

## Sterling retains its firmer tone

There was a notably upbeat tone to European investor sentiment yesterday. Risk appetite was boosted by overnight (Wednesday) news out of China in relation to the prospect of further stimulus measures for the world's second largest economy.

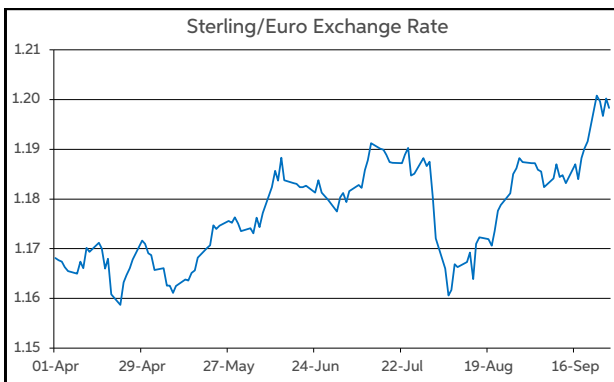
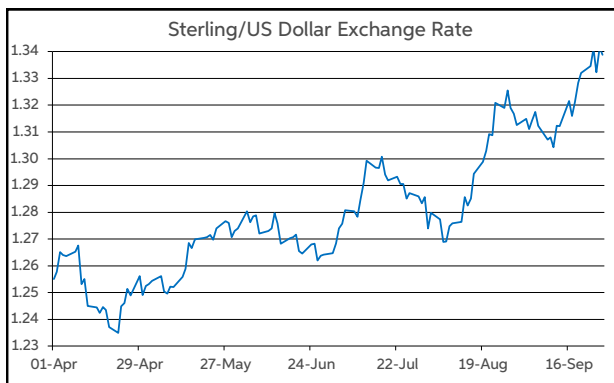
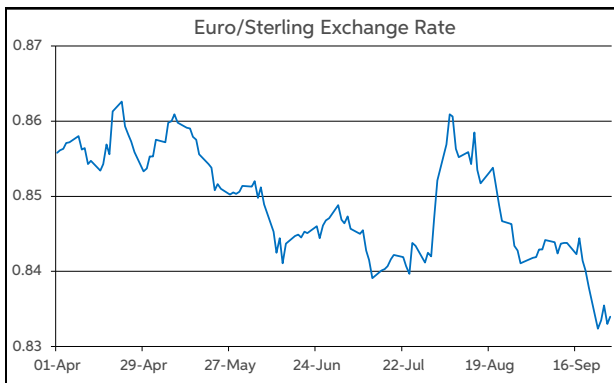
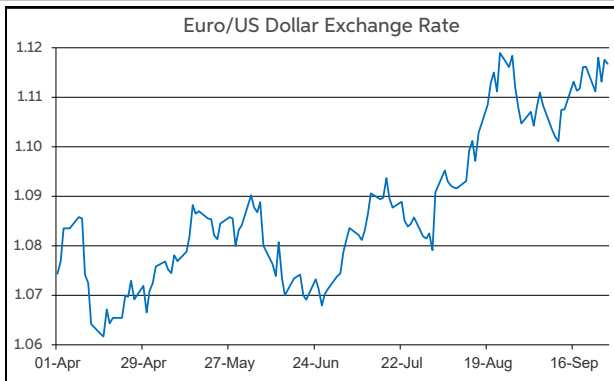
The Euro Stoxx 50 posted a 2.4% gain. Meanwhile, on Wall Street, the mood was also positive, but the gains were more modest. At the bell last night, the S&P 500 was 0.4% higher on the day, which saw the index register a new record closing high.

On commodity markets, oil prices fell, coinciding with reports that Saudi Arabia was preparing to abandon its 'unofficial' \$100 a barrel price target. Brent crude fell by over 2% to below \$72 per barrel.

Currency-wise, most of the majors have been confined to relatively narrow ranges over the past 24 hours. Of the limited action to occur, the dollar is slightly softer, while sterling has maintained its firmer tone. In level terms, EUR/USD opens this morning above the midpoint of \$1.11-1.12. GBP/USD has traded higher, into the upper half of the \$1.33-1.34 corridor. Meantime, the EUR/GBP pair has edged below the halfway point of the 83-84p trading band.

Looking ahead to today, we get some important survey data out of the Eurozone, with the European Commission economic sentiment report for September due. The headline index is expected to decline slightly to 96.5 (from 96.6). However, given the weaker than expected PMI numbers earlier in the week, there are downside risks to this forecast. In the US, the focus will be on the publication of core-PCE (Fed's preferred inflation gauge) for August. Core inflation is forecast to rise marginally, to 2.7% from 2.6%.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.1168	0.24	1.20
EUR/GBP	0.834	-0.14	-3.78
GBP/USD	1.3388	0.37	5.18
GBP/EUR	1.1986	0.14	3.93
USD/JPY	143.83	-0.59	1.96
EUR/JPY	160.65	-0.35	3.23

\* 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	4.96	4.87	4.08	3.70	3.54
EUR	3.65	3.38	3.35	2.72	2.36	2.28
GBP	5.00	4.94	4.81	4.27	4.13	3.88

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

Friday 27 September 2024  
07:24 am



## Euro

EUR/GBP	0.834
EUR/USD	1.1168
EUR/JPY	160.65
EUR/SEK	11.321
EUR/DKK	7.456
EUR/NOK	11.7882
EUR/CHF	0.9455
EUR/AUD	1.6227
EUR/HKD	8.6878
EUR/CAD	1.5058

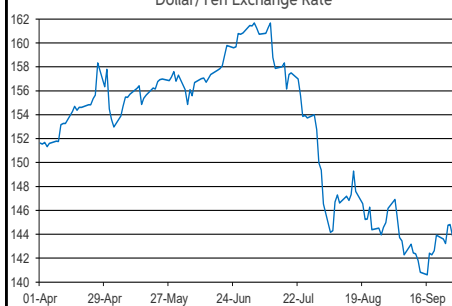
## Sterling

GBP/EUR	1.1986
GBP/USD	1.3388
GBP/CAD	1.8047
GBP/NZD	2.1214
GBP/JPY	192.56
GBP/SEK	13.5665
GBP/DKK	8.9334
GBP/NOK	14.1265
GBP/CHF	1.133
GBP/AUD	1.9458

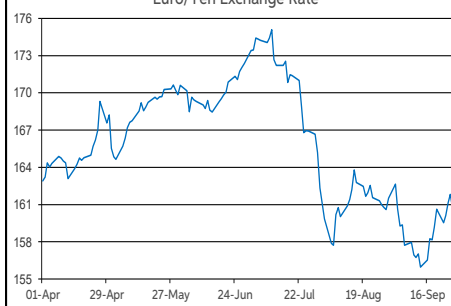
## Dollar

USD/JPY	143.83
USD/CAD	1.3483
USD/CHF	0.8465
USD/CNY	7.013
USD/BRL	5.4379
USD/RUB	92.5
USD/INR	83.658
AUD/USD	0.6879
NZD/USD	0.6309

Dollar/Yen Exchange Rate

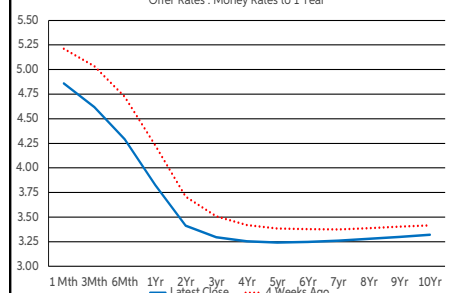


Euro/Yen Exchange Rate



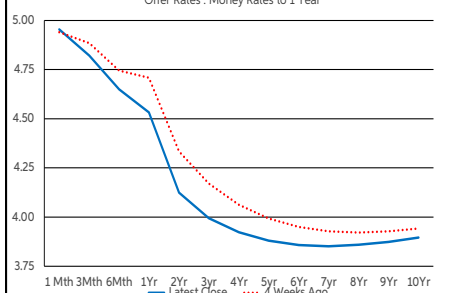
US Swap Curve

Offer Rates : Money Rates to 1 Year



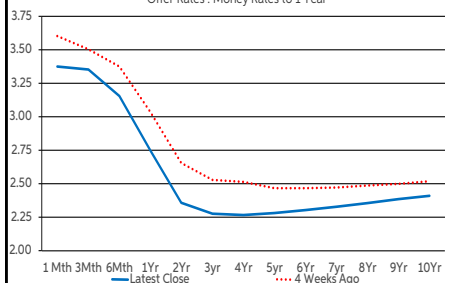
UK Swap Curve

Offer Rates : Money Rates to 1 Year

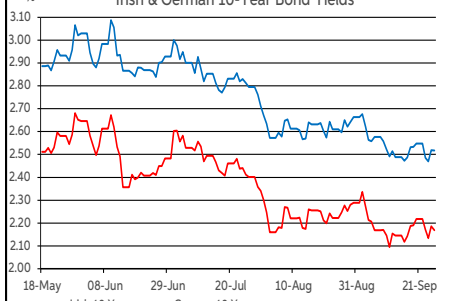


Eurozone Swap Curve

Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



## Debt Markets

	Close	Day	4 Weeks	End 23
<b>10 Year Yield %</b>				
US	3.79	+1	-8	-7
Germany	2.17	-2	-11	+14
UK	4.01	+2	-1	+47
Ireland	2.55	+0	-10	+19
Belgium	2.82	-1	-5	+13
France	2.97	-1	-2	+41
Italy	3.48	-5	-17	-22
Spain	2.96	-3	-14	-3
Portugal	2.74	-4	-14	-4
Greece	3.10	-7	-22	+2
<b>5 Year Swap %</b>				
US	3.51	+4	-12	-28
Eurozone	2.28	+1	-18	-15
UK	3.88	+2	-11	+23
<b>2 Year Swap %</b>				
US	3.67	+6	-27	-67
Eurozone	2.36	+1	-29	-44
UK	4.13	+2	-20	-14
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	38	+2	+1	+4
Belgium	65	+1	+6	-1
France	80	+1	+9	+27
Italy	131	-4	-6	-36
Spain	79	-2	-3	-18
Portugal	57	-2	-3	-19
Greece	93	-6	-11	-12

## Commodities

	Close	Day	4 Weeks	End 23
Brent Oil	71.6	-2.53	-10.43	-7.06
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2670.2	+0.50	+5.91	+29.46

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