

## Dollar remains on the defensive

There was a generally quiet start to the week on financial markets yesterday. This was not overly surprising given the sparse macro calendar. Indeed, there were no data releases of any note on either side of the Atlantic. At the same time, some investors were taking to the side-lines, with the much anticipated Jackson Hole Economic Symposium (which will include a speech from Fed Chair Powell) looming on the horizon at the end of the week.

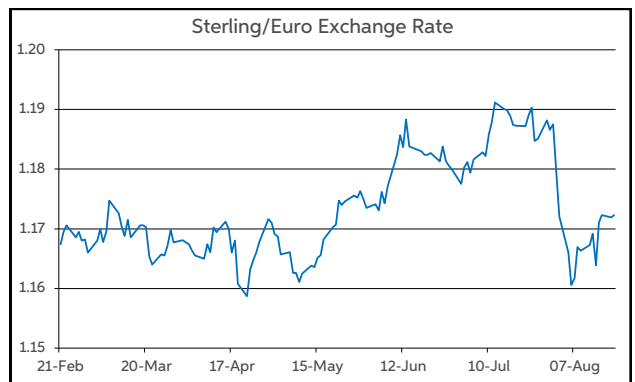
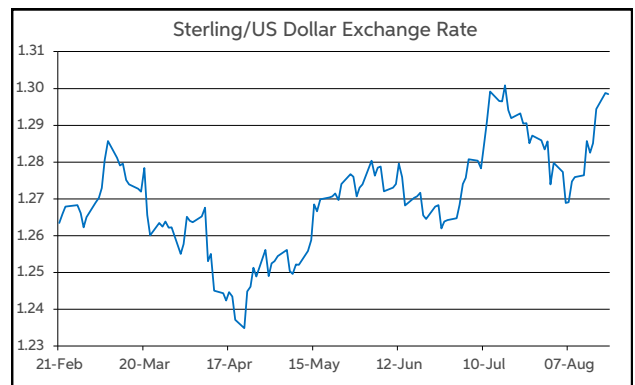
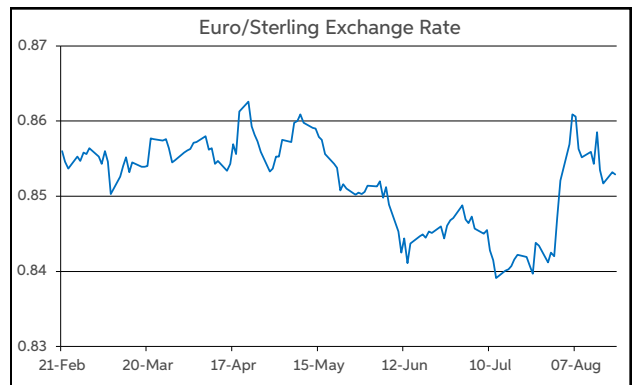
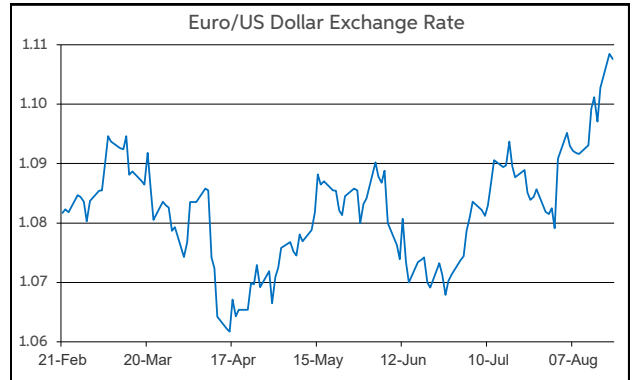
Against this backdrop, the positive tone to risk appetite from last week carried into yesterday. In Europe, the Euro Stoxx 50 gained 0.6%. At the closing bell on Wall Street last night, the S&P 500 was up 1.0% on the day. Meanwhile, on bond markets, there were minimal changes to the main sovereign yields.

On currency markets, the dollar came into the start of yesterday's European session on the defensive, having lost some ground last week amid the improvement in investor sentiment. It continued to remain under pressure throughout yesterday, as market participants contemplated the potential for dovish guidance from Fed Chair Powell later this week.

This was reflected in EUR/USD trading up to a new year-to date high of \$1.1087. At the same time, GBP/USD traded in and around the \$1.30 threshold. Elsewhere, EUR/GBP operated in a narrow range in the lower half of the 85-86p band. Meanwhile, the yen continued to experience some volatility, with the currency holding a softer tone, having initially started yesterday on the rise.

Looking ahead to today, the macro diary remains sparse. The final reading of Eurozone HICP inflation for July is the only release of note (no revisions expected).

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.1076	0.34	0.36
EUR/GBP	0.8529	0.11	-1.60
GBP/USD	1.2985	0.27	2.01
GBP/EUR	1.1722	-0.11	1.63
USD/JPY	147.14	0.67	4.31
EUR/JPY	162.97	0.99	4.72

\* 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	5.42	5.39	4.64	4.14	3.76
EUR	4.25	3.60	3.56	3.12	2.75	2.50
GBP	5.00	4.94	4.89	4.50	4.35	3.94

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 20 August 2024  
07:20 am



## Euro

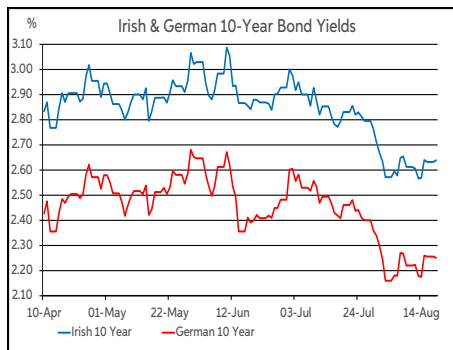
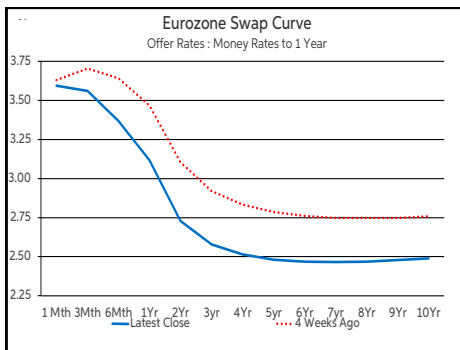
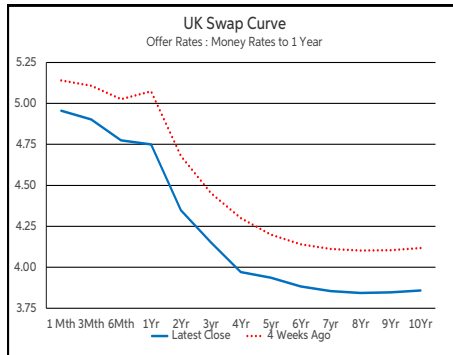
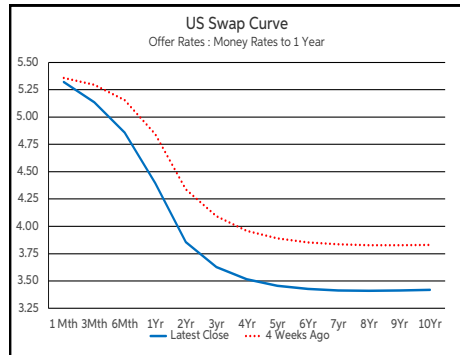
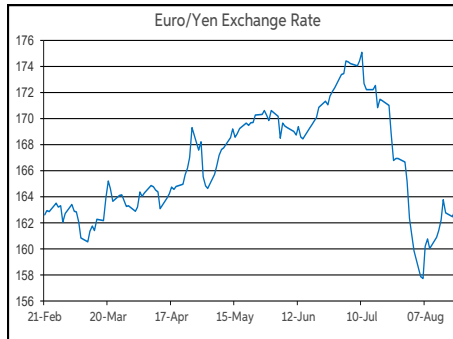
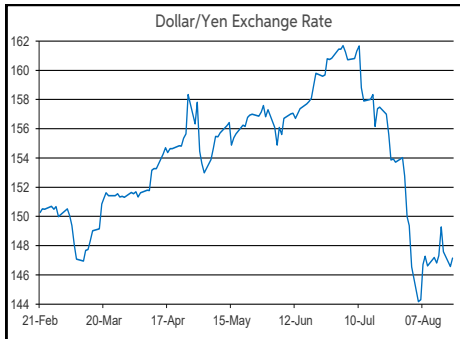
EUR/GBP	0.8529
EUR/USD	1.1076
EUR/JPY	162.97
EUR/SEK	11.423
EUR/DKK	7.4622
EUR/NOK	11.6968
EUR/CHF	0.9543
EUR/AUD	1.6473
EUR/HKD	8.628
EUR/CAD	1.51

## Sterling

GBP/EUR	1.1722
GBP/USD	1.2985
GBP/CAD	1.7703
GBP/NZD	2.1201
GBP/JPY	191.06
GBP/SEK	13.3926
GBP/DKK	8.7482
GBP/NOK	13.713
GBP/CHF	1.1188
GBP/AUD	1.9313

## Dollar

USD/JPY	147.14
USD/CAD	1.3633
USD/CHF	0.8616
USD/CNY	7.1465
USD/BRL	5.4051
USD/RUB	90
USD/INR	83.7925
AUD/USD	0.6721
NZD/USD	0.6124



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 23
<b>10 Year Yield %</b>				
US	3.87	-2	-39	+1
Germany	2.25	-0	-23	+23
UK	3.93	-0	-24	+39
<b>5 Year Swap %</b>				
Ireland	2.66	-1	-22	+30
Belgium	2.85	-1	-19	+16
France	2.97	-1	-17	+42
Italy	3.62	-2	-15	-7
Spain	3.08	-1	-18	+9
Portugal	2.87	-2	-21	+8
Greece	3.33	+0	-11	+25
<b>2 Year Swap %</b>				
US	3.71	-1	-42	-8
Eurozone	2.48	-0	-30	+5
UK	3.94	-0	-26	+29
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	41	-0	+1	+7
Belgium	59	-1	+4	-7
France	72	-1	+6	+19
Italy	137	-1	+8	-30
Spain	83	-1	+5	-13
Portugal	61	-2	+2	-14
Greece	108	+1	+12	+3

Commodities				
	Close	% Change		
		Day	4 Weeks	End 23
Brent Oil	77.66	-2.54	-5.75	+0.80
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2503.9	-0.13	+4.43	+21.40

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