

Sterling under pressure in early trading

There was a cautious tone to risk appetite yesterday on either side of the Atlantic. Both the Euro Stoxx 50 and the S&P 500 registered losses, amid some disappointing corporate earnings data. The former shed 1.9%, while the latter declined by 0.8%. In terms of fixed income, US Treasury and German Bund yields declined by 3-5bps. UK Gilt yields fell by a sharper 4-10bps along the curve.

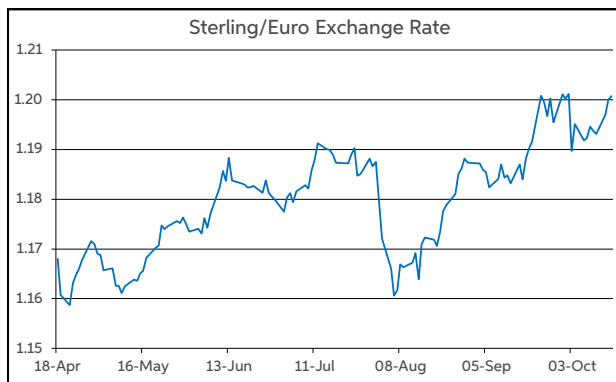
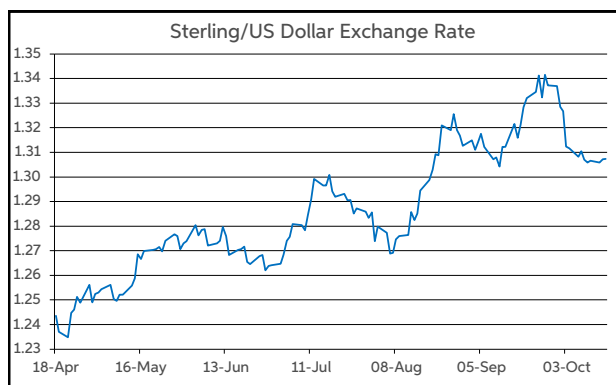
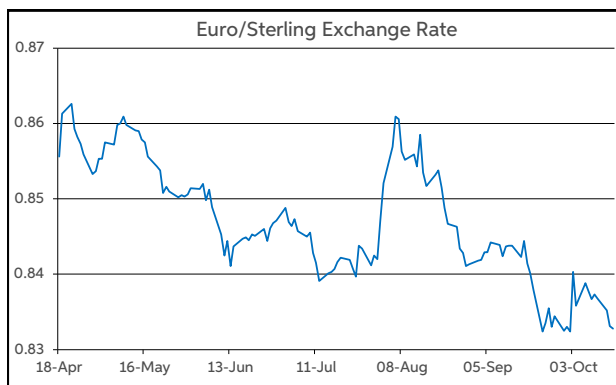
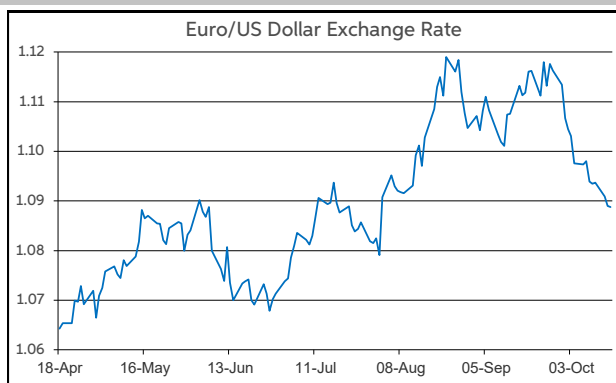
On the data front, Eurozone industrial production rose by 1.8% (vs. 1.7% f'cast) in August, although this was partly offset by a downward revision to the July reading. Meanwhile, the German ZEW sentiment indicator printed at 13.1 (vs. 10.0 f'cast).

Currency-wise, the main pairs were tightly range bound. Of the limited price action to register, there was a marginally firmer tone to sterling. This was on the back of some stronger than anticipated labour market data for August. Elsewhere, the euro was temporarily supported by the better than anticipated data yesterday, but the single currency was unable to sustain its gains.

In level terms, the firmer tone to sterling saw EUR/GBP start this morning in the lower half of the 83-84p range. GBP/USD was in the top half of \$1.30-1.31 at the open also. Meanwhile, EUR/USD commenced trading below the \$1.09 threshold.

However, sterling has been under some downward pressure in early trading. It has fallen by circa 0.4% against the dollar and euro in the initial aftermath of the release of CPI inflation data for September. Both the headline and core rates printed below the consensus, falling to 1.7% and 3.2%, (vs. 1.9% and 3.4% f'cast). Encouragingly, services inflation eased to 4.9%, down from 5.6% in August. The remainder of today's data schedule is relatively sparse.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0876	-0.14	-1.45
EUR/GBP	0.8371	0.30	-3.43
GBP/USD	1.2994	-0.43	2.08
GBP/EUR	1.1945	-0.30	3.55
USD/JPY	149.23	-0.30	5.79
EUR/JPY	162.32	-0.44	4.30

* 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	4.88	4.77	4.61	4.10	4.04	3.82
EUR	3.65	3.26	3.21	2.71	2.42	2.34
GBP	5.00	4.88	4.75	4.31	4.26	4.04

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 16 October 2024
06:55 am



Euro

EUR/GBP	0.8371
EUR/USD	1.0878
EUR/JPY	162.34
EUR/SEK	11.34
EUR/DKK	7.46
EUR/NOK	11.7709
EUR/CHF	0.9384
EUR/AUD	1.627
EUR/HKD	8.4514
EUR/CAD	1.4993

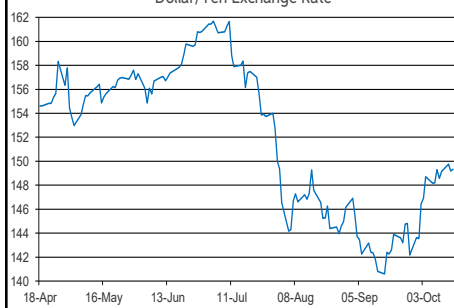
Sterling

GBP/EUR	1.1944
GBP/USD	1.2994
GBP/CAD	1.7908
GBP/NZD	2.1439
GBP/JPY	193.92
GBP/SEK	13.5449
GBP/DKK	8.9113
GBP/NOK	14.061
GBP/CHF	1.1209
GBP/AUD	1.9434

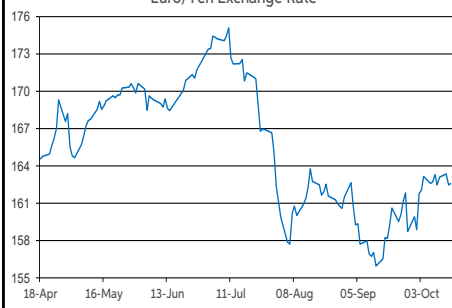
Dollar

USD/JPY	149.24
USD/CAD	1.3783
USD/CHF	0.8627
USD/CNY	7.118
USD/BRL	5.6527
USD/RUB	97.5
USD/INR	84.029
AUD/USD	0.6685
NZD/USD	0.606

Dollar/Yen Exchange Rate

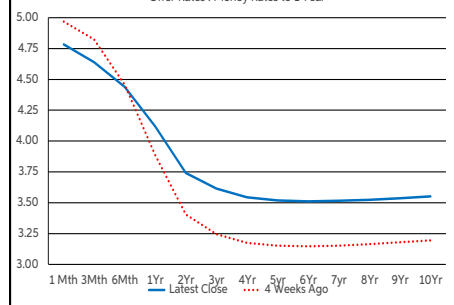


Euro/Yen Exchange Rate



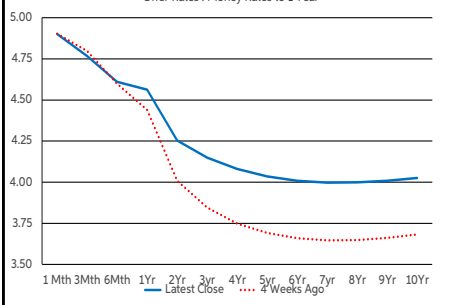
US Swap Curve

Offer Rates : Money Rates to 1 Year



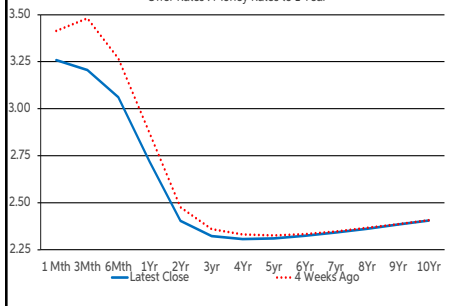
UK Swap Curve

Offer Rates : Money Rates to 1 Year

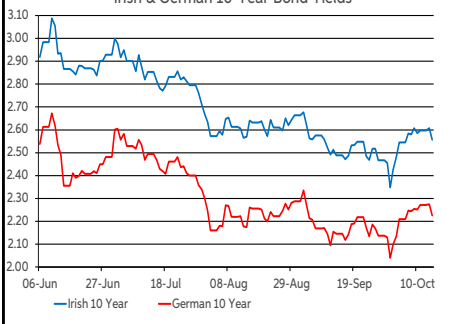


Eurozone Swap Curve

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	4.04	-4	+40	+18
Germany	2.23	-5	+8	+20
UK	4.16	-8	+40	+63
Ireland	2.58	-7	+7	+22
Belgium	2.83	-5	+8	+14
France	2.96	-7	+10	+40
Italy	3.47	-8	-4	-23
Spain	2.95	-7	+0	-4
Portugal	2.70	-7	-3	-9
Greece	3.14	-7	+3	+7
5 Year Swap %				
US	3.78	-5	+39	-1
Eurozone	2.31	-5	-0	-12
UK	4.04	-6	+35	+38
2 Year Swap %				
US	3.99	-3	+35	-34
Eurozone	2.40	-4	-6	-39
UK	4.25	-4	+25	-1
10 Year Government Bond Spreads to Benchmark bps				
Ireland	35	-2	-2	+1
Belgium	60	-1	+0	-6
France	73	-3	+2	+20
Italy	124	-4	-12	-43
Spain	72	-2	-8	-25
Portugal	47	-2	-11	-29
Greece	92	-3	-5	-13

Commodities

	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	74.25	-4.14	+0.75	-3.62
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2661.0	+0.37	+3.56	+29.01

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