

EUR/USD north of \$1.11

The generally quiet start to the week on financial markets continued yesterday. This was against the backdrop of a very sparse data schedule on both sides of the Atlantic. Indeed, the only release of any note yesterday was the final reading of Eurozone HICP inflation for July. The data printed in-line with the consensus, and were unchanged from the flash estimate. Headline HICP was confirmed at 2.6% in July, while the core rate was at 2.8%.

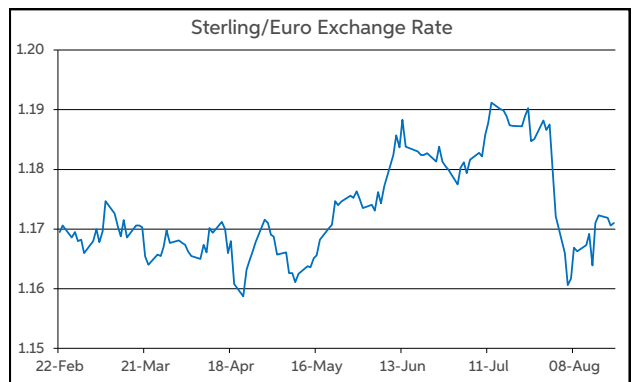
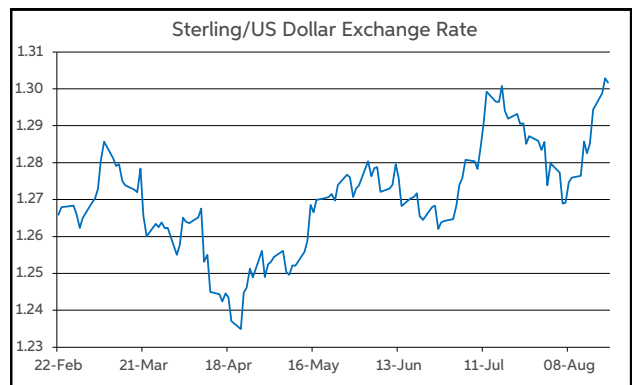
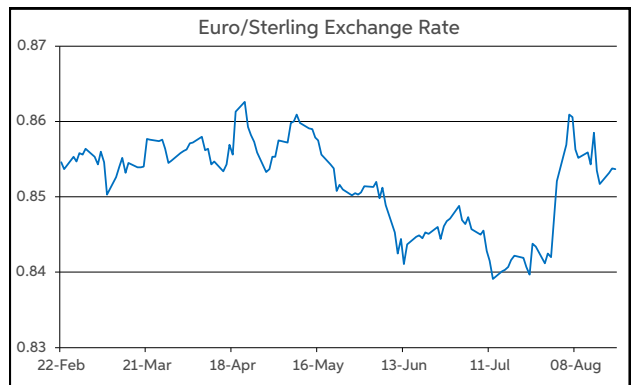
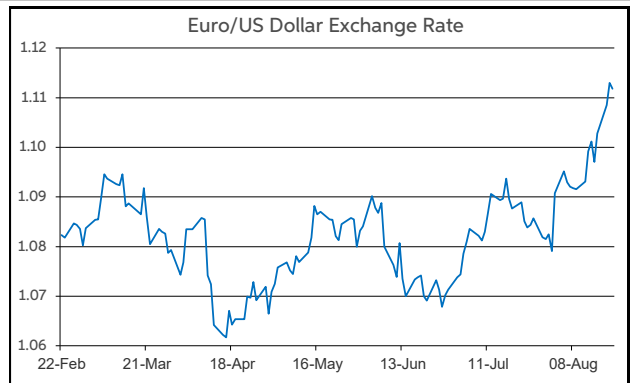
On equity markets, the S&P 500 notched a minor 0.2% loss, following eight consecutive days of gains. Similarly, the Euro Stoxx 50 drifted 0.3% lower. Meantime, sovereign yields declined across the board. German Bund and UK Gilt yields fell by 2-4bps, while US Treasury yields moved 5-8bps lower.

On the currency front, the dollar has remained under downward pressure over the past 24 hours, amid the more pronounced decline in US yields. This has seen EUR/USD and GBP/USD register fresh year-to-date highs of \$1.1132 and \$1.305, respectively. At the same time, the yen has been holding a firmer tone.

As trading gets underway this morning, EUR/USD remains above the \$1.11 threshold. GBP/USD is operating up in the lower half of the \$1.30-1.31 range. Meanwhile, EUR/GBP is in the bottom half of the 85-86p corridor. The firmer tone to the yen and the softer dollar sees USD/JPY changing hands below ¥146.

Turning to the day ahead, the data calendar is once again quite sparse. Meantime, on the monetary policy front, the latest Fed FOMC meeting minutes are due after the European close. However, barring any major surprises, the minutes are unlikely to impact the dollar.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.1118	0.37	0.74
EUR/GBP	0.8537	0.04	-1.51
GBP/USD	1.3017	0.29	2.26
GBP/EUR	1.1707	-0.04	1.53
USD/JPY	145.59	-0.91	3.21
EUR/JPY	161.88	-0.53	4.02

* 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	4.58	4.08	3.68
EUR	4.25	3.58	3.55	3.08	2.70	2.45
GBP	5.00	4.94	4.89	4.50	4.34	3.94

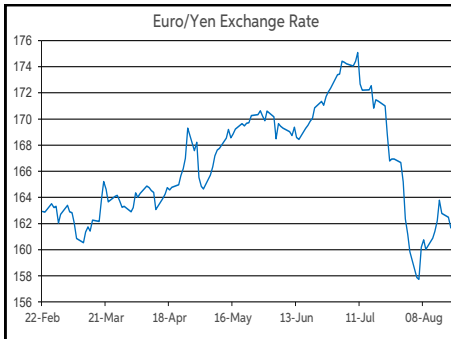
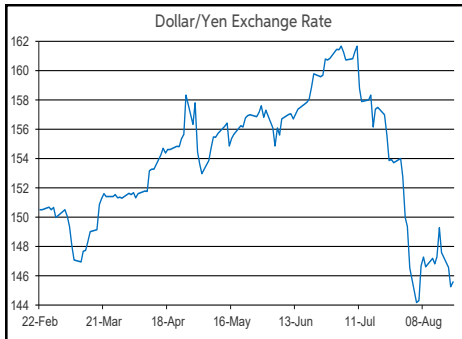
All rates quoted are indicative market rates

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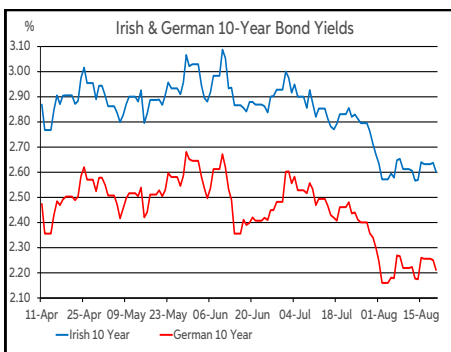
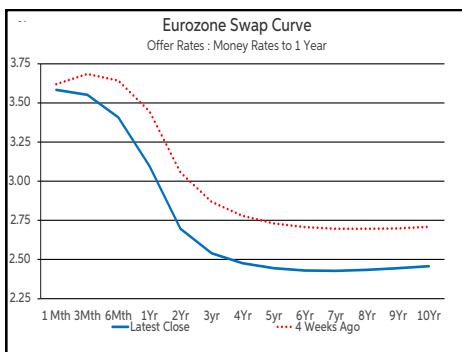
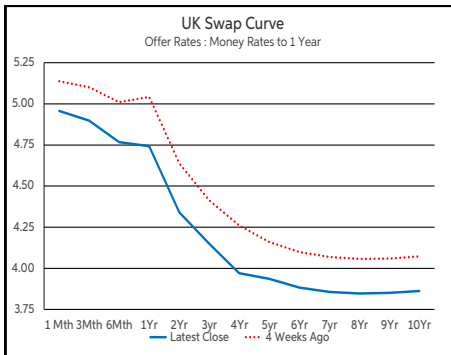
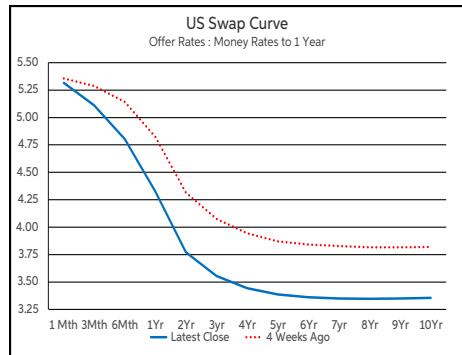
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Euro		Sterling		Dollar	
EUR/GBP	0.8537	GBP/EUR	1.1707	USD/JPY	145.59
EUR/USD	1.1118	GBP/USD	1.3017	USD/CAD	1.3616
EUR/JPY	161.88	GBP/CAD	1.7729	USD/CHF	0.854
EUR/SEK	11.3604	GBP/NZD	2.1186	USD/CNY	7.1328
EUR/DKK	7.4622	GBP/JPY	189.51	USD/BRL	5.479
EUR/NOK	11.6774	GBP/SEK	13.2978	USD/RUB	91.3
EUR/CHF	0.9495	GBP/DKK	8.7382	USD/INR	83.8975
EUR/AUD	1.6487	GBP/NOK	13.6695	AUD/USD	0.674
EUR/HKD	8.6617	GBP/CHF	1.1122	NZD/USD	0.6145
EUR/CAD	1.5139	GBP/AUD	1.9312		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 23
10 Year Yield %				
US	3.82	-5	-42	-4
Germany	2.22	-4	-22	+19
UK	3.92	-1	-21	+38
5 Year Swap %				
US	3.65	-7	-47	-15
Eurozone	2.44	-4	-28	+2
UK	3.94	-0	-22	+28
2 Year Swap %				
US	4.01	-10	-55	-32
Eurozone	2.70	-3	-35	-10
UK	4.34	-1	-29	+8
10 Year Government Bond Spreads to Benchmark bps				
Ireland	42	+1	+1	+8
Belgium	59	+0	+3	-7
France	73	+1	+4	+20
Italy	138	+1	+7	-29
Spain	83	-0	+3	-14
Portugal	61	+0	-1	-14
Greece	109	+2	+8	+4



Commodities				
	Close	% Change		
		Day	4 Weeks	End 23
Brent Oil	77.2	-0.59	-4.70	+0.21
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2513.7	+0.39	+4.34	+21.87

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