

## US data sparks some volatility

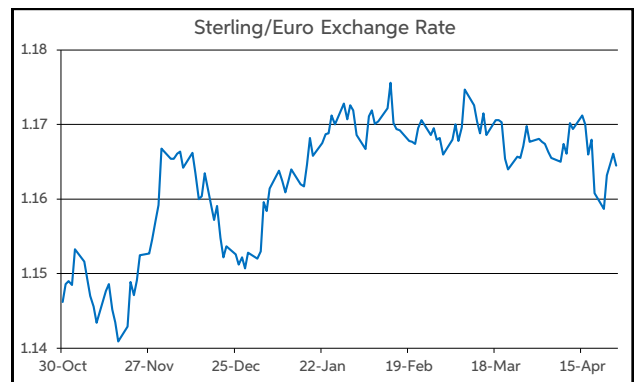
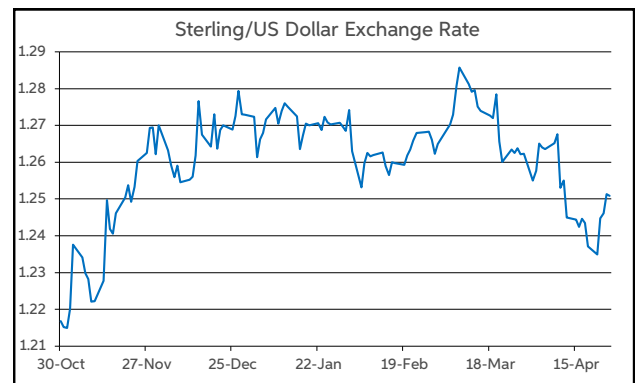
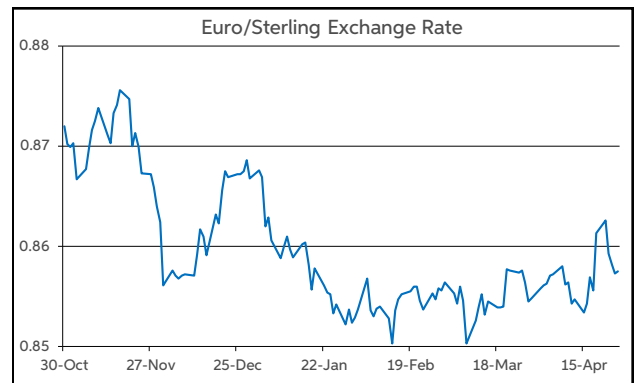
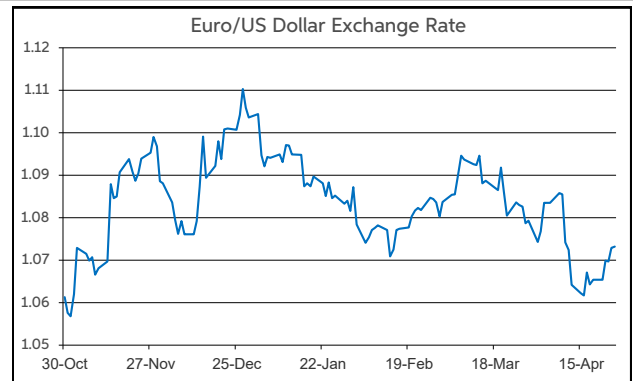
Amid mixed Q1 earnings data on both sides of the Atlantic, as well as slower than anticipated US economic growth and higher than expected inflation, benchmark equity indices declined yesterday. The Euro Stoxx 50 shed 1.0%, while the S&P 500 fell by 0.5%. On bond markets, sovereign yields rose by 3-5bps across the board.

The first estimate of US GDP for Q1 printed at +1.6% annualised, well below the 2.4% consensus, owing to a slowdown in consumption, government expenditure and a negative contribution from external trade and inventories. Meantime, core-PCE inflation rose by 3.7% annualised in Q1, above the 3.4% forecast. The data indicate that the US economy did not perform as well as projected at the start of the year, as growth slowed and disinflation stalled.

The US data prompted some volatility on currency markets yesterday. In the run-up to the release, the dollar was under some downward pressure, with EUR/USD registering a two-week high of \$1.074. However, the greenback regained some ground as US rate expectations firmed modestly following the sticky US PCE data. Overnight though, the dollar handed back its gains. Elsewhere, sterling was holding a firmer tone, while the yen has softened further following the BoJ decision to leave policy unchanged.

In level terms, EUR/USD opens this morning in the lower half of \$1.07-1.08. GBP/USD is up above \$1.25. EUR/GBP is in the top half of 85-86p. Elsewhere, USD/JPY is above ¥156. However, the BoJ post-meeting press conference with Governor Ueda is currently taking place, and may cause some volatility for the yen in early trading. Turning to the day ahead, the main focus will be on the March reading of US core-PCE. The market reaction to the data may be muted though, given the Q1 data were released yesterday.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0732	0.21	-2.75
EUR/GBP	0.8575	-0.16	-1.07
GBP/USD	1.2509	0.34	-1.73
GBP/EUR	1.1655	0.16	1.08
USD/JPY	156.12	0.34	10.68
EUR/JPY	167.57	0.56	7.67

\* 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	5.49	5.21	4.75
EUR	4.50	3.85	3.88	3.71	3.38	2.98
GBP	5.25	5.19	5.19	5.01	4.94	4.47

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 26 April 2024  
07:41 am



## Euro

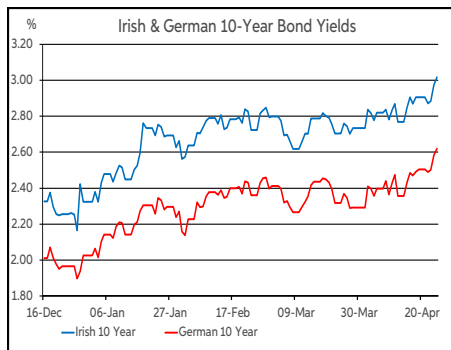
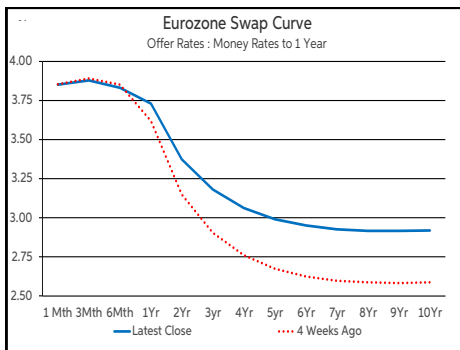
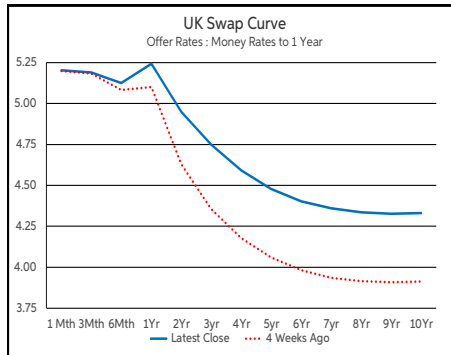
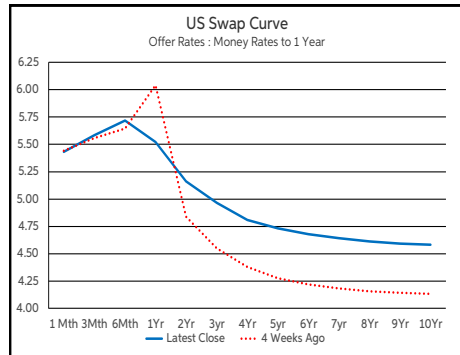
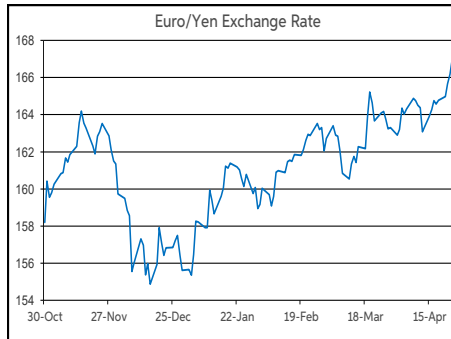
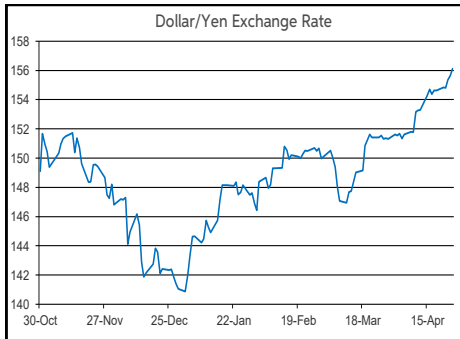
EUR/GBP	0.8575
EUR/USD	1.0732
EUR/JPY	167.57
EUR/SEK	11.659
EUR/DKK	7.4575
EUR/NOK	11.754
EUR/CHF	0.9793
EUR/AUD	1.6393
EUR/HKD	8.4022
EUR/CAD	1.4638

## Sterling

GBP/EUR	1.1655
GBP/USD	1.2509
GBP/CAD	1.7064
GBP/NZD	2.0966
GBP/JPY	195.29
GBP/SEK	13.5895
GBP/DKK	8.6916
GBP/NOK	13.6997
GBP/CHF	1.1415
GBP/AUD	1.911

## Dollar

USD/JPY	156.12
USD/CAD	1.3638
USD/CHF	0.9124
USD/CNY	7.2448
USD/BRL	5.1589
USD/RUB	92.1475
USD/INR	83.33
AUD/USD	0.6546
NZD/USD	0.5965



Debt Markets				
	Close	Day	Change bps	
			4 Weeks	End 23
<b>10 Year Yield %</b>				
US	4.71	+5	+51	+85
Germany	2.62	+4	+33	+60
UK	4.37	+3	+43	+83
<b>5 Year Swap %</b>				
US	4.73	+6	+50	+94
Eurozone	2.99	+4	+32	+56
UK	4.48	+4	+42	+83
<b>2 Year Swap %</b>				
US	5.16	+6	+36	+83
Eurozone	3.37	+2	+23	+58
UK	4.95	+4	+33	+69
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	42	-0	-4	+8
Belgium	55	-0	-3	-11
France	51	+0	-0	-2
Italy	137	-0	-1	-30
Spain	81	+1	-5	-15
Portugal	65	-0	-5	-11
Greece	98	+3	-2	-7

Commodities				
	Close	Day	% Change	
			4 Weeks	End 23
Brent Oil	89.01	+1.12	+1.75	+15.54
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2331.8	+0.69	+4.45	+13.05

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