

Positive mood on markets to start the week

There was a positive tone to investor sentiment yesterday. Having declined by over 1% last week, and after initially trading lower on Monday, The Euro Stoxx 50 gained 0.5%. Meantime, the S&P 500 finished the day up by 1.4%. On bond markets, German Bund, US Treasury and UK Gilt yields edged down by 1-3bps along the curve.

Elsewhere, oil prices fell as Saudi Arabia cut prices by more than anticipated. The global oil benchmark, Brent crude came under downward pressure as a result, trading back at \$76 per barrel, down 3% on the day.

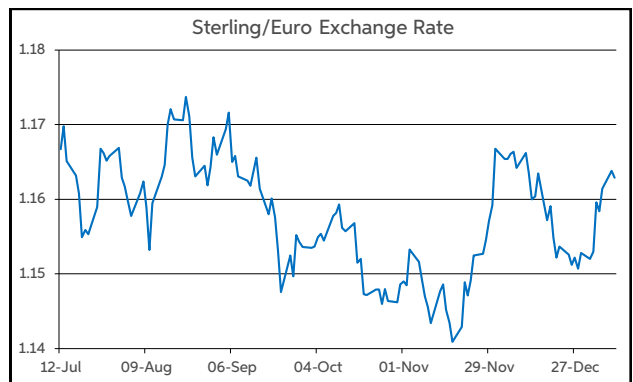
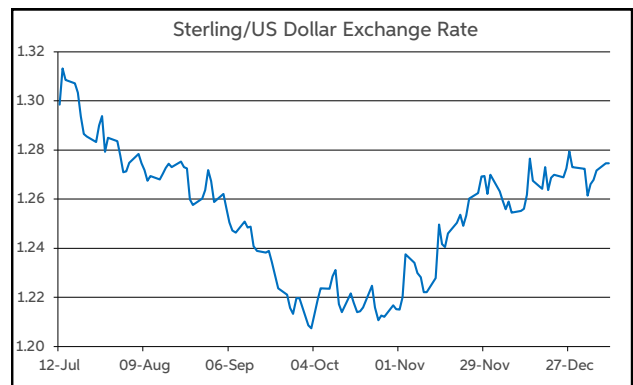
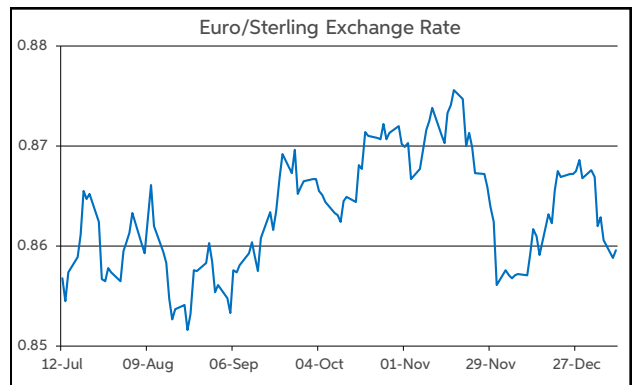
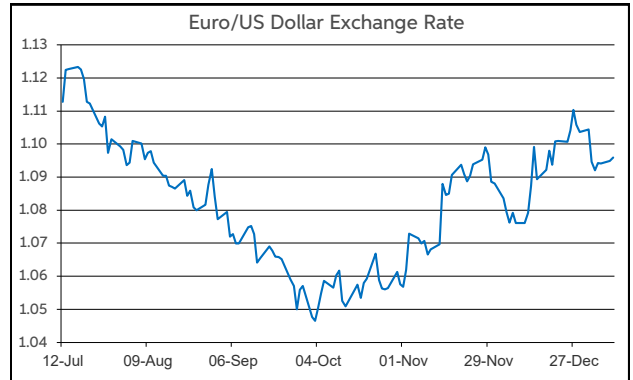
On the currency front the main FX pairs were confined to narrow ranges. Of the limited action to note, the dollar was on the back-foot, amid the improvement in risk appetite. Overall, the greenback shed circa 0.3% versus the euro, sterling and yen.

From a euro viewpoint, a slew of data released yesterday had little impact on the single currency. Eurozone retail sales contracted by 0.3% in November, in-line with the consensus. Meanwhile, a raft of sentiment indicators for December and January registered some improvement, albeit from weak levels. The data suggest that the Eurozone economy may have started to bottom out in the winter.

As trading gets underway this morning, EUR/USD opens in the top half of \$1.09-1.10. EUR/GBP is operating down at the 86p mark. Cable (GBP/USD) is at the midpoint of \$1.27-1.28.

Today, there is a relatively quiet macro calendar on both sides of the Atlantic. The Eurozone unemployment rate is the main release. The consensus is that it stayed at 6.5% in November.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0959	0.22	-0.70
EUR/GBP	0.8597	-0.12	-0.82
GBP/USD	1.2746	0.35	0.13
GBP/EUR	1.1629	0.12	0.83
USD/JPY	144.01	-0.24	2.09
EUR/JPY	157.84	-0.04	1.42

* 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	5.45	5.59	5.10	4.53	4.00
EUR	4.50	3.88	3.94	3.57	2.97	2.59
GBP	5.25	5.19	5.20	4.83	4.46	3.91

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

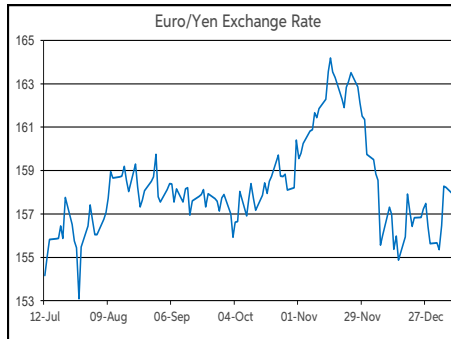
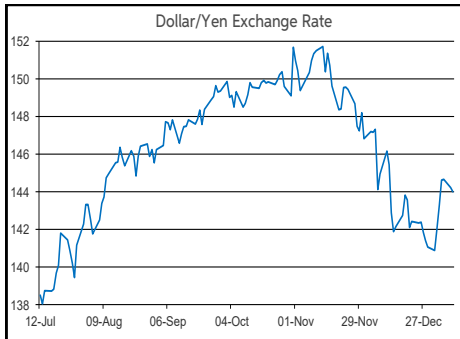
FX Spot	Karl Cooke Shane Gargan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

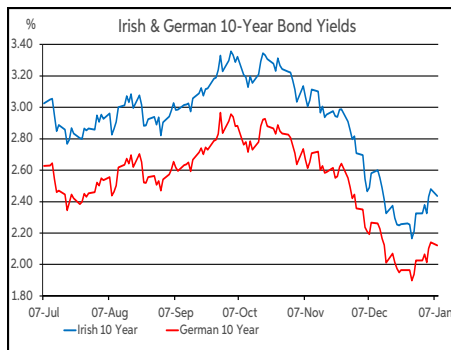
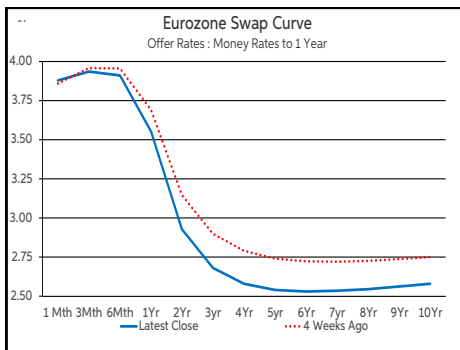
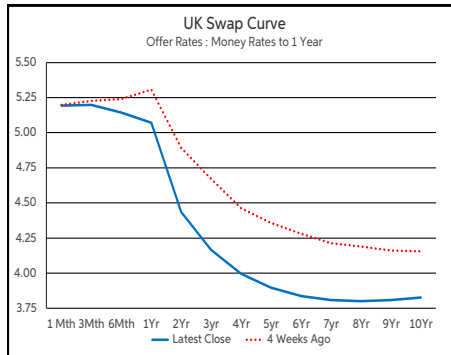
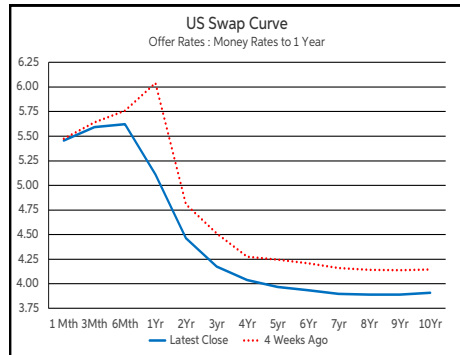
Tuesday 09 January 2024
07:43 am



Euro		Sterling		Dollar	
EUR/GBP	0.8597	GBP/EUR	1.1629	USD/JPY	144.01
EUR/USD	1.0959	GBP/USD	1.2746	USD/CAD	1.3355
EUR/JPY	157.84	GBP/CAD	1.7027	USD/CHF	0.8472
EUR/SEK	11.2077	GBP/NZD	2.041	USD/CNY	7.159
EUR/DKK	7.4579	GBP/JPY	183.57	USD/BRL	4.87
EUR/NOK	11.3579	GBP/SEK	13.0372	USD/RUB	90.6875
EUR/CHF	0.9288	GBP/DKK	8.6732	USD/INR	83.066
EUR/AUD	1.6337	GBP/NOK	13.205		
EUR/HKD	8.5642	GBP/CHF	1.0801	AUD/USD	0.6706
EUR/CAD	1.4637	GBP/AUD	1.9008	NZD/USD	0.6244



Debt Markets				
	Close	Day	4 Weeks	End 23
10 Year Yield %				
US	4.03	-2	-21	+16
Germany	2.12	-2	-14	+10
UK	3.77	-1	-31	+23
5 Year Swap %				
US	3.97	-0	-24	+18
Eurozone	2.54	-3	-19	+11
UK	3.90	-3	-41	+24
2 Year Swap %				
US	4.46	-3	-30	+13
Eurozone	2.93	-1	-21	+13
UK	4.43	-3	-45	+17
10 Year Government Bond Spreads to Benchmark bps				
Ireland	33	-3	-3	-2
Belgium	65	+0	+5	+0
France	54	+0	-2	+1
Italy	169	+0	-12	+2
Spain	99	+0	-5	+3
Portugal	77	-1	-3	+1
Greece	120	-1	+1	+15



Commodities				
	Close	Day	4 Weeks	End 23
Brent Oil	76.12	-3.35	+0.12	-1.19
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2027.8	-0.86	+2.35	-1.68

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