

Dollar dominance continues

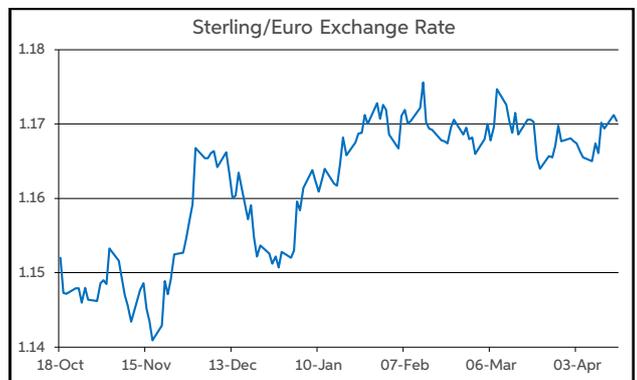
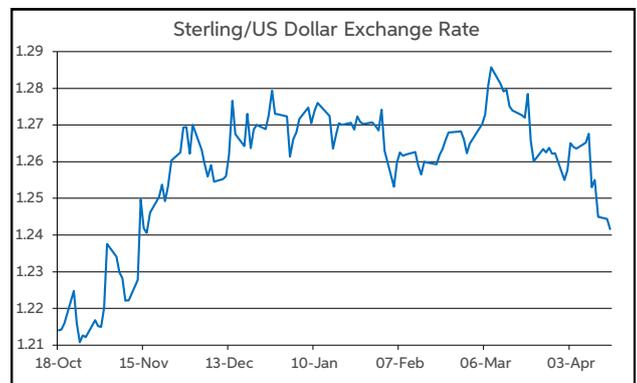
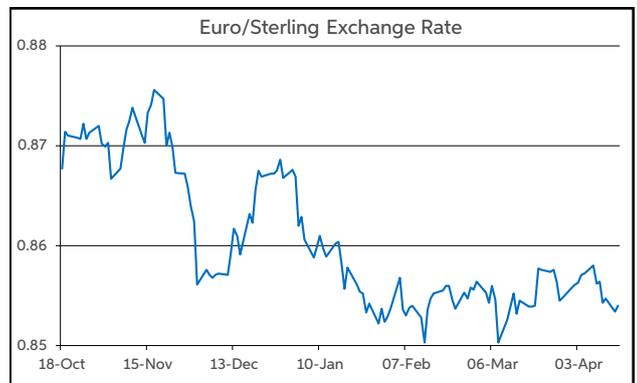
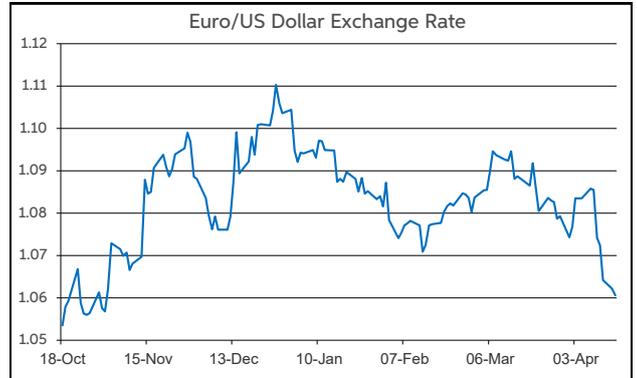
Investor sentiment continued to hold a cautious tone yesterday, amid choppy trading conditions. Escalating geopolitical tensions in the Middle East, further strong US data, and ongoing market chatter that the Fed will be forced to cut interest rates later and by less than initial thought this year were front and centre. Overall, the Euro Stoxx 50 rose by 0.6%, while the S&P 500 declined by 1.2%. Meantime, Brent crude oil remained in and around \$90 per barrel.

Data-wise, Eurozone industrial production printed in-line with the consensus, rising by 0.8% in February. Across the Atlantic, US retail sales came in well above expectations, rising by 0.7% in March compared to 0.3% forecast. Furthermore, February's reading was revised higher, and the control group measure - a key core sales metric - increased by 1.1%. The data suggest the US economy maintained very solid momentum in the first quarter of 2024.

The risk averse backdrop and strong US data helped to underpin the dollar yesterday. The greenback rose by 0.3-0.4% versus the euro, sterling and yen. In level terms, the stronger dollar is evidenced by EUR/USD opening this morning down at the \$1.06 threshold, a new YTD low. GBP/USD is back in the bottom half of the \$1.24-1.25 band. Meanwhile, USD/JPY is up above the ¥154 handle. EUR/GBP remains near the midpoint of the 85-86p range.

Already this morning, UK labour market data for February show the unemployment rate rose to 4.2%, above the 4.0% forecast. Average earnings were stronger than expected, printing at +5.6% y/y, versus the +5.5% y/y consensus. Sterling has edged slightly lower in initial aftermath of the release. Later today US industrial production figures for March are due. Remarks from a number of ECB, Fed and BoE officials will also be in focus.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0606	-0.42	-3.90
EUR/GBP	0.854	-0.08	-1.48
GBP/USD	1.2416	-0.35	-2.46
GBP/EUR	1.1704	0.08	1.50
USD/JPY	154.4	0.41	9.46
EUR/JPY	163.78	-0.01	5.24

* 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	5.45	5.15	4.68
EUR	4.50	3.84	3.92	3.61	3.24	2.81
GBP	5.25	5.18	5.16	4.97	4.87	4.35

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

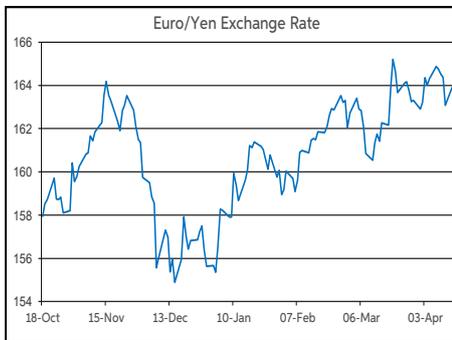
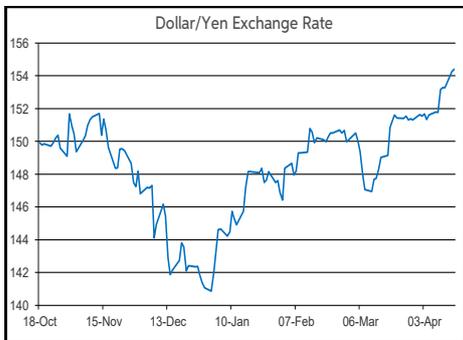
FX Spot	Karl Cooke Shane Gargan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

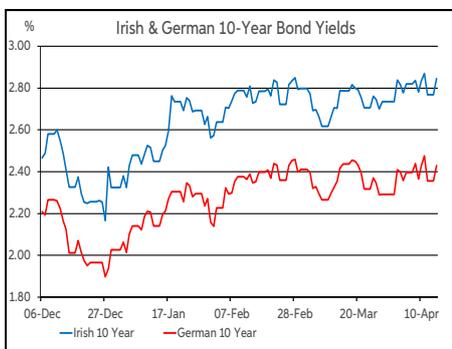
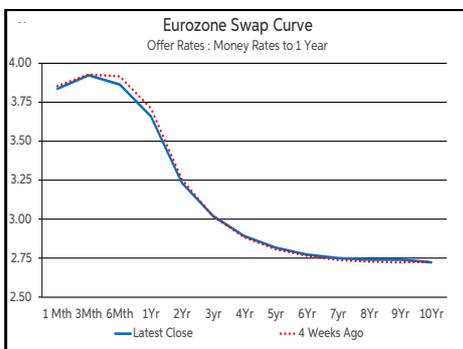
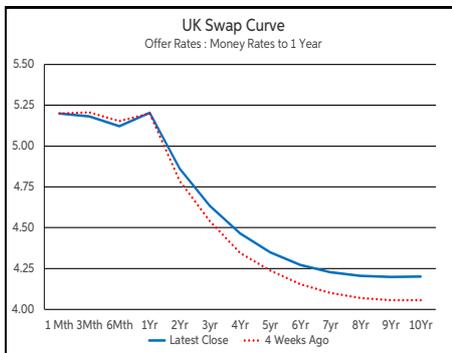
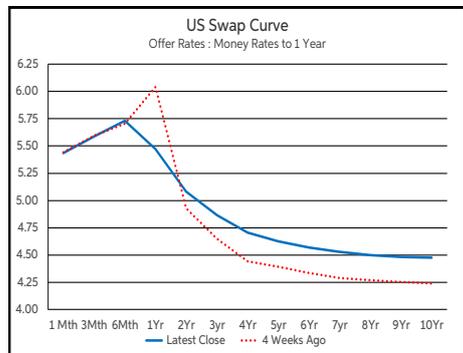
Tuesday 16 April 2024
07:27 am



Euro		Sterling		Dollar	
EUR/GBP	0.854	GBP/EUR	1.1704	USD/JPY	154.4
EUR/USD	1.0606	GBP/USD	1.2416	USD/CAD	1.3803
EUR/JPY	163.78	GBP/CAD	1.7141	USD/CHF	0.9132
EUR/SEK	11.5861	GBP/NZD	2.1096	USD/CNY	7.2385
EUR/DKK	7.4605	GBP/JPY	191.7	USD/BRL	5.1846
EUR/NOK	11.6304	GBP/SEK	13.5644	USD/RUB	93.915
EUR/CHF	0.9686	GBP/DKK	8.7325	USD/INR	83.485
EUR/AUD	1.6534	GBP/NOK	13.609	AUD/USD	0.6414
EUR/HKD	8.3027	GBP/CHF	1.134	NZD/USD	0.5884
EUR/CAD	1.4642	GBP/AUD	1.9357		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 23
10 Year Yield %				
US	4.63	+13	+29	+77
Germany	2.43	+8	-2	+41
UK	4.24	+10	+15	+70
5 Year Swap %				
US	4.63	+6	+27	+83
Eurozone	2.82	+7	+2	+39
UK	4.35	+8	+11	+70
2 Year Swap %				
US	5.08	+0	+19	+75
Eurozone	3.23	+2	-1	+44
UK	4.86	+4	+8	+60
10 Year Government Bond Spreads to Benchmark bps				
Ireland	45	+0	+6	+11
Belgium	57	+1	+5	-10
France	53	+2	+9	-0
Italy	141	+3	+19	-26
Spain	85	+2	+6	-12
Portugal	69	+0	+6	-7
Greece	95	+0	+8	-10



Commodities				
	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	90.1	-0.39	+3.69	+16.95
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2382.5	+1.67	+10.30	+15.51

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