

## EUR/GBP just above 86p

Investor sentiment continued to hold a positive tone for much of yesterday, amid another relatively quiet day on markets. The Euro Stoxx 50 gained 1.2%, supported by some better than anticipated Q1 earnings data. On Wall Street, the S&P 500 rose by a meagre 0.1%, as risk appetite soured into the close.

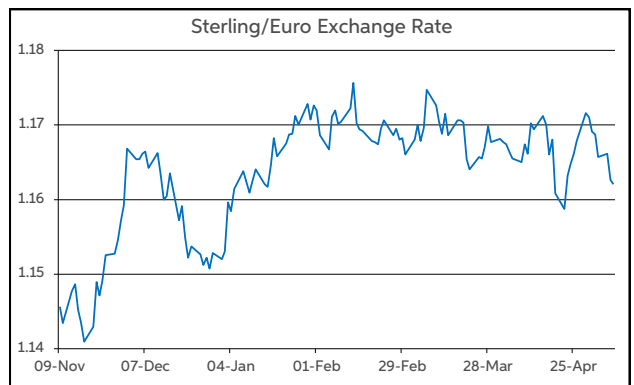
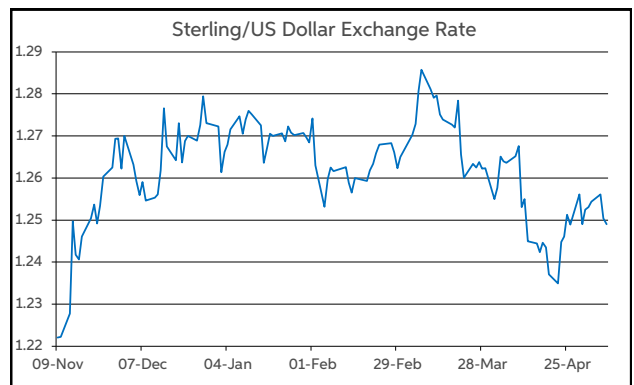
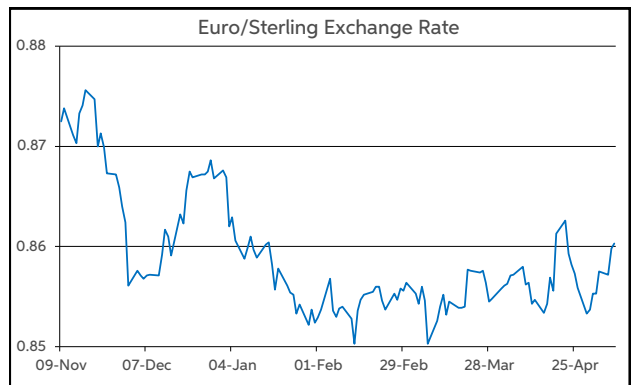
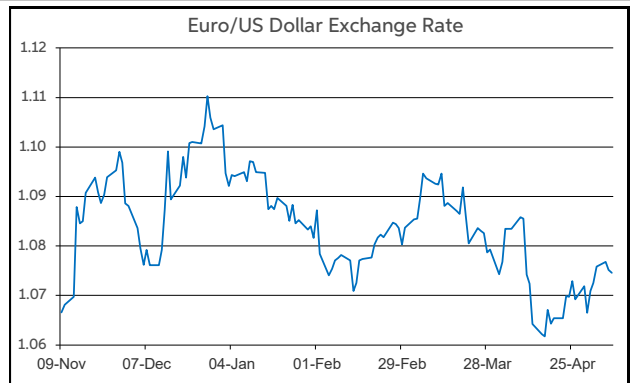
On bond markets, UK Gilt yields declined by 6-12bps, owing to a modest softening in UK rate expectations, ahead of the BoE meeting on Thursday. Markets are now fully pricing in 50bps worth of easing in the UK by year end, with the first rate cut expected for August. However, there was no obvious catalyst for the move. Meanwhile, the fall in UK Gilt yields spilled over to US Treasury and German Bund yields, which fell by a more moderate 1-6bps.

Currency-wise, the main FX pairs continued to operate in very tight ranges throughout yesterday. Of the limited price action to register, the softening in UK market rate expectations weighed on sterling. Elsewhere, the dollar firmed overnight aimed some hawkish remarks from Fed official Kashkari.

As trading gets underway this morning, EUR/USD opens at the midpoint of the \$1.07-1.08 trading band. GBP/USD is changing hands in below the \$1.25 threshold. Meantime EUR/GBP is just above 86p. USD/JPY is in the lower half of ¥155-156.

Already this morning, German industrial production data has been released. It showed that output contracted by 0.4% in March (vs. -0.6% f'cast). However, the release has not impacted the euro in early trading. The macro schedule for the remainder of the day is quite sparse once again on both sides of the Atlantic. Elsewhere, remarks from Fed Governor Cook will be of interest.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0746	-0.17	-2.63
EUR/GBP	0.8603	0.34	-0.75
GBP/USD	1.249	-0.50	-1.88
GBP/EUR	1.162	-0.34	0.76
USD/JPY	155.2	0.47	10.02
EUR/JPY	166.8	0.29	7.18

\* 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	5.58	5.42	5.03	4.53
EUR	4.50	3.85	3.82	3.63	3.28	2.85
GBP	5.25	5.19	5.16	4.92	4.79	4.25

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 08 May 2024  
07:34 am



## Euro

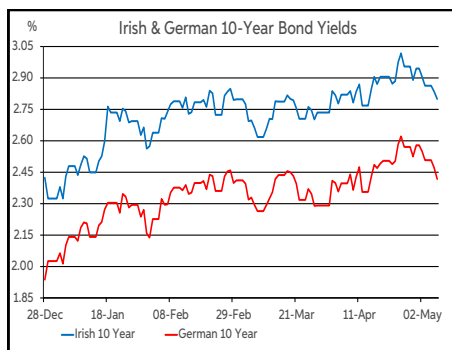
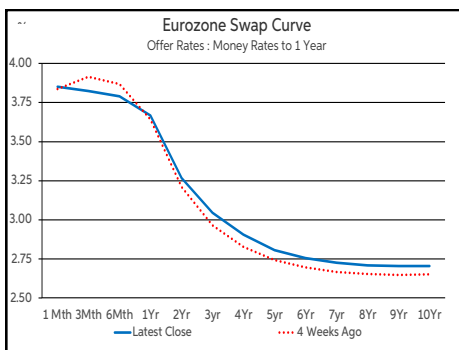
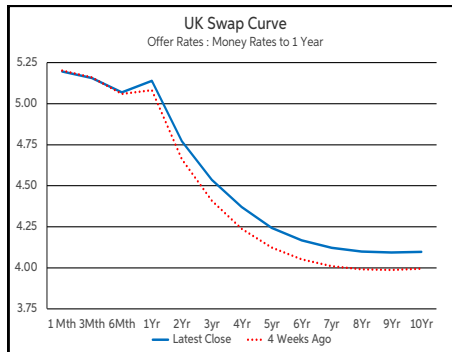
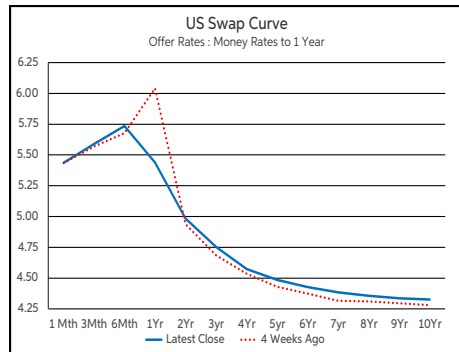
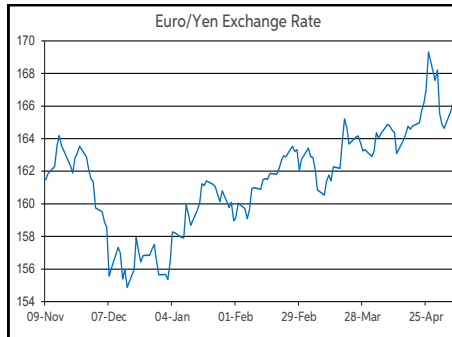
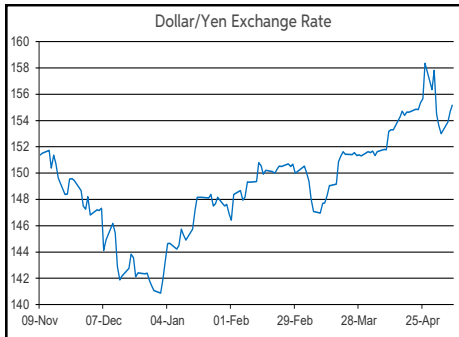
EUR/GBP	0.8603
EUR/USD	1.0746
EUR/JPY	166.8
EUR/SEK	11.6882
EUR/DKK	7.4595
EUR/NOK	11.751
EUR/CHF	0.9763
EUR/AUD	1.6331
EUR/HKD	8.4003
EUR/CAD	1.4778

## Sterling

GBP/EUR	1.162
GBP/USD	1.249
GBP/CAD	1.7175
GBP/NZD	2.083
GBP/JPY	193.84
GBP/SEK	13.58
GBP/DKK	8.667
GBP/NOK	13.6547
GBP/CHF	1.1345
GBP/AUD	1.8978

## Dollar

USD/JPY	155.2
USD/CAD	1.375
USD/CHF	0.9083
USD/CNY	7.2249
USD/BRL	5.0744
USD/RUB	91.178
USD/INR	83.5005
AUD/USD	0.6579
NZD/USD	0.5994



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 23
<b>10 Year Yield %</b>				
US	4.46	-3	+10	+60
Germany	2.42	-6	+5	+39
UK	4.13	-10	+10	+59
<b>5 Year Swap %</b>				
US	4.49	-1	+10	+69
Eurozone	2.81	-4	+7	+38
UK	4.24	-7	+12	+59
<b>2 Year Swap %</b>				
US	4.98	-2	+9	+65
Eurozone	3.27	+1	+6	+47
UK	4.77	-4	+12	+51
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	39	+1	-5	+5
Belgium	54	+0	-1	-12
France	50	-0	+1	-3
Italy	134	+1	-1	-34
Spain	78	+1	-3	-18
Portugal	65	+1	-3	-11
Greece	105	-3	+11	+0

Commodities				
	Close	% Change		
		Day	4 Weeks	End 23
Brent Oil	83.16	-0.20	-7.00	+7.94
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2313.8	-0.42	-1.65	+12.18

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