

USD/JPY above ¥160

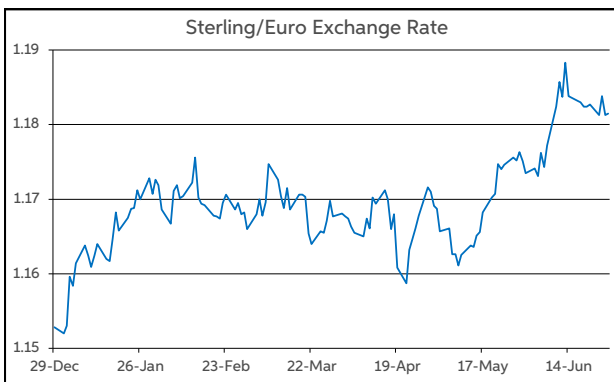
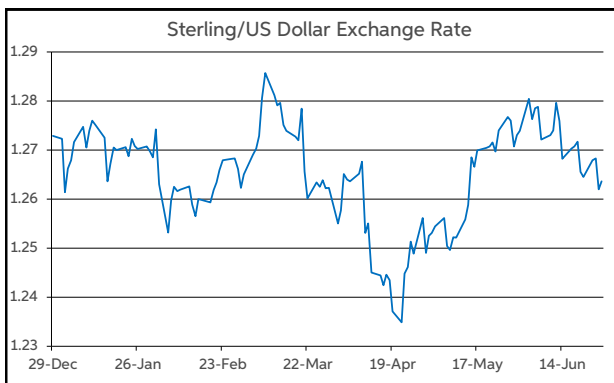
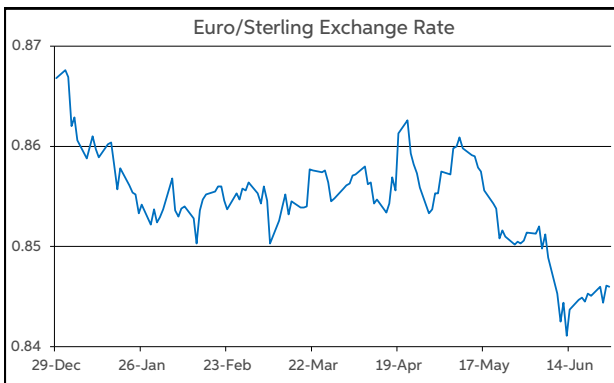
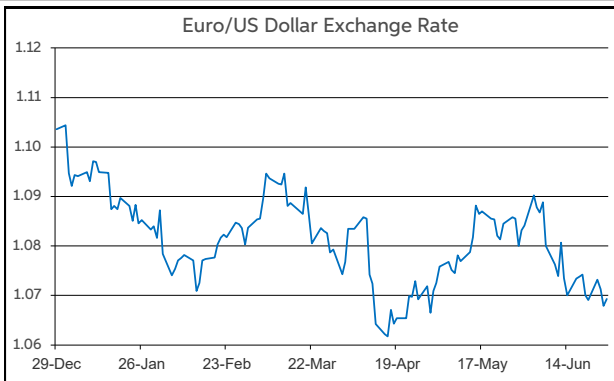
The cautious mood to European investor sentiment continued yesterday. The risk averse tone was reflected in the Euro Stoxx 50 falling by 0.4%. The mood on Wall Street was less downbeat. At the closing bell last night, the S&P 500 index managed to post a modest 0.2% gain. On bond markets, yields were generally higher across the board. The 10-year US Treasury yield moved up into 4.3% territory. Meanwhile, the spread between French and German 10-year yields widened marginally, to 74bps.

Currency-wise, yen weakness was very much the standout theme on the exchanges. The yen has been on a gradual weakening trajectory against the dollar recently amid widening yield spreads in favour of the dollar. USD/JPY pushed up through ¥160 yesterday. When this level was last breached back in late April it prompted intervention by the Japanese authorities. However, the move higher this time has been less rapid and more steady in nature. The Japanese Finance Minister stated that the government is watching the levels closely. The pair registered a new year-to-date high (as well as its most elevated level since 1986) at ¥160.8 during yesterday's trading.

Elsewhere on the currency front, the dollar was also in the ascendancy against the euro and sterling. EUR/USD edged back below \$1.07, while GBP/USD traded down into the lower half of \$1.26-1.27. Meantime, EUR/GBP moved slightly upwards, while operating in a narrow range in and around the midpoint of 84-85p.

Today's data agenda includes the Eurozone EC sentiment indices for June. Across the Atlantic, a busy US slate features the weekly jobless claims data, durable goods (May) and the final reading of Q1 GDP.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0693	-0.14	-3.11
EUR/GBP	0.8459	0.21	-2.41
GBP/USD	1.2636	-0.38	-0.73
GBP/EUR	1.1815	-0.21	2.47
USD/JPY	160.36	0.38	13.68
EUR/JPY	171.5	0.23	10.20

* 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	5.46	5.60	5.31	4.89	4.37
EUR	4.25	3.64	3.70	3.51	3.20	2.87
GBP	5.25	5.19	5.12	4.89	4.75	4.21

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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Euro

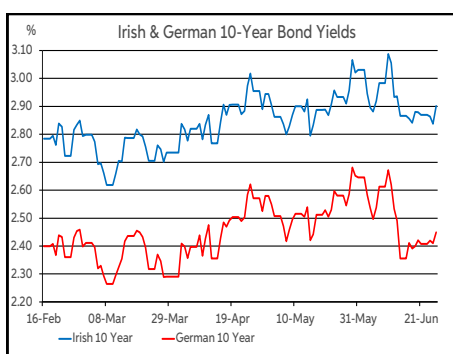
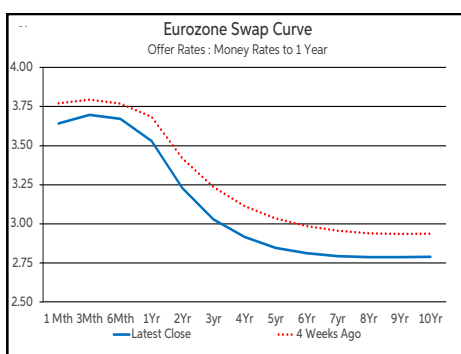
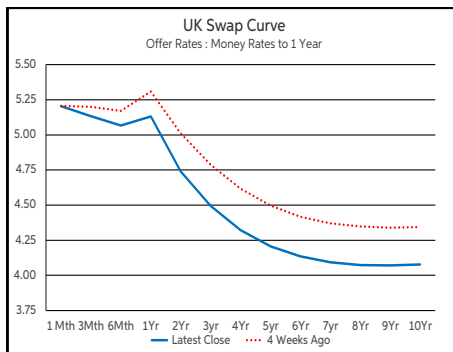
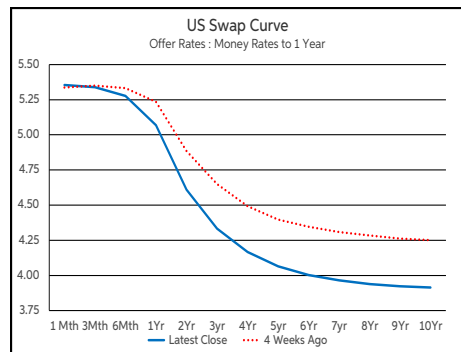
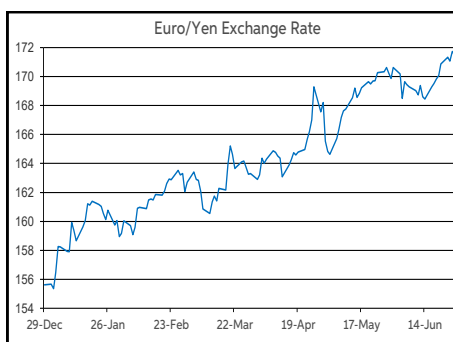
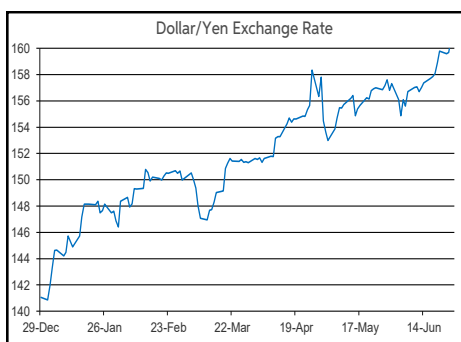
EUR/GBP	0.8459
EUR/USD	1.0693
EUR/JPY	171.5
EUR/SEK	11.2859
EUR/DKK	7.4586
EUR/NOK	11.4005
EUR/CHF	0.9588
EUR/AUD	1.6033
EUR/HKD	8.3483
EUR/CAD	1.4637

Sterling

GBP/EUR	1.1815
GBP/USD	1.2636
GBP/CAD	1.7298
GBP/NZD	2.0738
GBP/JPY	202.63
GBP/SEK	13.3343
GBP/DKK	8.812
GBP/NOK	13.4698
GBP/CHF	1.1331
GBP/AUD	1.8947

Dollar

USD/JPY	160.36
USD/CAD	1.3688
USD/CHF	0.8965
USD/CNY	7.2686
USD/BRL	5.524
USD/RUB	86.2
USD/INR	83.475
AUD/USD	0.6668
NZD/USD	0.6091



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 23
10 Year Yield %				
US	4.32	+8	-31	+46
Germany	2.45	+4	-23	+42
UK	4.14	+6	-26	+60
5 Year Swap %				
US	4.32	+7	-32	+53
Eurozone	2.85	+3	-18	+42
UK	4.21	+5	-29	+56
2 Year Swap %				
US	4.87	+5	-26	+54
Eurozone	3.23	+5	-18	+43
UK	4.74	+3	-27	+48
10 Year Government Bond Spreads to Benchmark bps				
Ireland	48	+2	+8	+14
Belgium	65	+2	+11	-1
France	74	+3	+24	+21
Italy	154	+3	+21	-13
Spain	93	+2	+18	-3
Portugal	74	+2	+13	-2
Greece	123	-1	+24	+18

Commodities				
	Close	% Change		
		Day	4 Weeks	End 23
Brent Oil	85.25	+0.28	+1.97	+10.66
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2297.9	-0.91	-1.75	+11.41

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