

Yen remains under pressure

There was a subdued tone to the action across markets yesterday. This was not overly surprising giving the dearth of top or even second tier data releases. The muted backdrop was evident in most of the main equity indices being in sideways mode for much of their respective trading sessions. This followed a strong performance last week. In Europe, the Euro Stoxx 50 registered a -0.1% daily return. At the closing bell on Wall Street last night, the S&P 500 index was flat on the day.

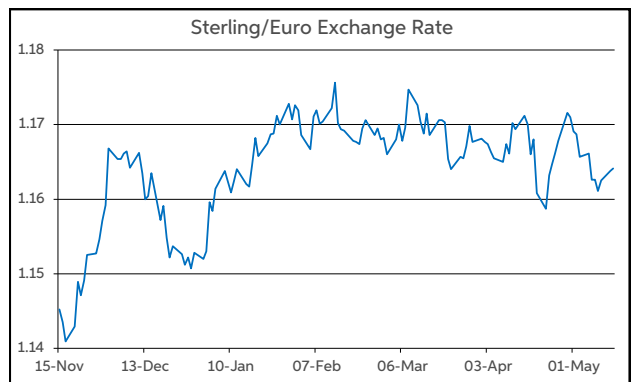
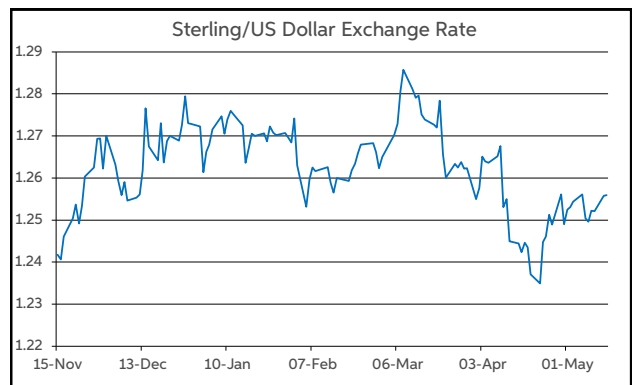
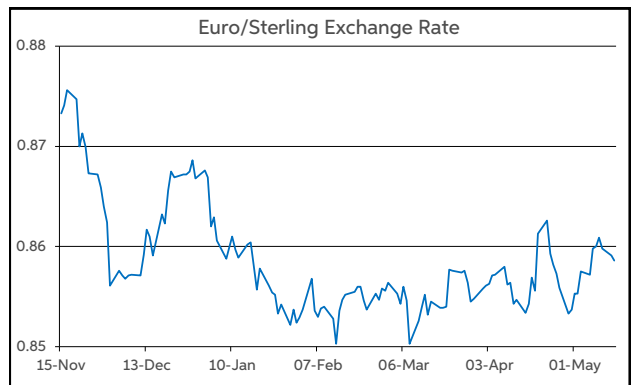
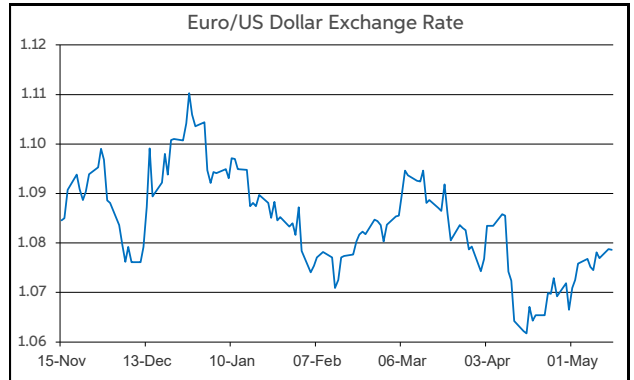
Meanwhile, on bond markets, the main benchmark sovereign yields experienced only minimal change yesterday. The magnitude of movement was generally in a 1-2bps range. The 10-year US Treasury yield edged back below 4.5%, while the 10-year German Bund traded near to the 2.5% level.

On the currency front, most of the majors were confined to narrow trading ranges. Of the action to register over the past 24 hours, the yen remains on the defensive, while the dollar is modestly weaker versus the euro and sterling.

In level terms, USD/JPY is above ¥156, while EUR/JPY is up in 168-169 territory. EUR/USD has moved modestly higher to trade nearer to the \$1.08 threshold. GBP/USD is trading close to the midpoint of \$1.25-1.26. EUR/GBP continues to straddle the 86p handle.

Already this morning, we have got a raft of UK labour market data. This included the unemployment rate for Q1 printing at 4.3%, in line with forecasts. Data-wise, the remainder of today's calendar highlights are the German ZEW survey (May) and US PPI inflation (April). Meanwhile, in terms of central bank newsflow, US Fed Chair Powell is due to speak.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0786	0.16	-2.27
EUR/GBP	0.8586	-0.13	-0.95
GBP/USD	1.2559	0.29	-1.34
GBP/EUR	1.1642	0.13	0.96
USD/JPY	156.47	0.44	10.92
EUR/JPY	168.77	0.58	8.44

* 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	5.06	4.56
EUR	4.50	3.86	3.82	3.63	3.29	2.88
GBP	5.25	5.19	5.12	4.90	4.78	4.26

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

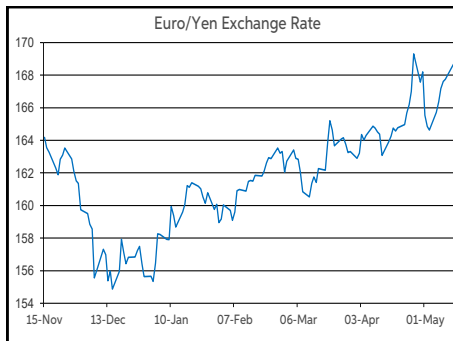
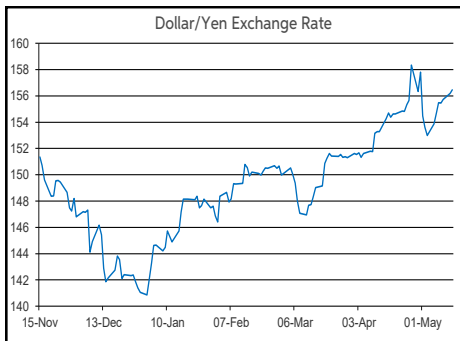
FX Spot	Karl Cooke Shane Gargan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

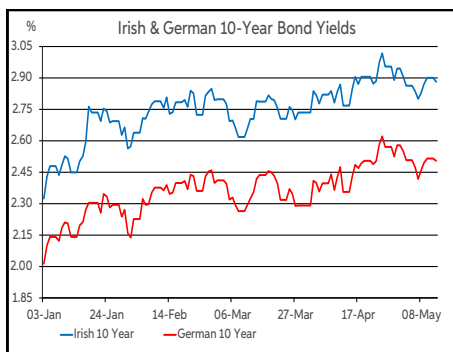
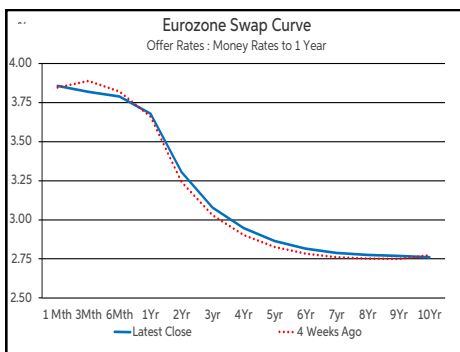
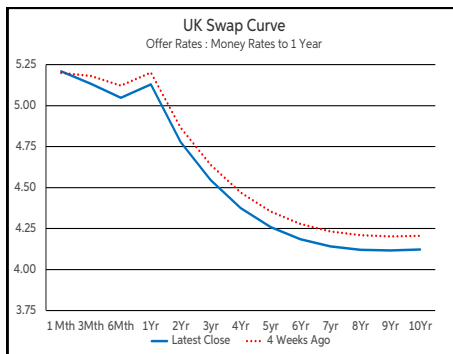
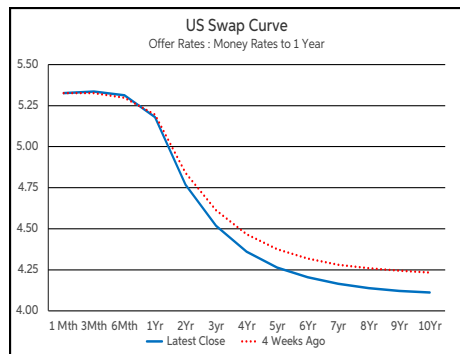
Tuesday 14 May 2024
07:23 am



Euro		Sterling		Dollar	
EUR/GBP	0.8586	GBP/EUR	1.1642	USD/JPY	156.47
EUR/USD	1.0786	GBP/USD	1.2559	USD/CAD	1.3673
EUR/JPY	168.77	GBP/CAD	1.7174	USD/CHF	0.908
EUR/SEK	11.7036	GBP/NZD	2.0868	USD/CNY	7.2378
EUR/DKK	7.4601	GBP/JPY	196.51	USD/BRL	5.157
EUR/NOK	11.6653	GBP/SEK	13.6225	USD/RUB	91.225
EUR/CHF	0.9796	GBP/DKK	8.6839	USD/INR	83.51
EUR/AUD	1.6337	GBP/NOK	13.5798	AUD/USD	0.66
EUR/HKD	8.4268	GBP/CHF	1.1404	NZD/USD	0.6016
EUR/CAD	1.4751	GBP/AUD	1.9023		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 23
10 Year Yield %				
US	4.48	-2	-15	+62
Germany	2.51	-1	+7	+48
UK	4.18	+1	-7	+64
Ireland	2.91	-1	+3	+54
Belgium	3.05	-1	+5	+36
France	3.01	-1	+5	+46
Italy	3.86	+0	+1	+16
Spain	3.30	-1	+2	+31
Portugal	3.16	-1	+3	+37
Greece	3.53	-1	+14	+45
5 Year Swap %				
US	4.52	-2	-10	+73
Eurozone	2.86	-2	+5	+44
UK	4.26	+2	-9	+61
2 Year Swap %				
US	5.02	-1	-7	+69
Eurozone	3.31	-0	+7	+51
UK	4.78	+2	-8	+51
10 Year Government Bond Spreads to Benchmark bps				
Ireland	40	+0	-5	+6
Belgium	54	+0	-2	-12
France	51	+0	-2	-2
Italy	135	+1	-6	-32
Spain	79	-0	-6	-17
Portugal	65	+0	-4	-11
Greece	102	+1	+7	-3



Commodities				
	Close	% Change		
		Day	4 Weeks	End 23
Brent Oil	83.36	+0.69	-7.48	+8.20
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2336.0	-1.02	-1.95	+13.26

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