

## Price action remains muted

The action across the main asset markets remained muted yesterday. A dearth of top tier data releases meant there was no new information to provide fresh impetus for investor sentiment. At the same time, remarks from ECB and Fed speakers over the past 24 hours have tended to push back against market expectations for substantial rate cuts this year. However, the remarks have had minimal impact on market rate expectations.

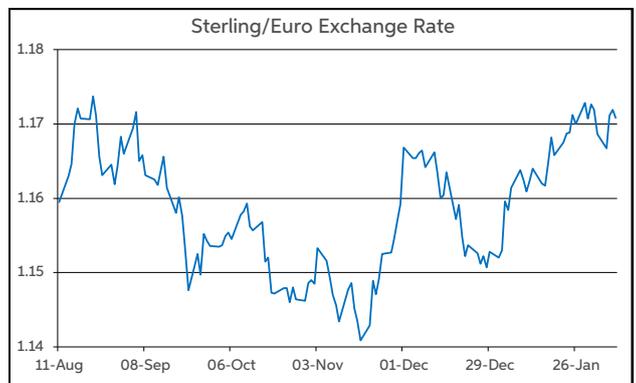
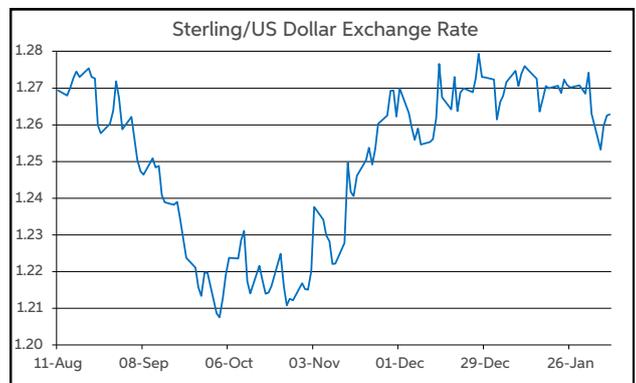
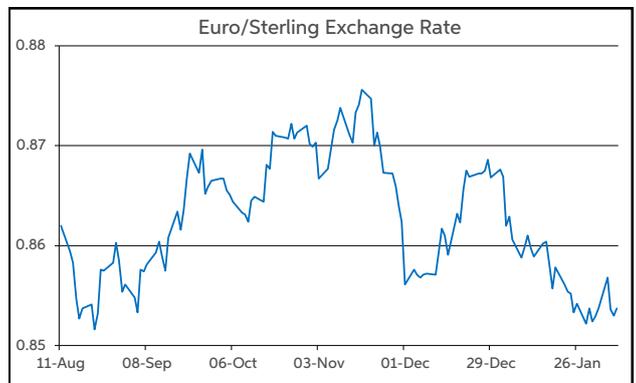
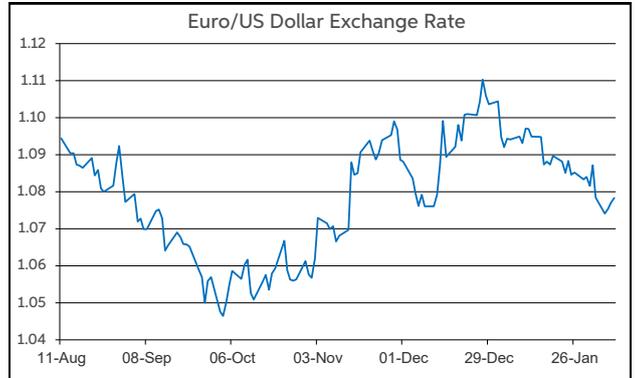
Against this backdrop, the Euro Stoxx 50 fell by 0.3% yesterday. Meantime, on Wall Street, the S&P 500 rose by 0.8%, amid some better than anticipated Q4 earnings reports. In terms of fixed income, benchmark sovereign yields marginally higher across the board. Elsewhere, oil prices crept slightly higher, with Brent crude rising by 0.8%, to above \$79 per barrel.

On the currency front, the main FX pairs remained confined to very tight ranges yesterday. Of the limited price action to register, the dollar was under some slight downward pressure. Elsewhere, the yen has been on the defensive overnight, amid a dovish reaction to comments from BoJ Deputy Governor Uchida.

In level terms, the modestly softer dollar sees EUR/USD open up nearer to the \$1.08 threshold. GBP/USD is in the lower half of the \$1.26-1.27 range. EUR/GBP remains in the 85-86p corridor. EUR/JPY is trading up near the midpoint of ¥160-161.

Turning to the day ahead, the data calendar remains rather sparse. The main release of note will be the latest weekly initial jobless claims figure in the US. Meantime, speeches from a slew of central officials at the ECB, Fed and BoE may garner some attention.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0784	0.20	-2.28
EUR/GBP	0.8537	-0.01	-1.51
GBP/USD	1.2629	0.20	-0.79
GBP/EUR	1.1707	0.01	1.53
USD/JPY	148.74	0.53	5.44
EUR/JPY	160.42	0.75	3.08

\* 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	5.58	5.14	4.57	4.10
EUR	4.50	3.89	3.93	3.58	3.07	2.70
GBP	5.25	5.18	5.20	4.94	4.66	4.12

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

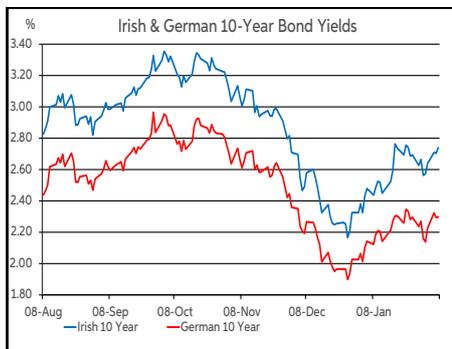
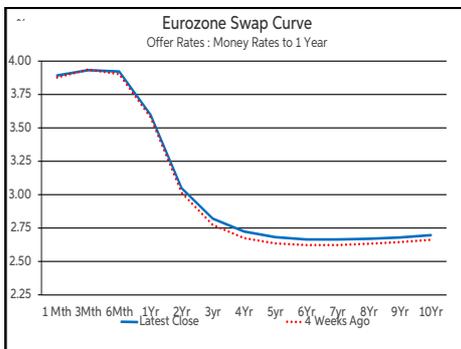
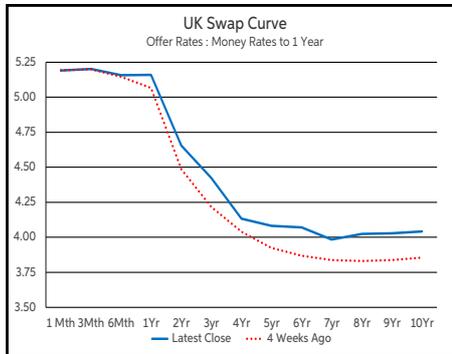
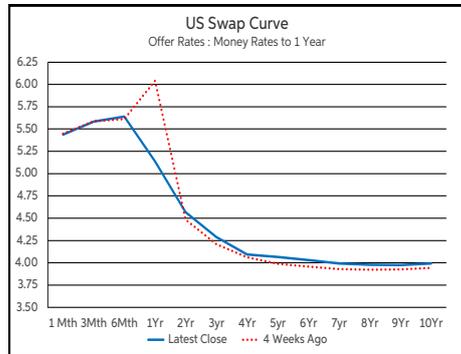
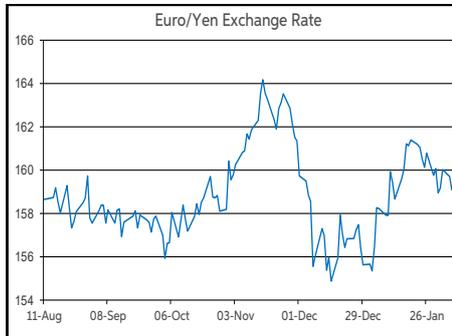
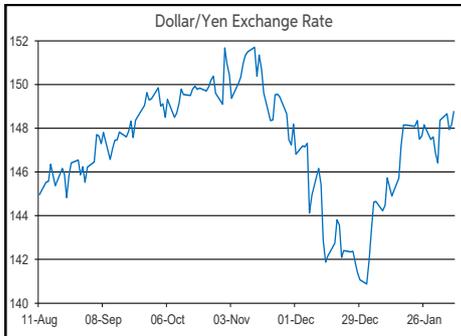
FX Spot	Karl Cooke Shane Gargan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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# Opening Levels

Thursday 08 February 2024  
07:31 am



Euro		Sterling		Dollar	
EUR/GBP	0.8537	GBP/EUR	1.1707	USD/JPY	148.74
EUR/USD	1.0784	GBP/USD	1.2629	USD/CAD	1.3451
EUR/JPY	160.43	GBP/CAD	1.6989	USD/CHF	0.8731
EUR/SEK	11.2847	GBP/NZD	2.0663	USD/CNY	7.1945
EUR/DKK	7.4578	GBP/JPY	187.84	USD/BRL	4.9712
EUR/NOK	11.3975	GBP/SEK	13.2197	USD/RUB	91.2775
EUR/CHF	0.9417	GBP/DKK	8.7312	USD/INR	82.97
EUR/AUD	1.6537	GBP/NOK	13.349	AUD/USD	0.652
EUR/HKD	8.4348	GBP/CHF	1.1027	NZD/USD	0.611
EUR/CAD	1.4508	GBP/AUD	1.9364		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 23
<b>10 Year Yield %</b>				
US	4.12	+2	+9	+25
Germany	2.30	+0	+9	+27
UK	3.99	+4	+17	+45
<b>5 Year Swap %</b>				
US	4.07	+5	+12	+27
Eurozone	2.68	+3	+6	+26
UK	4.08	+3	+21	+43
<b>2 Year Swap %</b>				
US	4.57	+6	+13	+24
Eurozone	3.05	+2	+5	+26
UK	4.66	+1	+17	+39
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	48	+3	+15	+12
Belgium	65	+4	+1	+0
France	53	+2	-1	-0
Italy	160	+3	-4	-8
Spain	94	+2	-2	-2
Portugal	72	+2	-2	-3
Greece	106	-4	-1	+1

Commodities				
	Close	% Change		
		Day	4 Weeks	End 23
Brent Oil	79.21	+0.79	+3.14	+2.82
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2034.2	-0.06	+0.53	-1.38

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