

Narrow ranges for the majors

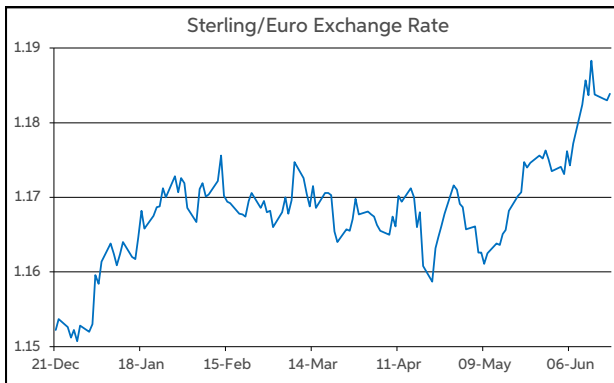
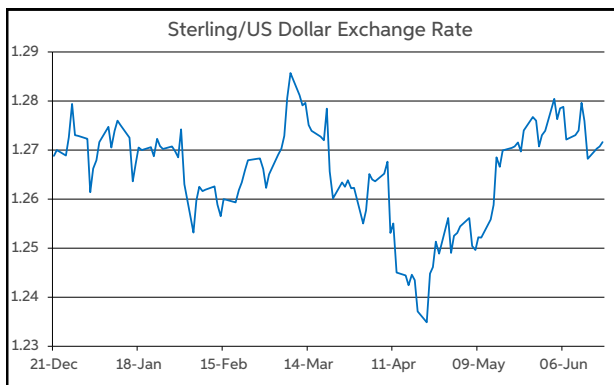
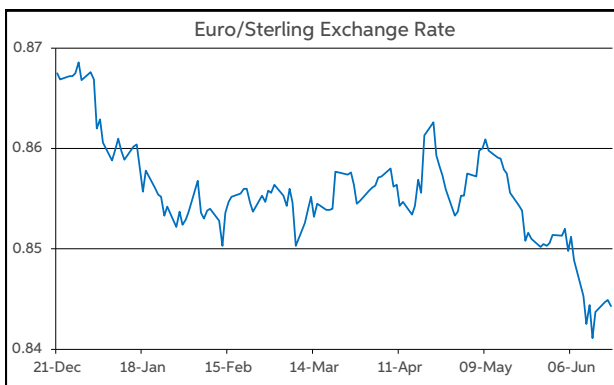
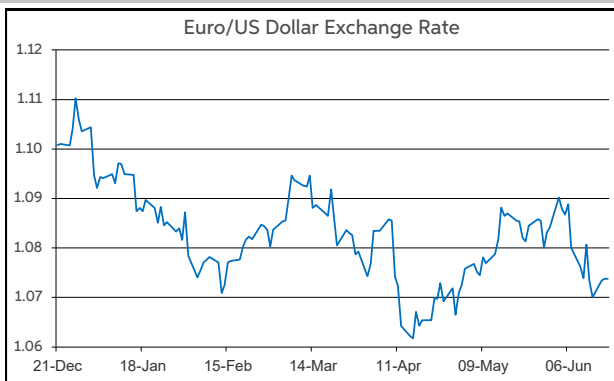
There was a relatively subdued tone to the market action yesterday. European investor sentiment continued to experience some improvement for a second day running after last week's challenging trading conditions. The Euro Stoxx 50 posted a 0.7% gain. Meantime, at the closing bell on Wall Street last night, the S&P 500 was up by a modest 0.3% on the day.

Data-wise, the focus yesterday was on the US economy. Overall, the results were mixed. The industrial production report for May saw the headline number easily beat consensus forecasts, rising by 0.9% in the month (vs. f'cast for +0.3%). The underlying manufacturing component also surpassed expectations. In contrast, the retail sales figures for May painted a disappointing picture of the all-important consumer spending side of the economy. Headline sales rose by a meagre 0.1% m/m (f'cast +0.3%). Some of the underlying components were also on the soft side. This included weakness in 'Restaurants' expenditure, which is a key discretionary spending indicator.

From a currency viewpoint, the main pairs were confined to tight ranges yesterday. The lack of action has continued in overnight trading. Of the limited moves to register over the past 24 hours, the dollar is marginally softer. In level terms, EUR/USD has edged further up from \$1.07. Meanwhile, cable (GBP/USD) has regained the \$1.27 threshold. Elsewhere, EUR/GBP continues to change hands in and around the midpoint of 84-85p.

We have already got today's main data release, with the early morning publication of UK CPI inflation data for May. The inflation rate eased to 2.0% in May, in line with forecasts. The remainder of today's schedule is quiet with a market holiday in the US.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0738	0.16	-2.70
EUR/GBP	0.8443	-0.02	-2.60
GBP/USD	1.2716	0.17	-0.10
GBP/EUR	1.184	0.02	2.66
USD/JPY	157.78	0.04	11.85
EUR/JPY	169.46	0.22	8.89

* 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	5.61	5.31	4.85	4.28
EUR	4.50	3.60	3.71	3.56	3.21	2.82
GBP	5.25	5.18	5.14	4.89	4.70	4.14

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

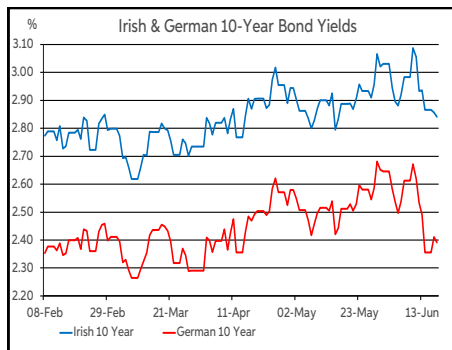
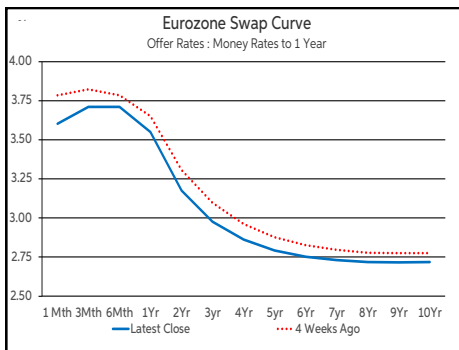
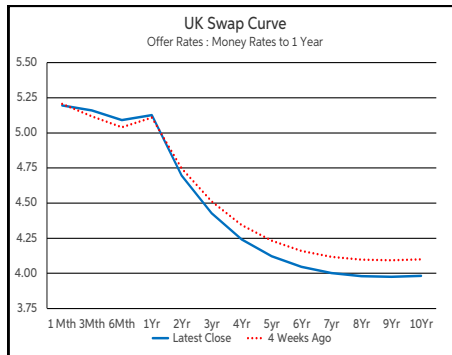
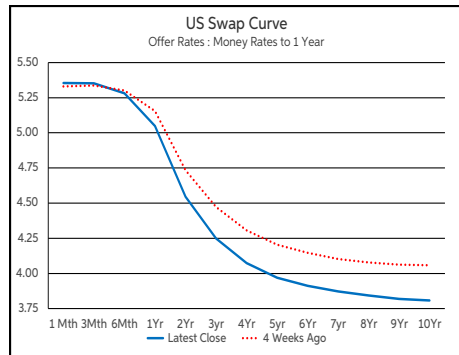
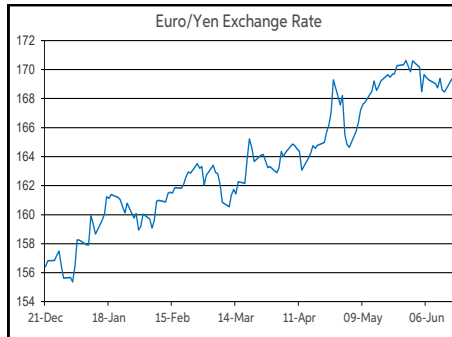
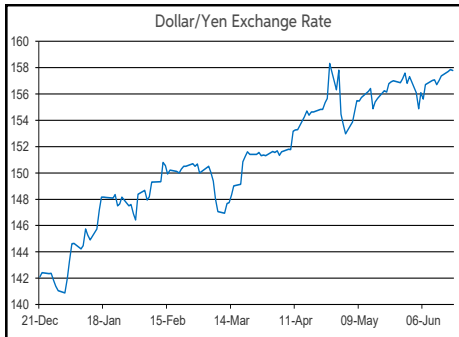
EUR/GBP	0.8443
EUR/USD	1.0738
EUR/JPY	169.46
EUR/SEK	11.1964
EUR/DKK	7.4598
EUR/NOK	11.3533
EUR/CHF	0.9492
EUR/AUD	1.6097
EUR/HKD	8.3856
EUR/CAD	1.473

Sterling

GBP/EUR	1.184
GBP/USD	1.2716
GBP/CAD	1.7442
GBP/NZD	2.0714
GBP/JPY	200.65
GBP/SEK	13.2518
GBP/DKK	8.8317
GBP/NOK	13.4417
GBP/CHF	1.1241
GBP/AUD	1.9061

Dollar

USD/JPY	157.78
USD/CAD	1.3715
USD/CHF	0.8838
USD/CNY	7.2564
USD/BRL	5.441
USD/RUB	87
USD/INR	83.415
AUD/USD	0.6671
NZD/USD	0.6136



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 23
10 Year Yield %				
US	4.22	-6	-20	+36
Germany	2.39	-2	-12	+36
UK	4.05	-7	-8	+51
Ireland	2.87	-3	-2	+50
Belgium	3.06	-3	+1	+37
France	3.12	-5	+12	+56
Italy	3.89	-6	+8	+19
Spain	3.31	-5	+4	+32
Portugal	3.13	-4	-2	+34
Greece	3.60	-7	+11	+53
5 Year Swap %				
US	4.24	-6	-21	+44
Eurozone	2.79	-2	-7	+37
UK	4.12	-7	-11	+47
2 Year Swap %				
US	4.81	-5	-18	+48
Eurozone	3.18	-2	-12	+38
UK	4.70	-6	-5	+43
10 Year Government Bond Spreads to Benchmark bps				
Ireland	47	-1	+9	+14
Belgium	67	-1	+12	+1
France	73	-3	+23	+20
Italy	149	-4	+20	-18
Spain	92	-3	+15	-4
Portugal	74	-2	+10	-2
Greece	121	-5	+22	+16

Commodities				
	Close	% Change		
		Day	4 Weeks	End 23
Brent Oil	85.33	+1.28	+2.96	+10.76
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2328.3	+0.41	-3.85	+12.88

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