

Quiet data schedule ahead

Investor sentiment continued to rebound yesterday on both sides of the Atlantic. Having initially traded in the red, the Euro Stoxx 50 erased its losses late on to finish flat for the day. Meantime, on Wall Street, the S&P 500 gained 2.3%. These moves occurred amid a relatively quiet data schedule

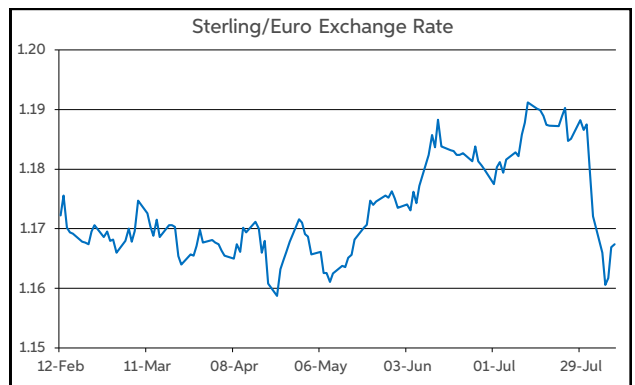
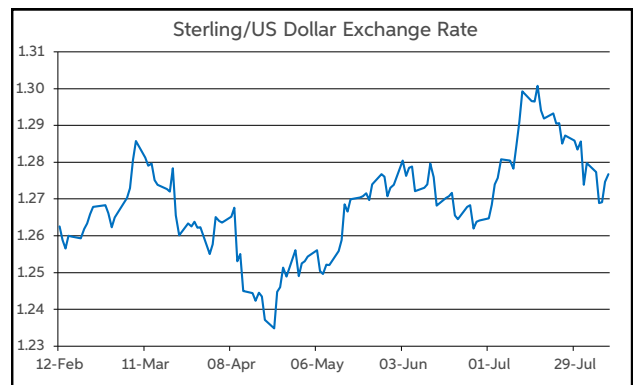
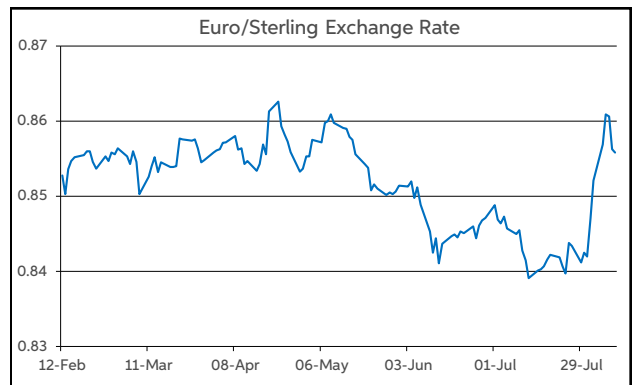
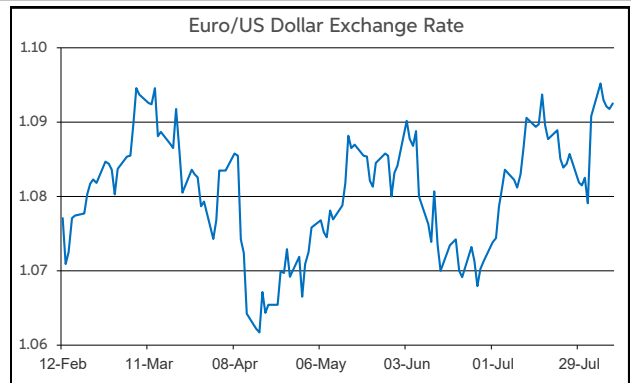
On bond markets, US Treasury yields rose by 3-8bps along the curve. The move coincided with a modest hardening in US rate expectations. Futures pricing indicates investors have trimmed bets of a 50bps rate cut in September. Meanwhile, there is around 100bps of policy easing now priced in by year-end, compared to 110bps at the start of the week. On the data front, the only release of note yesterday was the latest reading of weekly initial jobless claims in the US. Claims printed just below the consensus, at 233k compared to 240k forecast, and down from 250k in the week prior.

Amid the hardening in US rate expectations and the improvement in the jobless claims data, the dollar strengthened yesterday. The greenback moved higher against the euro and yen. However, the euro recouped its losses versus the dollar overnight. Elsewhere, sterling was holding a firmer tone yesterday.

In level terms, EUR/USD opens this morning in the lower half of \$1.09-1.10, broadly unchanged from yesterday's starting point. GBP/USD is in the top half of \$1.27-1.28. EUR/GBP is back at the midpoint of 85-86p. Meanwhile, USD/JPY is up above the ¥147.

Today, the macro-calendar remains relatively quiet once again. The final reading of Italian HICP is the only release of note. It is set confirm inflation rose to 1.7% in July. However, the data are unlikely to impact the euro.

Daniel Noonan, Economist, AIB



| Today's Opening FX Rates | | | |
|--------------------------|--------|----------|----------|
| | | % Change | |
| | | Day * | End 2023 |
| EUR/USD | 1.0925 | -0.05 | -1.01 |
| EUR/GBP | 0.8556 | -0.63 | -1.29 |
| GBP/USD | 1.2764 | 0.54 | 0.27 |
| GBP/EUR | 1.1682 | 0.63 | 1.31 |
| USD/JPY | 147.12 | 0.67 | 4.30 |
| EUR/JPY | 160.75 | 0.61 | 3.29 |

* 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 | 5.37 | 4.60 | 4.13 | 3.79 |
| EUR | 4.25 | 3.59 | 3.57 | 3.13 | 2.75 | 2.51 |
| GBP | 5.00 | 4.94 | 4.91 | 4.50 | 4.33 | 3.95 |

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

Friday 09 August 2024
07:44 am



Euro

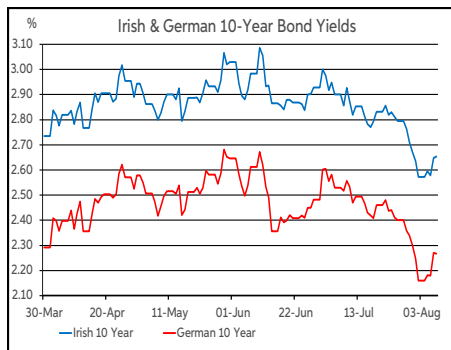
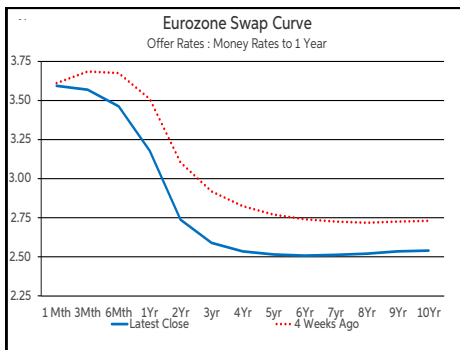
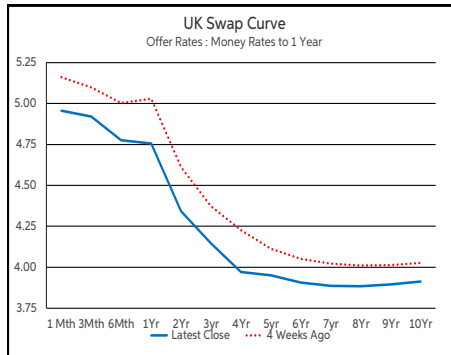
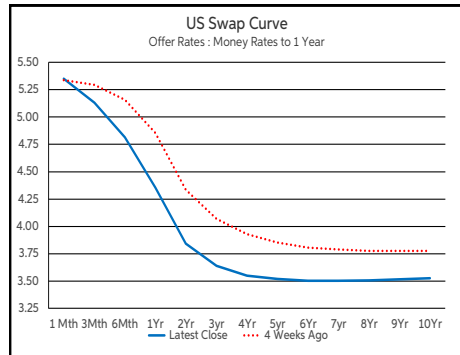
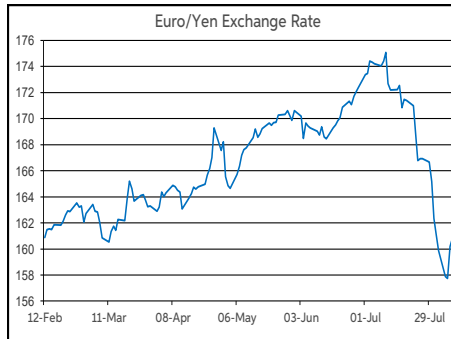
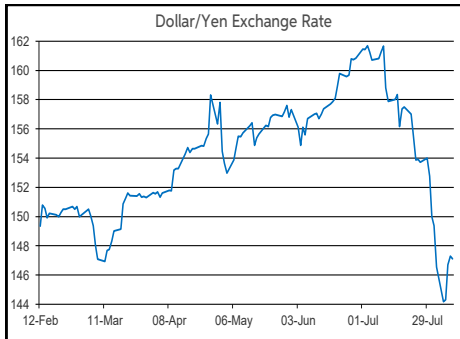
| | |
|---------|---------|
| EUR/GBP | 0.8556 |
| EUR/USD | 1.0925 |
| EUR/JPY | 160.75 |
| EUR/SEK | 11.4691 |
| EUR/DKK | 7.462 |
| EUR/NOK | 11.8189 |
| EUR/CHF | 0.9468 |
| EUR/AUD | 1.6553 |
| EUR/HKD | 8.5151 |
| EUR/CAD | 1.4993 |

Sterling

| | |
|---------|---------|
| GBP/EUR | 1.1682 |
| GBP/USD | 1.2764 |
| GBP/CAD | 1.7519 |
| GBP/NZD | 2.1183 |
| GBP/JPY | 187.78 |
| GBP/SEK | 13.3983 |
| GBP/DKK | 8.7167 |
| GBP/NOK | 13.8097 |
| GBP/CHF | 1.106 |
| GBP/AUD | 1.9342 |

Dollar

| | |
|---------|---------|
| USD/JPY | 147.12 |
| USD/CAD | 1.3722 |
| USD/CHF | 0.8666 |
| USD/CNY | 7.1703 |
| USD/BRL | 5.5473 |
| USD/RUB | 87 |
| USD/INR | 83.8925 |
| AUD/USD | 0.6598 |
| NZD/USD | 0.6025 |



| Debt Markets | | | | |
|---|-------|------------|---------|--------|
| | Close | Change bps | | |
| | | Day | 4 Weeks | End 23 |
| 10 Year Yield % | | | | |
| US | 4.00 | +3 | -20 | +14 |
| Germany | 2.27 | -0 | -20 | +24 |
| UK | 3.98 | +3 | -10 | +44 |
| 5 Year Swap % | | | | |
| US | 3.79 | +7 | -32 | -1 |
| Eurozone | 2.52 | +0 | -25 | +9 |
| UK | 3.95 | +3 | -16 | +30 |
| 2 Year Swap % | | | | |
| US | 4.08 | +5 | -51 | -26 |
| Eurozone | 2.74 | -0 | -36 | -6 |
| UK | 4.34 | +3 | -26 | +8 |
| 10 Year Government Bond Spreads to Benchmark bps | | | | |
| Ireland | 42 | +0 | +4 | +8 |
| Belgium | 61 | +0 | +4 | -5 |
| France | 74 | -0 | +9 | +21 |
| Italy | 143 | -1 | +11 | -24 |
| Spain | 86 | +0 | +10 | -10 |
| Portugal | 65 | +0 | +5 | -10 |
| Greece | 112 | +0 | +10 | +7 |

| Commodities | | | | |
|----------------|--------|----------|---------|--------|
| | Close | % Change | | |
| | | Day | 4 Weeks | End 23 |
| Brent Oil | 79.16 | +1.06 | -7.31 | +2.75 |
| West Texas Oil | 71.65 | -0.17 | -1.90 | -1.27 |
| Gold \$ | 2426.7 | +1.90 | +0.50 | +17.66 |

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