

## EUR/USD in the lower half of \$1.06-1.07

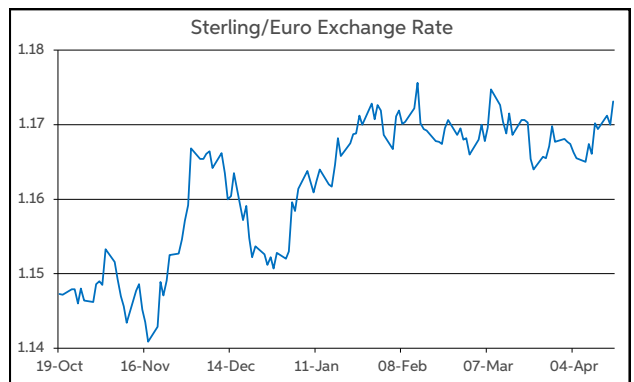
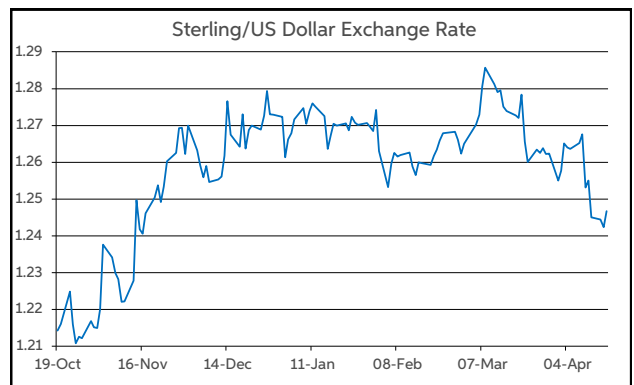
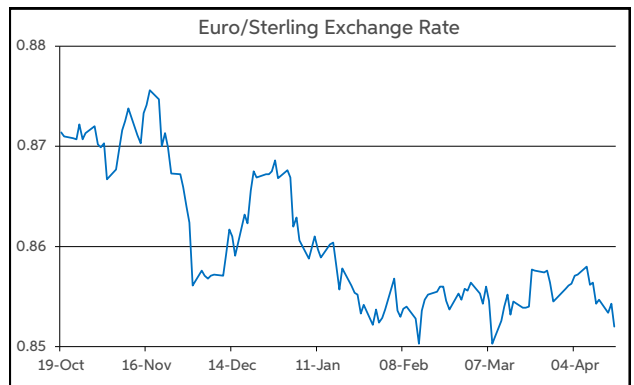
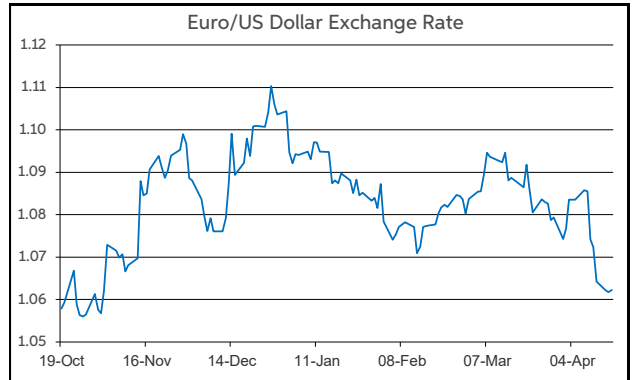
Investor sentiment remained subdued yesterday. In a similar pattern to the day prior, heightened geopolitical tensions, further strong US data and hawkish Fed rhetoric provided a difficult backdrop for risk appetite. The Euro Stoxx 50 declined by 1.4%, following some disappointing Q1 earnings data. Meantime on Wall Street, the S&P 500 fell by 0.2%. Elsewhere, Brent crude edged slightly lower, but stayed in and around \$90 per barrel.

Data-wise, US industrial production were in-line with expectations, rising by 0.4% in March. February's reading was revised higher also, and manufacturing output increased by 0.5%, more than the 0.3% forecast. On the monetary policy front, Fed Chair Powell struck a hawkish tone yesterday. He stated that it was "likely to take longer than expected" to lower rates, given the lack of further progress on inflation. In contrast, ECB President Lagarde indicated the ECB will cut rates soon, barring any major surprises.

Having initially handed back some of its recent gains yesterday, the dollar retook the ascendancy following the hawkish Fed comments. In level terms, EUR/USD opens this morning in the bottom half of \$1.06-1.07 (having reached a new YTD low of \$1.0601 yesterday). GBP/USD is in the top half of the \$1.24-1.25 trading band. Meanwhile, USD/JPY is at the midpoint of the ¥154-155 corridor. EUR/GBP remains in the 85-86p range.

Already this morning, UK CPI data for March have been released. Both the headline and core rates moved lower, but printed above the consensus at 3.2% (vs. 3.1% f'cast) and 4.2% (vs. 4.1% f'cast). UK futures contracts have hardened slightly and sterling has firmed somewhat in the initial aftermath of the release. Later today the final reading of Eurozone HICP inflation for March is due.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0623	0.10	-3.74
EUR/GBP	0.852	-0.19	-1.71
GBP/USD	1.2463	0.24	-2.09
GBP/EUR	1.1728	0.19	1.74
USD/JPY	154.53	0.18	9.55
EUR/JPY	164.19	0.27	5.50

\* 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	5.49	5.21	4.74
EUR	4.50	3.85	3.89	3.68	3.32	2.91
GBP	5.25	5.19	5.20	5.09	5.01	4.44

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

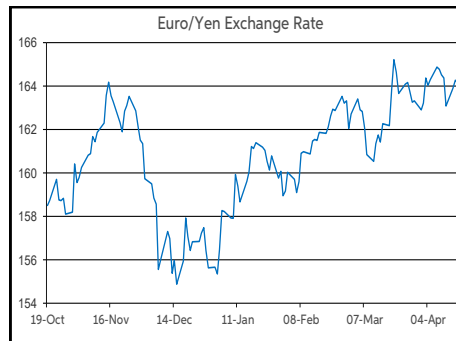
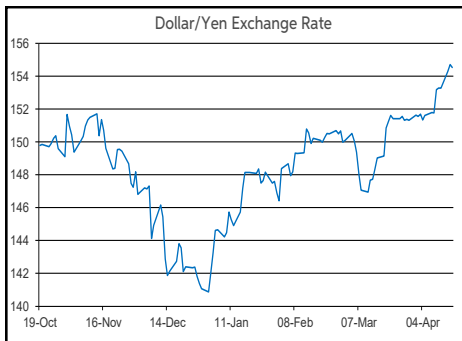
FX Spot	Karl Cooke Shane Gargan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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# Opening Levels

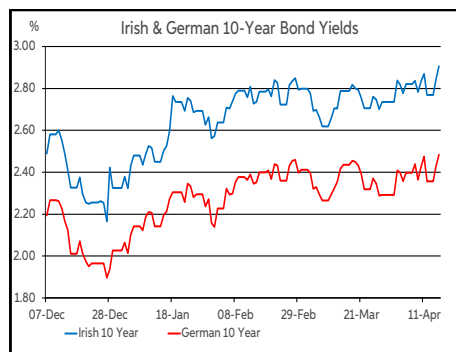
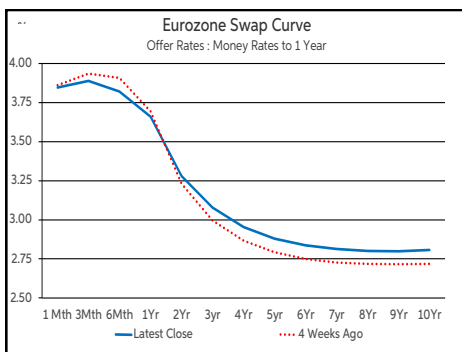
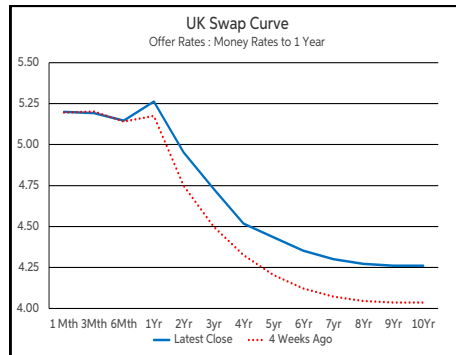
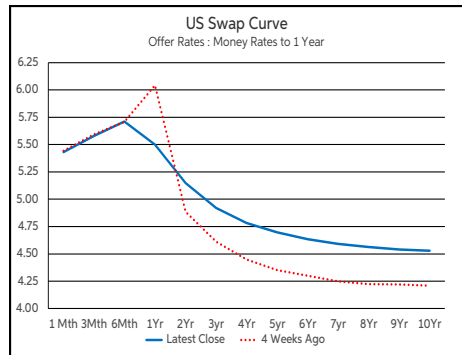
Wednesday 17 April 2024  
07:41 am



Euro		Sterling		Dollar	
EUR/GBP	0.852	GBP/EUR	1.1728	USD/JPY	154.53
EUR/USD	1.0623	GBP/USD	1.2463	USD/CAD	1.3821
EUR/JPY	164.19	GBP/CAD	1.7228	USD/CHF	0.9121
EUR/SEK	11.6272	GBP/NZD	2.1104	USD/CNY	7.2395
EUR/DKK	7.4609	GBP/JPY	192.59	USD/BRL	5.2864
EUR/NOK	11.6608	GBP/SEK	13.6396	USD/RUB	94.395
EUR/CHF	0.9688	GBP/DKK	8.752	USD/INR	83.653
EUR/AUD	1.6543	GBP/NOK	13.675	AUD/USD	0.6419
EUR/HKD	8.3179	GBP/CHF	1.137	NZD/USD	0.5904
EUR/CAD	1.4682	GBP/AUD	1.9415		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 23
<b>10 Year Yield %</b>				
US	4.66	+3	+36	+80
Germany	2.49	+5	+4	+46
UK	4.30	+6	+24	+76
<b>5 Year Swap %</b>				
US	4.70	+7	+39	+90
Eurozone	2.88	+6	+10	+45
UK	4.43	+8	+23	+78
<b>2 Year Swap %</b>				
US	5.15	+6	+30	+81
Eurozone	3.28	+5	+6	+49
UK	4.95	+9	+21	+69
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	45	+0	+7	+11
Belgium	57	+1	+5	-9
France	52	-1	+8	-1
Italy	143	+2	+16	-24
Spain	85	-0	+4	-12
Portugal	71	+1	+8	-5
Greece	101	+6	+11	-4



Commodities				
	Close	% Change		
		Day	4 Weeks	End 23
Brent Oil	90.02	-0.09	+3.02	+16.85
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2382.8	+0.01	+10.46	+15.53

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