

## Flash PMIs due today

As expected, the BoE left policy on hold yesterday. The voting breakdown remained split 7:2 also, with the dissenters in favour of a 25bps rate cut. However, for a number of those who voted for no change, it was a “finely balanced” decision, indicating that they may be leaning towards cutting rates soon. In the aftermath, UK futures contracts softened. Market pricing suggests there is a 40% chance of a rate cut in August, with 45bps of easing by year end.

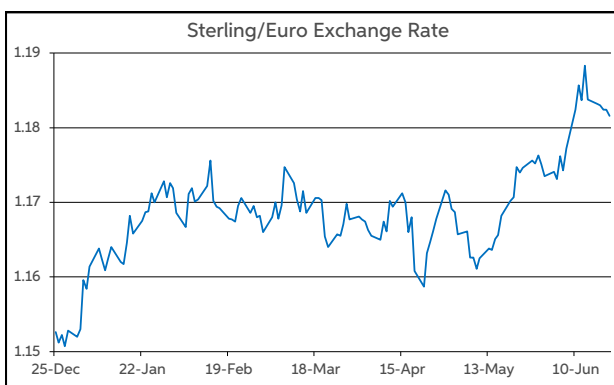
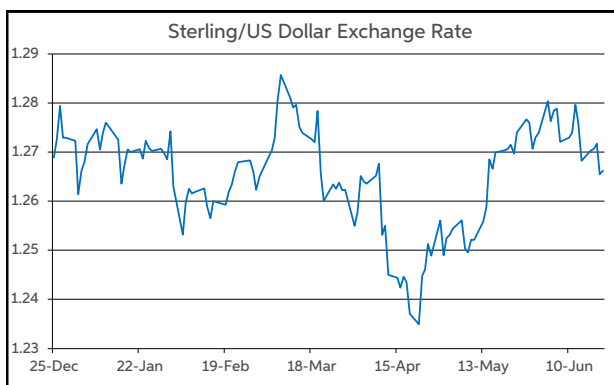
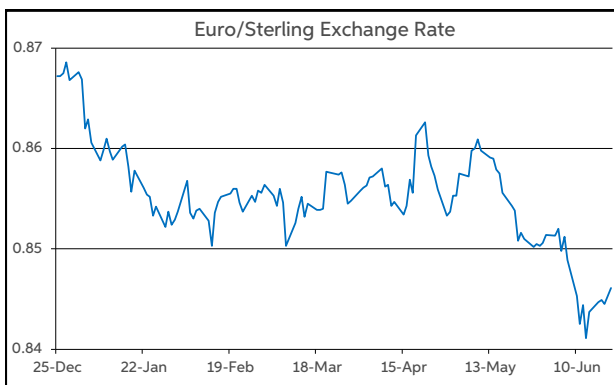
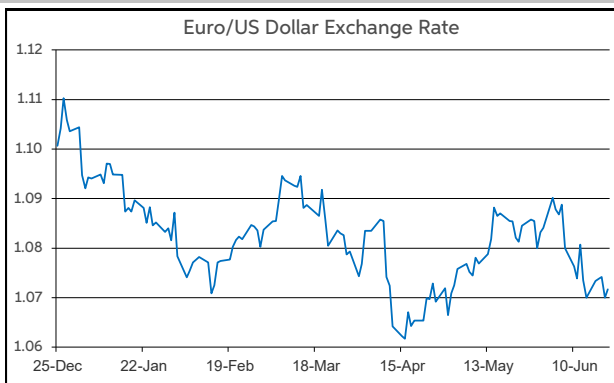
Amid the softening in UK rate expectations, the 2-year Gilt yield fell by circa 6bps. Elsewhere on bond markets, German Bunds yields were little changed, although spreads to other Eurozone yields narrowed. The 10-year French German yield spread declined to 73bps. Against this backdrop, the Euro Stoxx 50 continued to recoup some of its recent losses, rising by 1.3% yesterday.

Currency-wise, the main FX pairs remained within relatively tight ranges yesterday. Of the limited price action to note, the dollar was holding a slightly firmer tone. Elsewhere, sterling was under some marginal downward pressure post the BoE meeting.

In level terms, the firmer dollar tone is evidenced by EUR/USD opening this morning back down near the \$1.07 handle. Meantime, GBP/USD is changing hands back below the \$1.27 mark. EUR/GBP is operating in the top half of the 84-85p range.

Already this morning, UK retail sales have printed above the consensus, rising by 2.9% in May (vs. +1.5% f'cast). However, the data have not impacted sterling in early trading. Later today, the flash PMIs for June in the US, Eurozone and UK will be the highlight. A modest rise is expected in the Eurozone and UK, while the US readings are forecast to edge down but stay above 50.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0716	-0.23	-2.90
EUR/GBP	0.8461	0.14	-2.39
GBP/USD	1.2662	-0.39	-0.53
GBP/EUR	1.1812	-0.14	2.45
USD/JPY	158.92	0.50	12.66
EUR/JPY	170.34	0.27	9.45

\* 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	5.46	5.61	5.32	4.85	4.30
EUR	4.25	3.61	3.71	3.53	3.21	2.84
GBP	5.25	5.19	5.14	4.86	4.68	4.11

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

Friday 21 June 2024  
07:17 am



## Euro

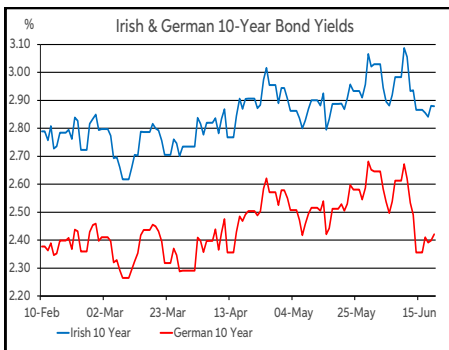
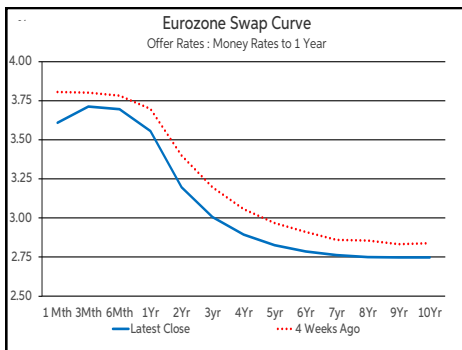
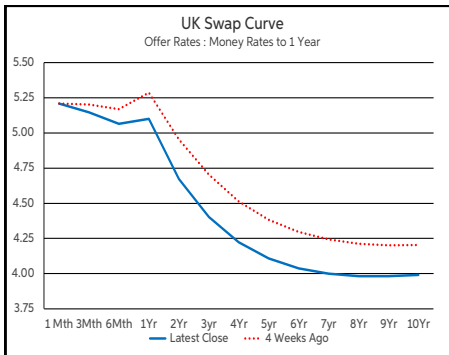
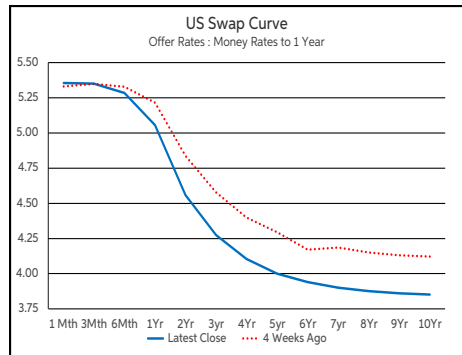
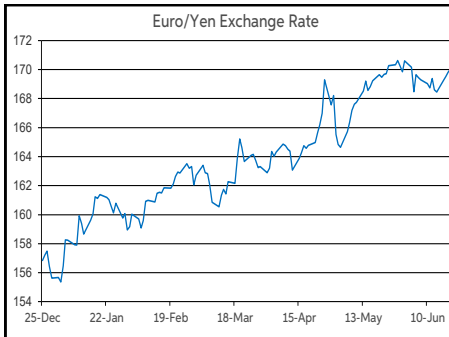
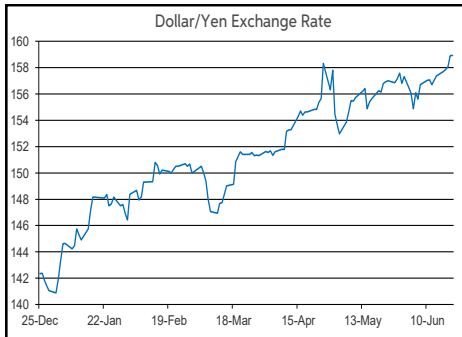
EUR/GBP	0.8461
EUR/USD	1.0716
EUR/JPY	170.34
EUR/SEK	11.2357
EUR/DKK	7.4575
EUR/NOK	11.2906
EUR/CHF	0.9551
EUR/AUD	1.6081
EUR/HKD	8.3622
EUR/CAD	1.4659

## Sterling

GBP/EUR	1.1812
GBP/USD	1.2662
GBP/CAD	1.732
GBP/NZD	2.0674
GBP/JPY	201.22
GBP/SEK	13.276
GBP/DKK	8.8101
GBP/NOK	13.339
GBP/CHF	1.1286
GBP/AUD	1.9005

## Dollar

USD/JPY	158.92
USD/CAD	1.3677
USD/CHF	0.8913
USD/CNY	7.2609
USD/BRL	5.4537
USD/RUB	87.5
USD/INR	83.6075
AUD/USD	0.6662
NZD/USD	0.6123



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 23
<b>10 Year Yield %</b>				
US	4.25	+4	-22	+39
Germany	2.42	+2	-18	+40
UK	4.06	-1	-21	+52
<b>5 Year Swap %</b>				
US	4.26	+3	-28	+47
Eurozone	2.83	+1	-13	+40
UK	4.11	-4	-27	+46
<b>2 Year Swap %</b>				
US	4.81	+0	-27	+48
Eurozone	3.20	+0	-19	+40
UK	4.67	-5	-28	+41
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	48	-1	+10	+15
Belgium	67	-2	+14	+0
France	73	-2	+25	+20
Italy	152	-2	+23	-15
Spain	92	-3	+16	-5
Portugal	73	-2	+10	-3
Greece	125	+2	+27	+20

Commodities				
	Close	% Change		
		Day	4 Weeks	End 23
Brent Oil	85.71	+0.75	+5.35	+11.25
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2359.6	+1.38	+1.34	+14.40

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