

Modestly firmer tone to the dollar

There was a quiet start to what is a busy calendar of macro events/data this week. Indeed, there were no releases of any note on either side of the Atlantic yesterday.

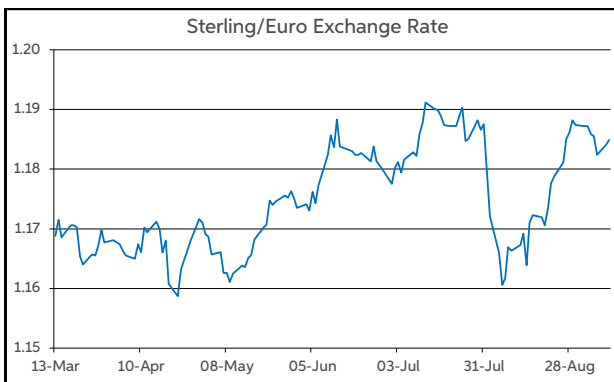
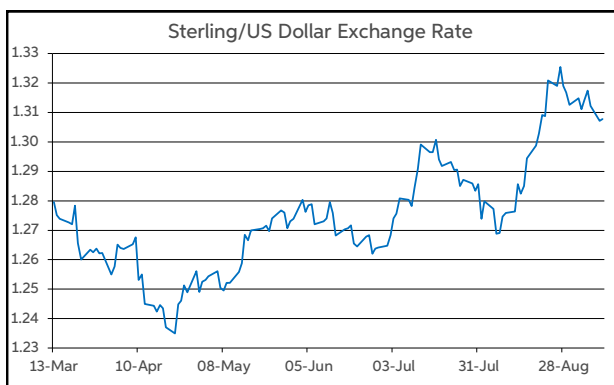
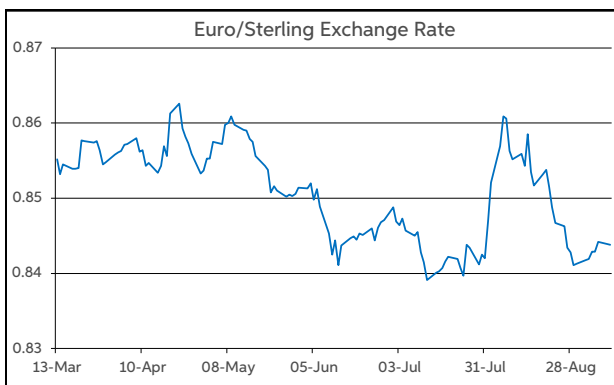
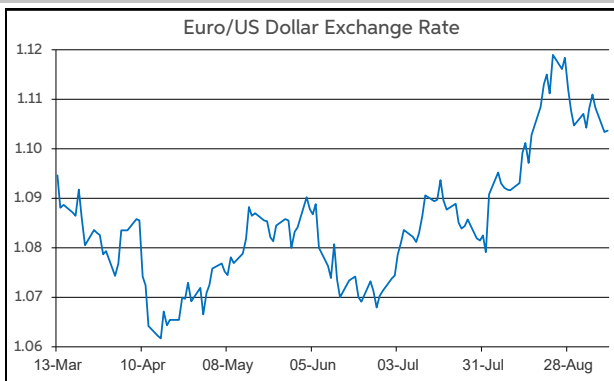
Investor sentiment had come into the week on the defensive, in part due to last Friday's weaker than expected US payroll data reigniting concerns over the outlook for the world's largest economy. The S&P 500 finished last week down over 4%.

However, there was some improvement in risk appetite yesterday amid the sparse macro diary. In Europe, the Euro Stoxx 50 posted a 0.9% daily gain. At close on Wall Street last night, the S&P 500 was 1.2% higher on the day. Meanwhile, on bond markets, the action was uneventful amongst the benchmark sovereigns, with their respective yields registering minimal changes.

On the currency front, the majors operated within fairly confined trading ranges yesterday. The dollar was holding a modestly firmer tone against both the euro and sterling. This was reflected in EUR/USD edging below the midpoint of \$1.10-1.11 and GBP/USD trading under the \$1.31 threshold. Elsewhere, EUR/GBP remained within a very narrow corridor beneath the midpoint of 84-85p.

The schedule of macro data releases starts to pick up today. A raft of key UK labour market updates have already been published this morning. The unemployment rate eased to 4.1% in the three months to July, in line with expectations. Employment surpassed forecasts at +265,000 (vs. f'cast for 123,000). Meantime, average weekly earnings rose by 4.0% y/y (vs. forecast for 4.1%). Sterling is slightly firmer in the immediate aftermath of the data. The remainder of today's macro diary is quiet.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.1037	-0.34	0.01
EUR/GBP	0.8438	-0.05	-2.65
GBP/USD	1.3078	-0.31	2.74
GBP/EUR	1.1848	0.05	2.73
USD/JPY	143.22	0.17	1.53
EUR/JPY	158.08	-0.17	1.57

* 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	5.38	5.22	5.19	4.26	3.74	3.48
EUR	4.25	3.52	3.47	2.90	2.49	2.34
GBP	5.00	4.90	4.82	4.29	4.11	3.79

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

Tuesday 10 September 2024
07:25 am



Euro

EUR/GBP	0.8438
EUR/USD	1.1037
EUR/JPY	158.08
EUR/SEK	11.4543
EUR/DKK	7.461
EUR/NOK	11.9546
EUR/CHF	0.9363
EUR/AUD	1.6554
EUR/HKD	8.6042
EUR/CAD	1.497

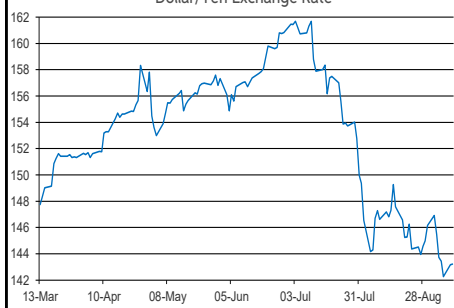
Sterling

GBP/EUR	1.1848
GBP/USD	1.3078
GBP/CAD	1.7738
GBP/NZD	2.1253
GBP/JPY	187.3
GBP/SEK	13.5698
GBP/DKK	8.8412
GBP/NOK	14.1643
GBP/CHF	1.1094
GBP/AUD	1.9615

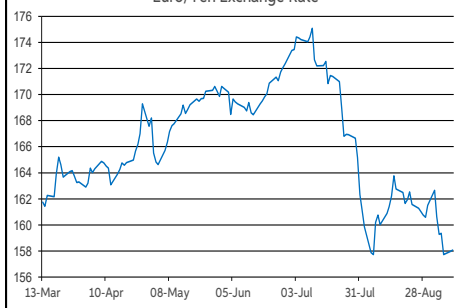
Dollar

USD/JPY	143.22
USD/CAD	1.3564
USD/CHF	0.8483
USD/CNY	7.1192
USD/BRL	5.5833
USD/RUB	90.8
USD/INR	83.971
AUD/USD	0.6667
NZD/USD	0.6153

Dollar/Yen Exchange Rate

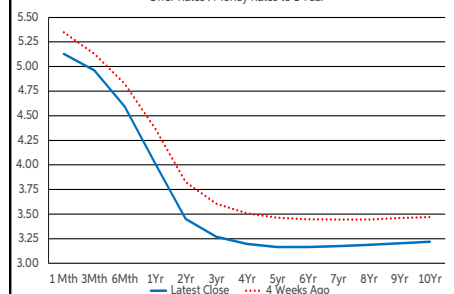


Euro/Yen Exchange Rate



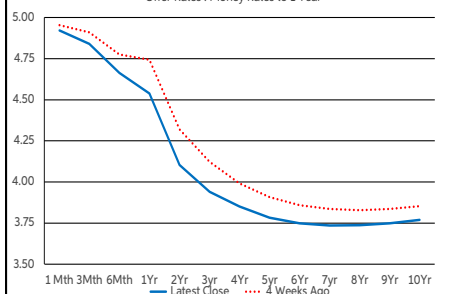
US Swap Curve

Offer Rates : Money Rates to 1 Year



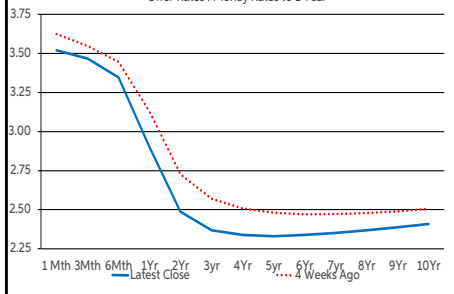
UK Swap Curve

Offer Rates : Money Rates to 1 Year

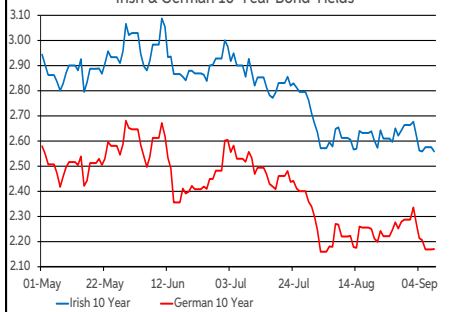


Eurozone Swap Curve

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	3.70	-1	-21	-16
Germany	2.17	+0	-5	+14
UK	3.86	-3	-6	+32
Ireland	2.59	+0	-6	+22
Belgium	2.78	+1	-6	+9
France	2.88	-0	-9	+33
Italy	3.55	-1	-9	-15
Spain	3.00	-0	-8	+1
Portugal	2.80	-0	-6	+2
Greece	3.25	+1	-10	+17
5 Year Swap %				
US	3.43	-0	-26	-36
Eurozone	2.33	-4	-14	-10
UK	3.78	-7	-12	+13
2 Year Swap %				
US	3.69	+3	-38	-64
Eurozone	2.49	-5	-23	-31
UK	4.10	-9	-21	-16
10 Year Government Bond Spreads to Benchmark bps				
Ireland	42	+0	-1	+8
Belgium	61	+1	-0	-5
France	71	-0	-3	+18
Italy	138	-1	-4	-29
Spain	83	-0	-3	-14
Portugal	63	-0	-0	-13
Greece	108	+1	-5	+3

Commodities

	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	71.84	+1.10	-12.71	-6.75
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2505.3	+0.33	+1.33	+21.46

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