

EUR/USD straddles \$1.09

There was a relatively quiet start to the week on financial markets yesterday. On equity markets, the S&P 500 gained a modest 0.3% amid a slight softening in US market rate expectations. In contrast, the Euro Stoxx 50 shed 1.2%.

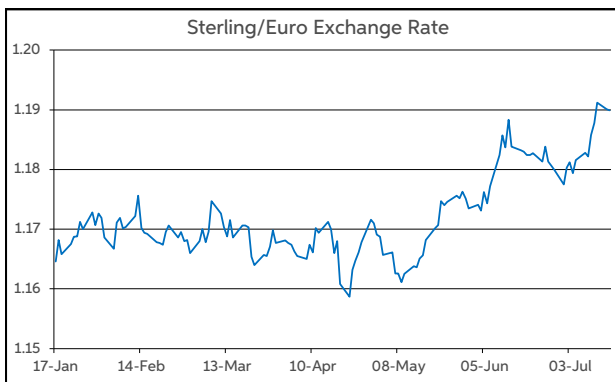
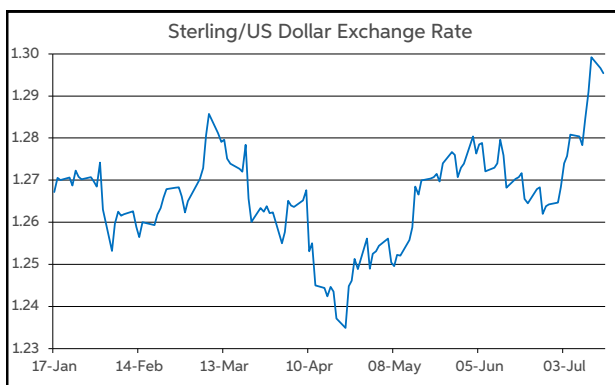
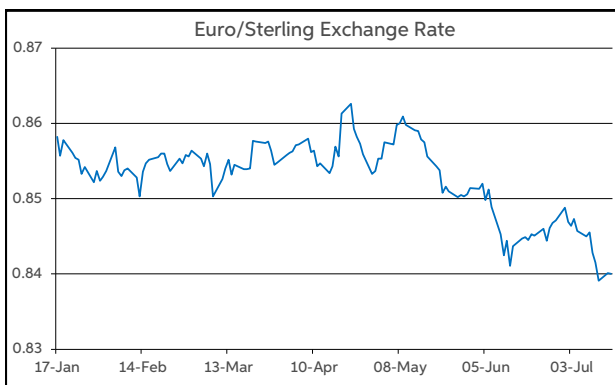
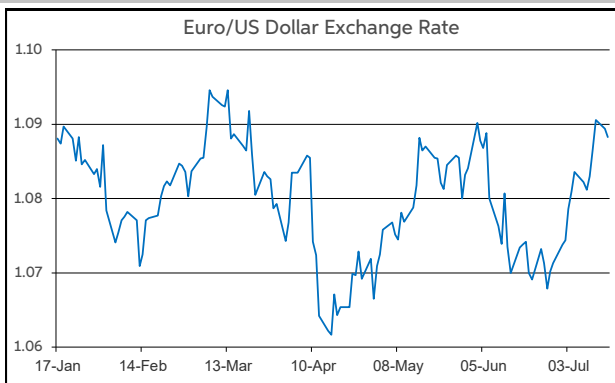
Data-wise, the main release of note was Eurozone industrial production for May. A weak reading showed output declined by 0.6% in the month, albeit this was better than the 0.8% contraction forecast. Meantime, in the US, the NY Fed manufacturing index deteriorated but also printed above the consensus, falling to -6.6 in June, compared to -7.0 expected. Overall, the data had only a negligible impact on markets.

Against this backdrop, the main FX pairs operated within quite tight ranges throughout yesterday. Of the limited moves to register, the dollar was under some marginal downward pressure. This was reflected by GBP/USD recording a fresh YTD high above \$1.299. At the same time EUR/USD tested above \$1.09 once more. However, the greenback recouped its losses overnight, supported by upbeat remarks from Fed Chair Powell on the US economy.

In level terms, EUR/USD opens this morning in the upper half of the \$1.08-1.09 corridor. GBP/USD is changing hands near the midpoint of \$1.29-1.30. Elsewhere, EUR/GBP is at the 84p handle. USD/JPY is in the top half of the ¥158-159 trading band.

Turning to the day ahead, the German ZEW economic sentiment survey is expected to show a deterioration in July. In the US, retail sales, which have softened in recent months, are projected to contract by 0.3% in June. Elsewhere in the US, homebuilder sentiment is forecast to remain at 43.0 in July.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0883	-0.08	-1.39
EUR/GBP	0.84	0.07	-3.09
GBP/USD	1.2954	-0.14	1.77
GBP/EUR	1.1899	-0.07	3.19
USD/JPY	158.62	0.40	12.45
EUR/JPY	172.67	0.33	10.95

* 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	5.44	5.55	5.06	4.55	4.11
EUR	4.25	3.63	3.66	3.45	3.07	2.74
GBP	5.25	5.14	5.09	4.78	4.61	4.13

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

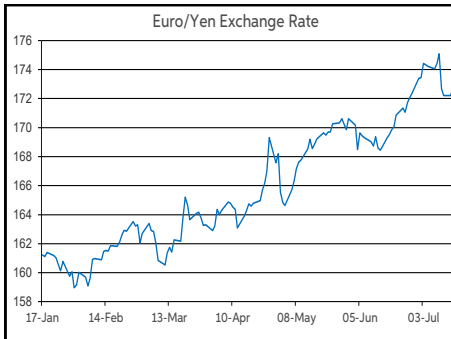
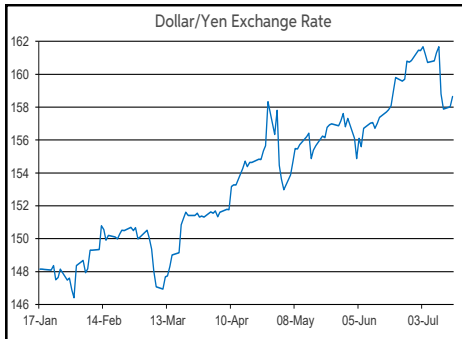
FX Spot	Karl Cooke Shane Gargan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

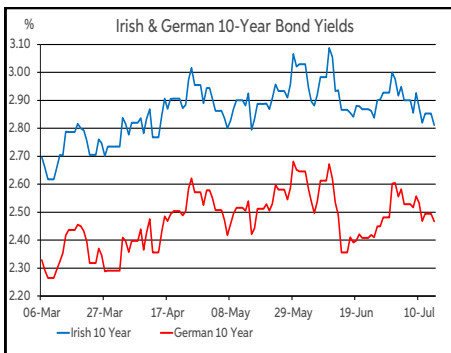
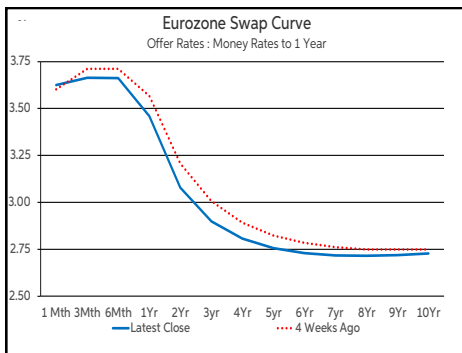
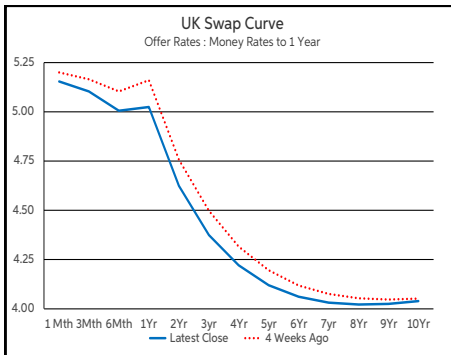
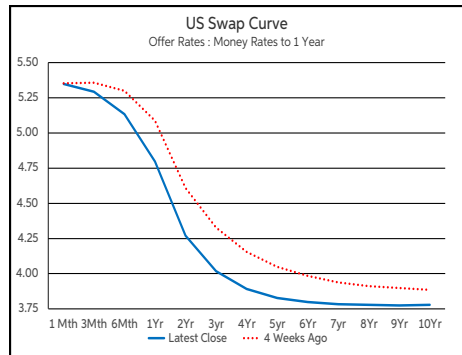
Tuesday 16 July 2024
07:11 am



Euro		Sterling		Dollar	
EUR/GBP	0.84	GBP/EUR	1.1899	USD/JPY	158.62
EUR/USD	1.0883	GBP/USD	1.2954	USD/CAD	1.3692
EUR/JPY	172.67	GBP/CAD	1.7738	USD/CHF	0.895
EUR/SEK	11.5701	GBP/NZD	2.1415	USD/CNY	7.2653
EUR/DKK	7.4606	GBP/JPY	205.48	USD/BRL	5.4484
EUR/NOK	11.8064	GBP/SEK	13.7677	USD/RUB	88
EUR/CHF	0.9742	GBP/DKK	8.8774	USD/INR	83.585
EUR/AUD	1.6161	GBP/NOK	14.047	AUD/USD	0.6734
EUR/HKD	8.4952	GBP/CHF	1.1594	NZD/USD	0.6047
EUR/CAD	1.4905	GBP/AUD	1.9235		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 23
10 Year Yield %				
US	4.23	+4	-5	+37
Germany	2.47	-3	+6	+44
UK	4.10	-1	-2	+56
5 Year Swap %				
US	4.09	+3	-20	+30
Eurozone	2.76	-3	-6	+33
UK	4.12	-1	-7	+47
2 Year Swap %				
US	4.53	-0	-33	+20
Eurozone	3.08	-3	-12	+28
UK	4.61	-2	-14	+34
10 Year Government Bond Spreads to Benchmark bps				
Ireland	37	-1	-11	+4
Belgium	56	-1	-12	-10
France	64	-1	-11	+11
Italy	128	-2	-26	-39
Spain	76	-1	-19	-20
Portugal	58	-1	-18	-18
Greece	99	-1	-27	-6



Commodities				
	Close	% Change		
		Day	4 Weeks	End 23
Brent Oil	84.85	-0.21	+0.71	+10.14
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2422.1	+0.45	+4.45	+17.43

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