 1 Year

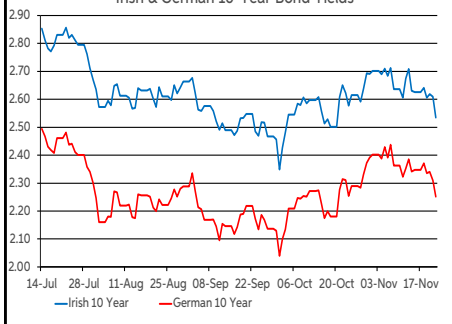


Eurozone Swap Curve

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	4.41	-2	+18	+55
Germany	2.25	-6	-4	+23
UK	4.39	-6	+15	+85
Ireland	2.57	-6	-8	+21
Belgium	2.87	-5	-2	+18
France	3.05	-5	+1	+49
Italy	3.51	-7	-1	-19
Spain	2.98	-6	-2	-1
Portugal	2.73	-6	-1	-5
Greece	3.14	-5	-3	+6
5 Year Swap %				
US	4.20	-2	+21	+40
Eurozone	2.17	-8	-12	-26
UK	4.18	-5	+10	+53
2 Year Swap %				
US	4.40	+1	+26	+7
Eurozone	2.17	-9	-13	-63
UK	4.40	-5	+16	+13
10 Year Government Bond Spreads to Benchmark bps				
Ireland	32	+0	-4	-2
Belgium	62	+1	+2	-4
France	79	+1	+4	+26
Italy	125	-1	+3	-42
Spain	73	+0	+2	-24
Portugal	48	-0	+3	-28
Greece	89	+1	+1	-16

Commodities

	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	75.17	+1.27	-1.16	-2.43
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2712.6	+1.61	-1.28	+31.51

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