

Yen slightly firmer as BoJ unchanged

The positive tone to investor sentiment from Friday's US session carried over into the start of this week. Equity markets moved higher on both sides of the Atlantic, with the Euro Stoxx 50 gaining 0.7%. Meanwhile, on Wall Street, the S&P 500 rose by 0.2%.

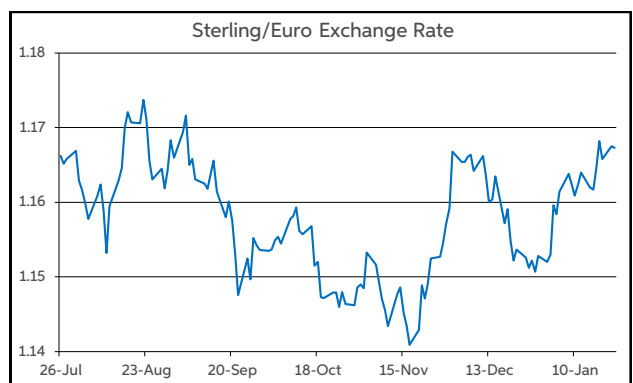
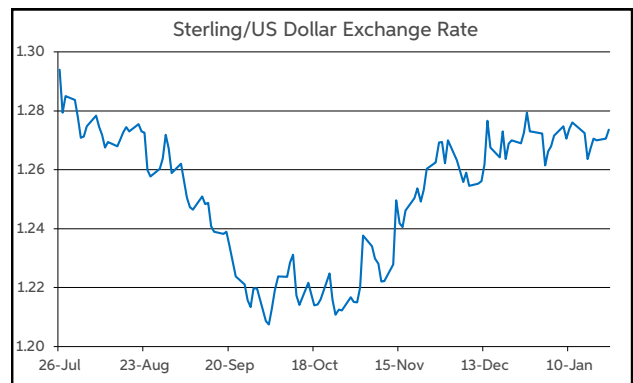
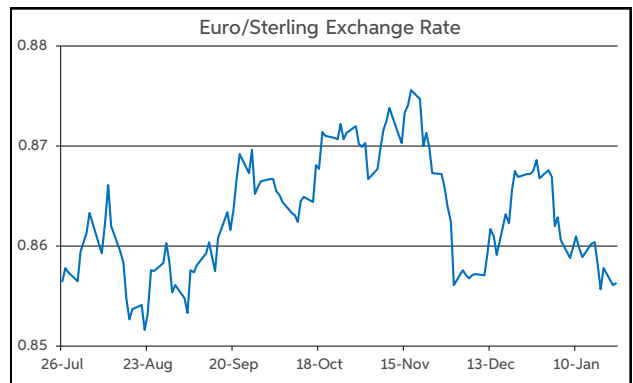
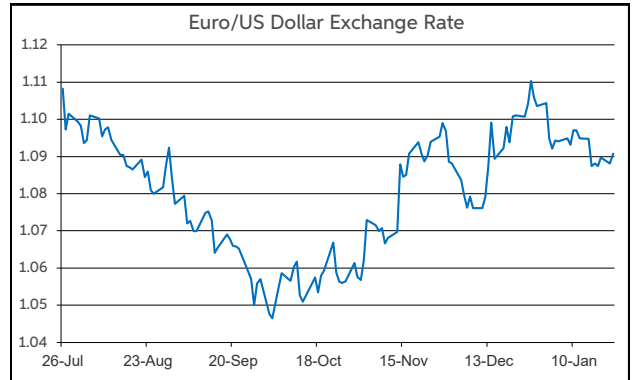
In terms of fixed income markets, yields edged lower across the board yesterday. Overall, US Treasury, German Bund and UK Gilt yields fell by 1-4bps. Elsewhere, oil prices rose by circa 2%, amid ongoing tensions in the Middle East. Brent crude is currently operating above \$80 per barrel.

Currency-wise, the main FX pairs were confined to very narrow ranges yesterday. Of the limited price action to note, the yen was holding a marginally firmer tone, in the lead up to the BoJ monetary policy meeting overnight. As expected the BoJ left policy unchanged. There were no alterations to its forward guidance also. In the initial aftermath of the meeting outcome, the yen has continued to strengthen, albeit quite modestly.

As trading gets underway this morning, EUR/USD is changing hands at the \$1.09 threshold. Meantime, EUR/GBP is operating down close to the midpoint of 85-86p. GBP/USD remains in the lower half of the \$1.27-1.28 corridor. USD/JPY is down in the bottom half of ¥147-148.

Turning to the day ahead, the macro calendar is relatively sparse. The only top tier data release of note will be the flash reading of consumer confidence in the Eurozone, for January. The consensus is for the index to improve from -15.0 to -14.3. However, barring any major surprises, the data are unlikely to impact the euro.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0907	0.06	-1.17
EUR/GBP	0.8562	-0.08	-1.22
GBP/USD	1.2738	0.15	0.07
GBP/EUR	1.1674	0.08	1.24
USD/JPY	147.33	-0.49	4.44
EUR/JPY	160.73	-0.41	3.28

* 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	5.58	5.10	4.51	4.06
EUR	4.50	3.85	3.96	3.60	3.03	2.68
GBP	5.25	5.18	5.19	4.85	4.54	4.02

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

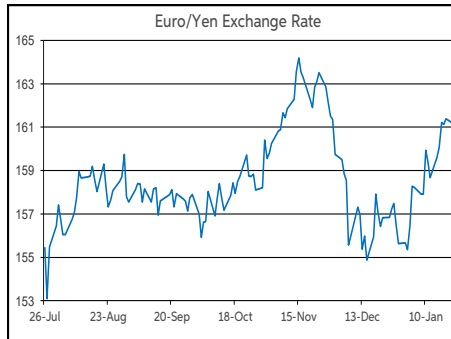
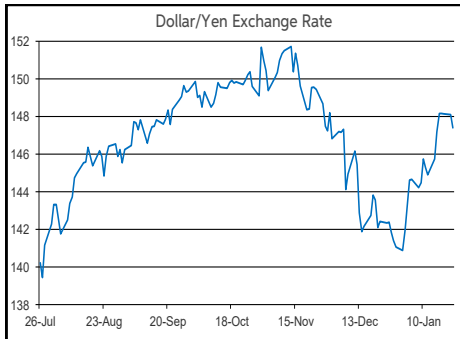
FX Spot	Karl Cooke Shane Gargan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

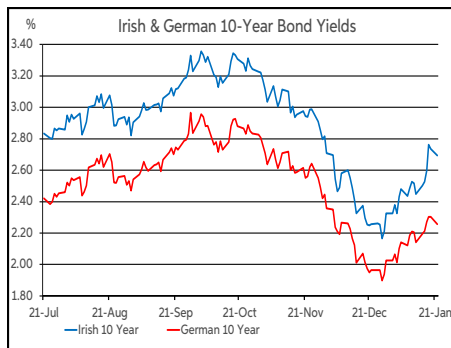
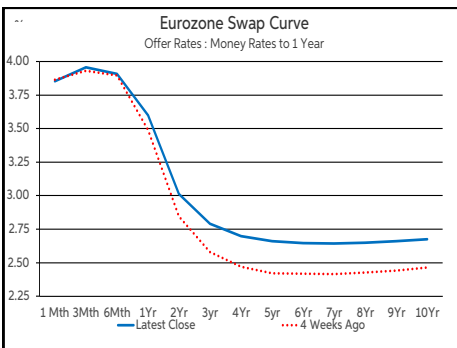
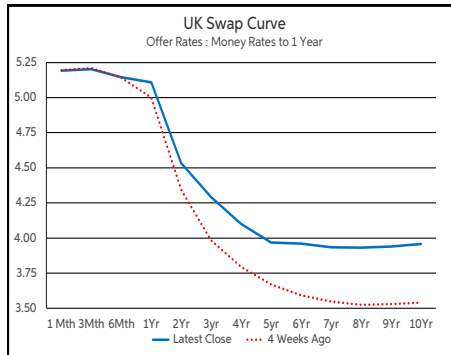
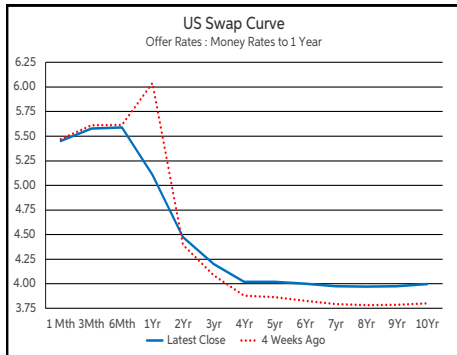
Tuesday 23 January 2024
07:24 am



Euro		Sterling		Dollar	
EUR/GBP	0.8562	GBP/EUR	1.1674	USD/JPY	147.33
EUR/USD	1.0907	GBP/USD	1.2738	USD/CAD	1.346
EUR/JPY	160.73	GBP/CAD	1.7147	USD/CHF	0.8663
EUR/SEK	11.3699	GBP/NZD	2.0851	USD/CNY	7.1688
EUR/DKK	7.4579	GBP/JPY	187.67	USD/BRL	4.9892
EUR/NOK	11.4309	GBP/SEK	13.274	USD/RUB	87.6525
EUR/CHF	0.945	GBP/DKK	8.7068	USD/INR	83.08
EUR/AUD	1.6516	GBP/NOK	13.3544	AUD/USD	0.6604
EUR/HKD	8.5333	GBP/CHF	1.1035	NZD/USD	0.6106
EUR/CAD	1.4684	GBP/AUD	1.9285		



Debt Markets				
	Close	Day	Change bps	
			4 Weeks	End 23
10 Year Yield %				
US	4.11	-2	+21	+24
Germany	2.26	-4	+29	+23
UK	3.91	-2	+40	+37
5 Year Swap %				
US	4.02	-2	+20	+23
Eurozone	2.66	-5	+25	+23
UK	3.97	-1	+30	+32
2 Year Swap %				
US	4.47	-1	+12	+14
Eurozone	3.01	-4	+18	+22
UK	4.53	-2	+23	+27
10 Year Government Bond Spreads to Benchmark bps				
Ireland	49	+2	+17	+13
Belgium	63	-0	+0	-2
France	53	+0	+2	-0
Italy	159	+1	+1	-8
Spain	95	+1	+2	-2
Portugal	75	+1	+5	-1
Greece	107	-1	+2	+2



Commodities				
	Close	Day	% Change	
			4 Weeks	End 23
Brent Oil	80.06	+1.91	+1.25	+3.92
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2021.0	-0.40	-1.56	-2.02

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