

US CPI and Fed minutes due today

There was a cautious tone to investor sentiment yesterday. The Euro Stoxx 50 declined by 1.1%. Across the Atlantic, the S&P 500 registered a meagre 0.1% gain. Meantime on bond markets, 10-year US Treasury, German Bund and UK Gilt yields fell by 4-6bps. Elsewhere, oil prices moved down by circa 1%, with Brent crude edging back below \$90 per barrel.

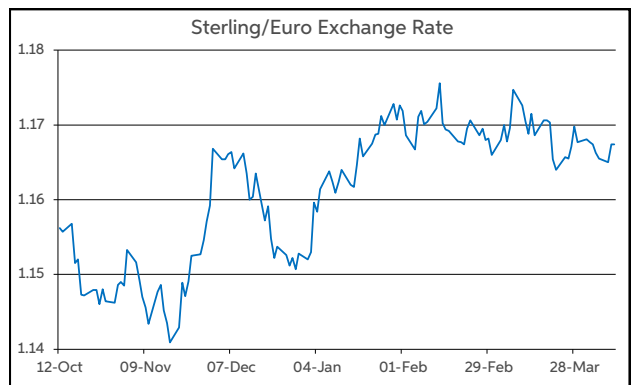
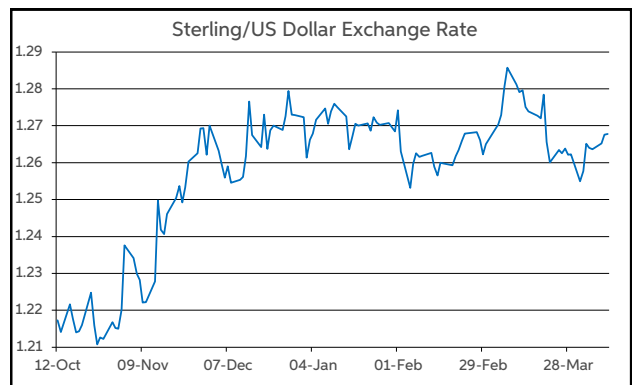
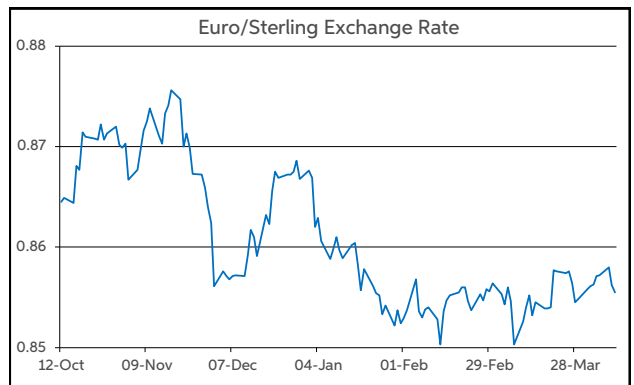
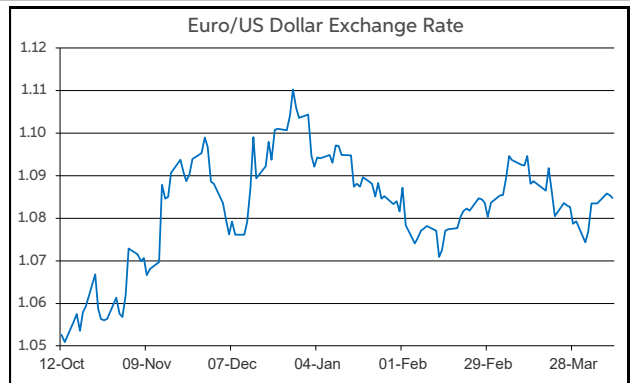
Results from the Q1 ECB Bank Lending Survey contributed to the weaker tone to European risk appetite. The survey showed that banks in the Eurozone tightened lending standards further in the quarter, but even more strikingly, demand for credit from firms fell sharply. Meanwhile, US NFIB small business optimism eased to 88.5 in April, from 89.4. The April reading was the lowest in 11 months.

Currency-wise, the main FX pairs continued to operate in very narrow ranges. Of the limited moves to register over the past 24 hours, the dollar was on the defensive early in the European session yesterday. However, the greenback had recouped most of its losses before the close last night.

As trading gets underway this morning, EUR/GBP opens near the midpoint of the 85-86p corridor. Meanwhile, EUR/USD opens once again at the halfway mark of the \$1.08-1.09 corridor. GBP/USD is operating in the top half of the \$1.26-1.27 band.

Turning to the day ahead, the main highlight will be US CPI inflation for March. The headline rate is forecast to rise to 3.4% from 3.2%, while core CPI is projected to inch lower to 3.7% from 3.8%. Meantime, the latest Fed meeting minutes will also garner attention. Both releases pose some event risk for the dollar.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0848	-0.06	-1.70
EUR/GBP	0.8555	-0.24	-1.30
GBP/USD	1.2678	0.18	-0.40
GBP/EUR	1.1686	0.25	1.32
USD/JPY	151.79	-0.07	7.61
EUR/JPY	164.69	-0.12	5.82

* v Previous Day's European Open
See Next Page for More Rates

	Base Rate	Money Market		Swap Rates		
		1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	5.38	5.43	5.56	5.32	4.92	4.42
EUR	4.50	3.88	3.90	3.62	3.19	2.73
GBP	5.25	5.19	5.14	4.84	4.64	4.11

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
---------	----------------------------	------------	------------	------------------	---------------------------	-----------------	-----------------------------------

Opening Levels

Wednesday 10 April 2024
07:31 am



Euro

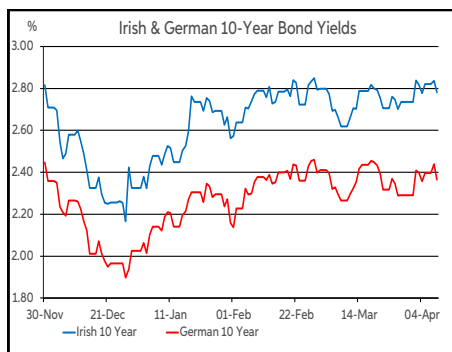
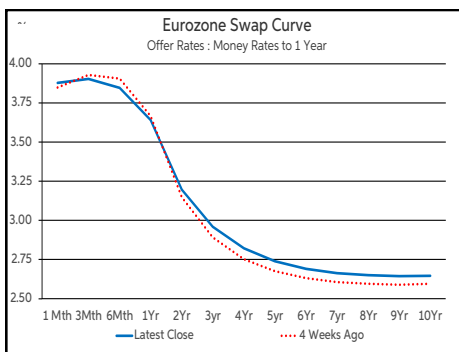
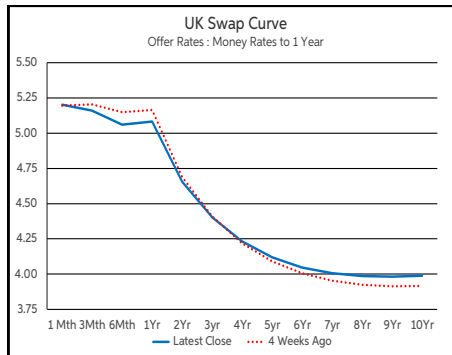
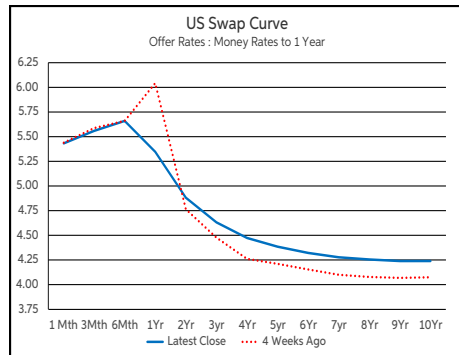
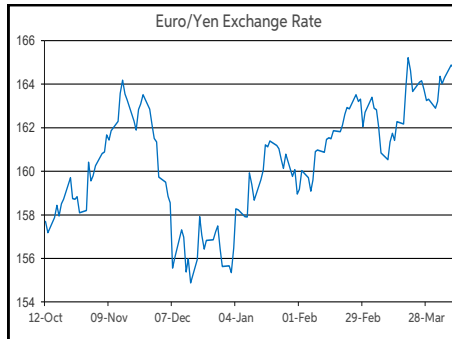
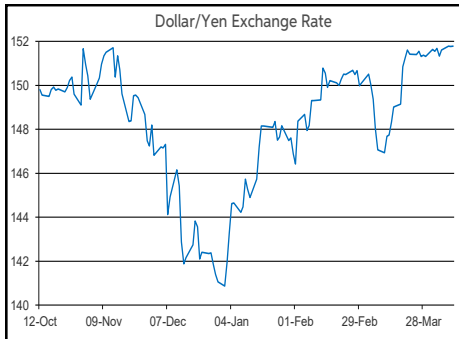
EUR/GBP	0.8555
EUR/USD	1.0848
EUR/JPY	164.69
EUR/SEK	11.4503
EUR/DKK	7.4584
EUR/NOK	11.5923
EUR/CHF	0.9805
EUR/AUD	1.6382
EUR/HKD	8.4983
EUR/CAD	1.4715

Sterling

GBP/EUR	1.1686
GBP/USD	1.2678
GBP/CAD	1.7197
GBP/NZD	2.0888
GBP/JPY	192.45
GBP/SEK	13.3777
GBP/DKK	8.7149
GBP/NOK	13.54
GBP/CHF	1.1459
GBP/AUD	1.9144

Dollar

USD/JPY	151.79
USD/CAD	1.3563
USD/CHF	0.9037
USD/CNY	7.2322
USD/BRL	5.0088
USD/RUB	92.9475
USD/INR	83.22
AUD/USD	0.6622
NZD/USD	0.6069



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 23
10 Year Yield %				
US	4.37	-6	+21	+51
Germany	2.37	-7	+4	+34
UK	4.03	-6	+8	+49
5 Year Swap %				
US	4.39	-5	+21	+59
Eurozone	2.74	-5	+7	+31
UK	4.12	-5	+3	+47
2 Year Swap %				
US	4.88	-6	+16	+55
Eurozone	3.20	-2	+6	+40
UK	4.66	-3	-3	+39
10 Year Government Bond Spreads to Benchmark bps				
Ireland	44	+1	+4	+10
Belgium	55	-1	+1	-11
France	49	+0	+4	-4
Italy	135	-1	+7	-32
Spain	81	-0	+0	-15
Portugal	67	+1	+3	-8
Greece	94	-0	+6	-11

Commodities				
	Close	% Change		
		Day	4 Weeks	End 23
Brent Oil	89.42	-1.06	+9.16	+16.07
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2352.6	+0.59	+9.02	+14.06

This publication is for information purposes and is not an invitation to deal. The information is believed to be reliable but is not guaranteed. Any expressions of opinions are subject to change without notice. This publication is not to be reproduced in whole or in part without prior permission. In the Republic of Ireland it is distributed by Allied Irish Banks, p.l.c. In the UK it is distributed by Allied Irish Banks, p.l.c. and Allied Irish Bank (GB). In Northern Ireland it is distributed by Allied Irish Bank (NI). In the United States of America it is distributed by Allied Irish Banks, p.l.c. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland. Allied Irish Bank (GB) and AIB (NI) are trade marks used under licence by AIB Group (UK) p.l.c. (a wholly owned subsidiary of Allied Irish Banks, p.l.c.), incorporated in Northern Ireland. Registered Office 92 Ann Street, Belfast BT1 3HH. Registered Number NI018800. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In the United States of America, Allied Irish Banks, p.l.c., New York Branch, is a branch licensed by the New York State Department of Financial Services. Deposits and other investment products are not FDIC insured, they are not guaranteed by any bank and they may lose value. Please note that telephone calls may be recorded in line with market practice.