

## US macro data continues to disappoint

There was a muted and cautious tone to investor sentiment yesterday compared to the previous day's more bullish mood. Most of the main equity indices posted modest losses over their respective trading sessions. In Europe, the Euro Stoxx 50 registered a 0.6% fall. Meanwhile, at the closing bell on Wall Street last night, the S&P 500 was 0.2% lower on the day.

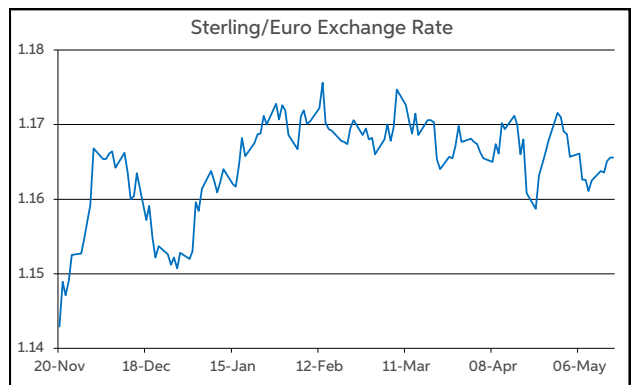
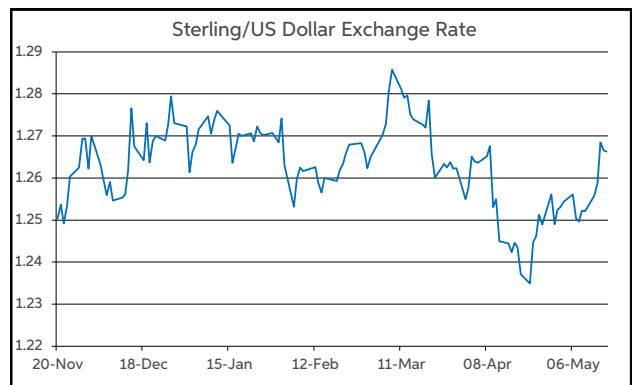
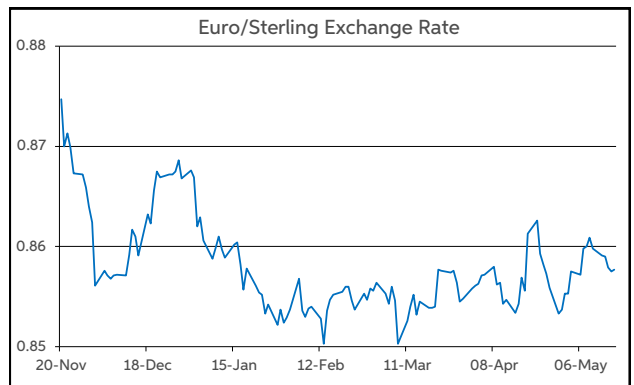
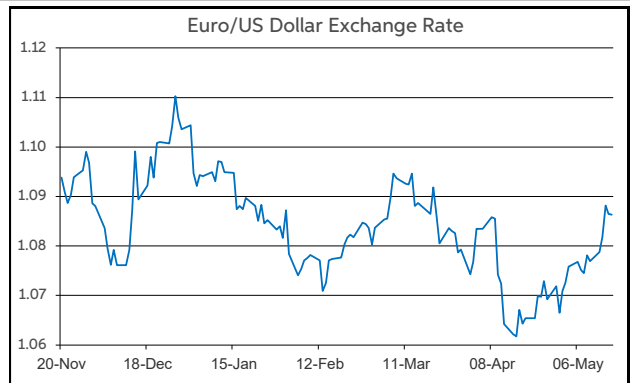
In terms of yesterday's macro newsflow, the focus remained on the US economy given the quiet data schedule elsewhere. In a continuation of the recent trend, the US data tended to disappoint versus expectations. This included industrial production and housing starts for April coming in below forecasts.

From a currency viewpoint, the dollar managed to halt its recent slide. Some upward moves in US yields/swap rates provided support to the greenback yesterday amid higher than expected import price data. In level terms though, EUR/USD remains in the upper half of the \$1.08-1.09 band, while GBP/USD continues to trade above the midpoint of \$1.26-1.27.

Meantime, the action in EUR/GBP continues to be uneventful. The pair has been changing hands in a very narrow 85.7-85.9p range. Elsewhere, the yen has experienced downward pressure over the past 24 hours amid some weaker than expected Japanese Q1 GDP data, with USD/JPY above ¥155 and EUR/JPY above ¥169.

Looking ahead, today's macro calendar is very quiet heading into the weekend. The only release of any note is the final reading of Eurozone HICP inflation for April. The consensus is for no change to the first estimate of 2.4% y/y. The sparse data agenda today lends itself to continued range trading amongst the FX majors.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0863	-0.18	-1.57
EUR/GBP	0.8577	-0.02	-1.05
GBP/USD	1.2663	-0.18	-0.52
GBP/EUR	1.1653	0.02	1.06
USD/JPY	155.69	1.15	10.37
EUR/JPY	169.15	0.96	8.69

\* 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	5.43	5.59	5.39	4.97	4.46
EUR	4.50	3.83	3.82	3.64	3.29	2.85
GBP	5.25	5.19	5.10	4.84	4.72	4.19

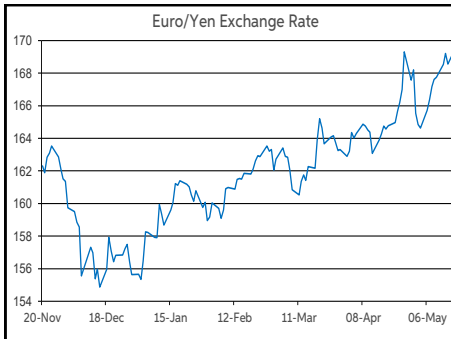
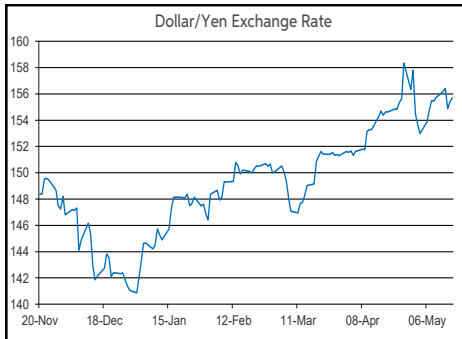
All rates quoted are indicative market rates

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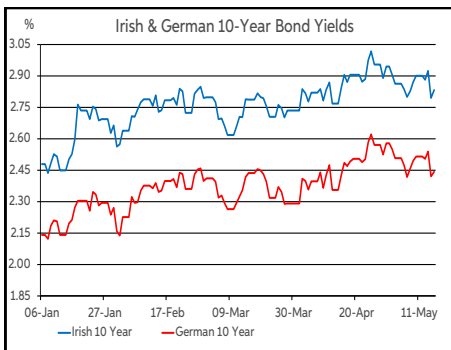
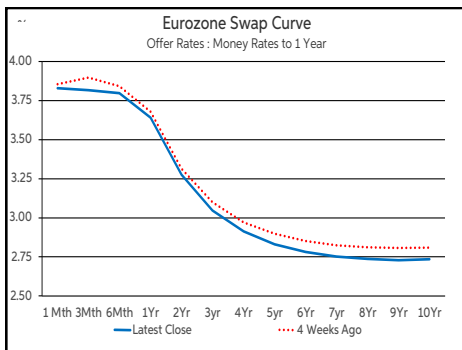
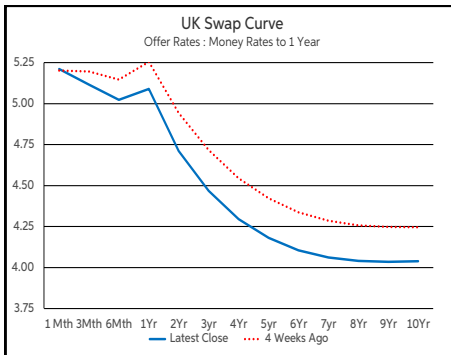
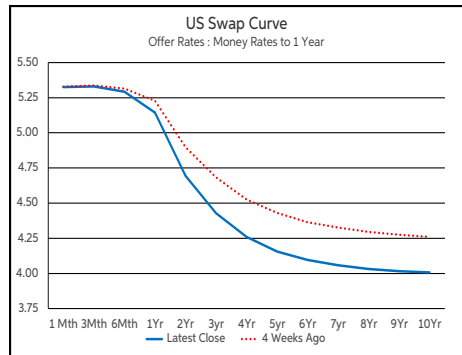
FX Spot	Karl Cooke Shane Gargan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Euro		Sterling		Dollar	
EUR/GBP	0.8577	GBP/EUR	1.1653	USD/JPY	155.69
EUR/USD	1.0863	GBP/USD	1.2663	USD/CAD	1.3618
EUR/JPY	169.15	GBP/CAD	1.7245	USD/CHF	0.9063
EUR/SEK	11.6432	GBP/NZD	2.0683	USD/CNY	7.2218
EUR/DKK	7.4609	GBP/JPY	197.15	USD/BRL	5.1288
EUR/NOK	11.623	GBP/SEK	13.5713	USD/RUB	91.0375
EUR/CHF	0.9848	GBP/DKK	8.695	USD/INR	83.465
EUR/AUD	1.6275	GBP/NOK	13.548	AUD/USD	0.6675
EUR/HKD	8.4746	GBP/CHF	1.1478	NZD/USD	0.612
EUR/CAD	1.4794	GBP/AUD	1.897		



Debt Markets				
	Close	Day	4 Weeks	End 23
<b>10 Year Yield %</b>				
US	4.38	+2	-27	+52
Germany	2.45	+2	-5	+42
UK	4.08	+1	-19	+54
<b>5 Year Swap %</b>				
US	4.42	+5	-26	+63
Eurozone	2.83	+4	-6	+40
UK	4.18	+2	-24	+53
<b>2 Year Swap %</b>				
US	4.94	+5	-21	+61
Eurozone	3.28	+5	-3	+48
UK	4.71	+2	-23	+45
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	-245	-297	-288	-278
Belgium	54	+0	-2	-12
France	50	+0	-1	-3
Italy	131	-0	-9	-36
Spain	76	-1	-6	-20
Portugal	63	-0	-5	-13
Greece	101	-1	+4	-4



Commodities				
	Close	Day	4 Weeks	End 23
Brent Oil	83.27	+0.63	-4.41	+8.09
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2376.4	-0.40	-0.08	+15.22

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