

EUR/GBP near 86p

It was a relatively quiet day on financial markets yesterday. Investor sentiment was holding a subdued tone, with the Euro Stoxx 50 falling by 0.4%. The S&P 500 inched 0.1% lower also. On bond markets, US Treasury and UK Gilt yields were little changed. Meantime, oil prices recouped some of their recent losses, rising by circa 2%. Brent crude oil is currently above \$77 per barrel.

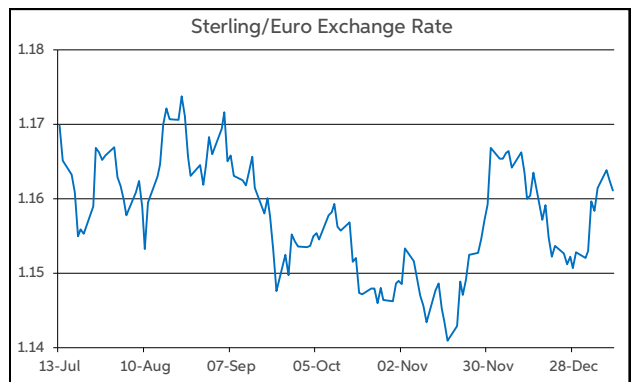
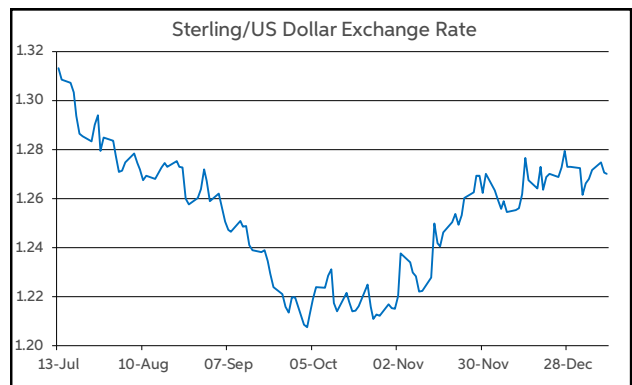
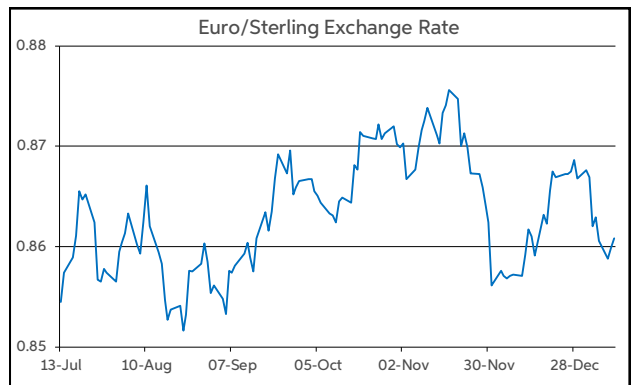
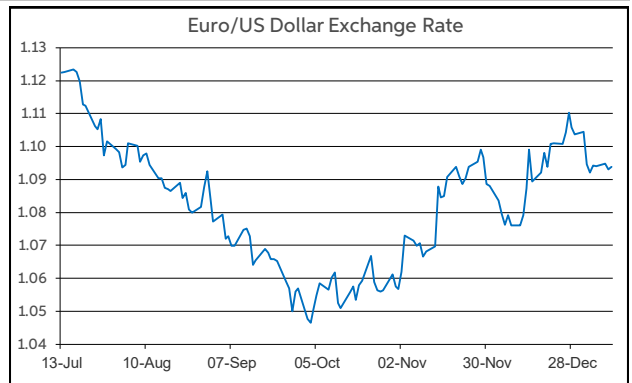
Data-wise, the Eurozone unemployment rate edged back to 6.4% in November, just below the 6.5% consensus. However, the release did not impact the euro. Elsewhere, German industrial production declined by 0.7% in November (vs. +0.2% f'cast). Worryingly, data released on Monday showed that industrial orders rose by just 0.3% in November also, well below expectations for a 1% increase. Taken together, the data suggest that German manufacturing continued to struggle in Q4.

On the currency front, the main pairs continued to operate in narrow trading ranges. Of the limited price action to note, the dollar inched slightly higher, supported by the softer tone to risk appetite. Elsewhere, the yen was on the defensive overnight, on the back of some weak earnings data.

In level terms, EUR/USD opens this morning in the lower half \$1.09-1.10. EUR/GBP remains in and around the 86p mark. Elsewhere, GBP/USD is changing hands back near the \$1.27 threshold. USD/JPY is operating just below the ¥145 handle.

Today, the data calendar is rather sparse. Meanwhile, remarks from BoE Governor Bailey in testimony to the Treasury Select Committee will garner some attention. Speeches from NY Fed President Williams and ECB Board member Schnabel will also be of interest.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0937	-0.11	-0.90
EUR/GBP	0.8609	0.22	-0.68
GBP/USD	1.2704	-0.30	-0.20
GBP/EUR	1.1612	-0.22	0.69
USD/JPY	144.9	0.77	2.72
EUR/JPY	158.51	0.68	1.85

* 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	5.45	5.59	5.08	4.49	3.98
EUR	4.50	3.87	3.93	3.57	2.98	2.60
GBP	5.25	5.19	5.20	4.83	4.45	3.89

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

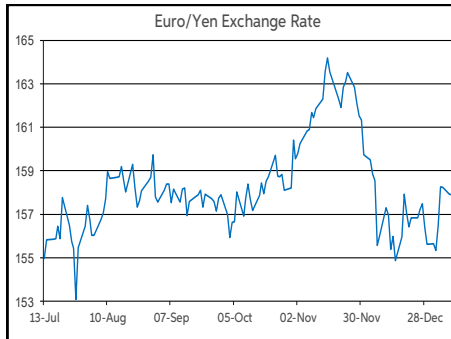
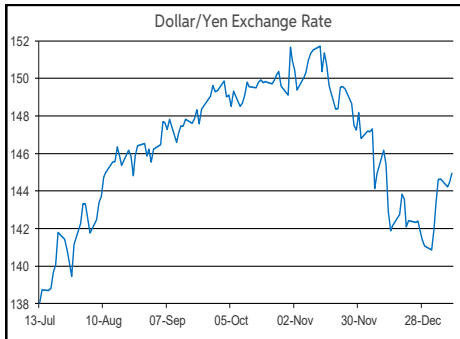
FX Spot	Karl Cooke Shane Gargan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

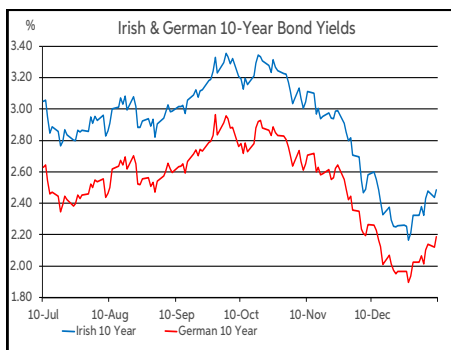
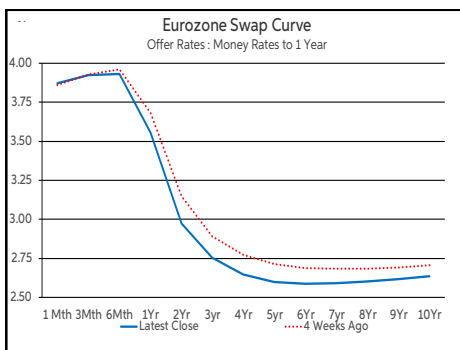
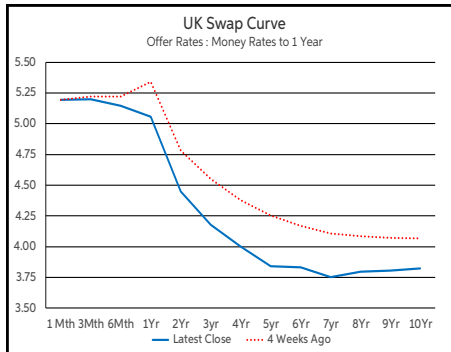
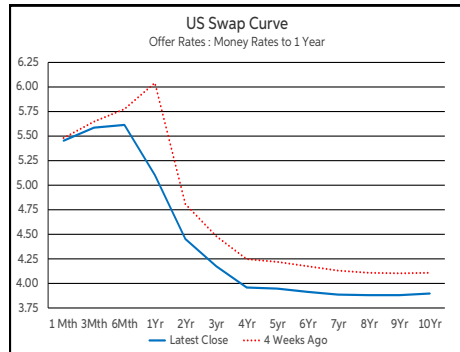
Wednesday 10 January 2024
07:37 am



Euro		Sterling		Dollar	
EUR/GBP	0.8608	GBP/EUR	1.1611	USD/JPY	144.92
EUR/USD	1.0937	GBP/USD	1.2704	USD/CAD	1.3385
EUR/JPY	158.53	GBP/CAD	1.7005	USD/CHF	0.8521
EUR/SEK	11.2176	GBP/NZD	2.036	USD/CNY	7.1733
EUR/DKK	7.458	GBP/JPY	184.08	USD/BRL	4.9067
EUR/NOK	11.3094	GBP/SEK	13.0268	USD/RUB	89.615
EUR/CHF	0.9322	GBP/DKK	8.6598	USD/INR	83.1025
EUR/AUD	1.633	GBP/NOK	13.1382	AUD/USD	0.6698
EUR/HKD	8.5527	GBP/CHF	1.0825	NZD/USD	0.6237
EUR/CAD	1.4642	GBP/AUD	1.8964		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 23
10 Year Yield %				
US	4.02	-1	-20	+15
Germany	2.19	+7	-4	+16
UK	3.78	+1	-19	+24
5 Year Swap %				
US	3.95	-1	-23	+16
Eurozone	2.60	+7	-10	+17
UK	3.84	-5	-41	+19
2 Year Swap %				
US	4.46	-1	-31	+12
Eurozone	2.97	+5	-16	+18
UK	4.45	+1	-33	+18
10 Year Government Bond Spreads to Benchmark bps				
Ireland	32	-1	-2	-4
Belgium	64	-1	-2	-1
France	54	-0	-1	+1
Italy	167	-2	-11	-1
Spain	97	-2	-4	+1
Portugal	76	-1	-3	-0
Greece	112	-8	-12	+7



Commodities				
	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	77.59	+1.93	+5.94	+0.71
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2029.6	+0.09	+2.53	-1.60

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