

Quiet start to the week

In a continuation of the trend seen throughout last week, trading conditions on financial markets remained relatively subdued yesterday. Against this backdrop, the Euro Stoxx 50 gained 0.4%. On Wall Street, the S&P 500 edged 0.1% lower. Meantime on bond markets, two-year yields rose by 3-6bps across the board, amid a modest firming in market rate expectations. However, medium to long dated yields were little changed.

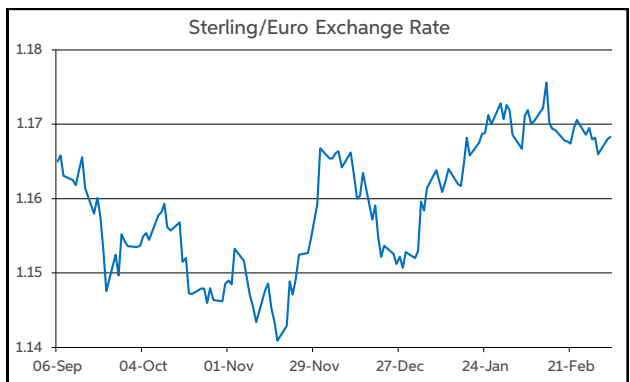
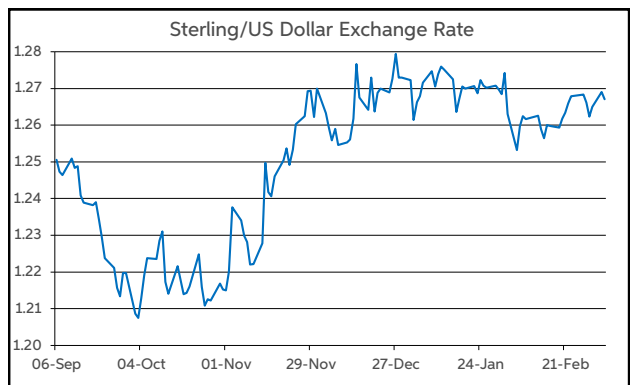
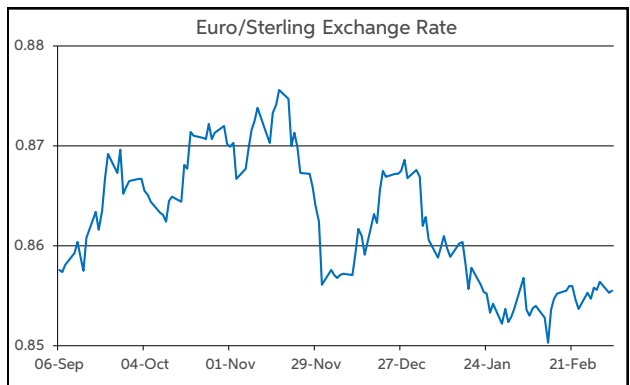
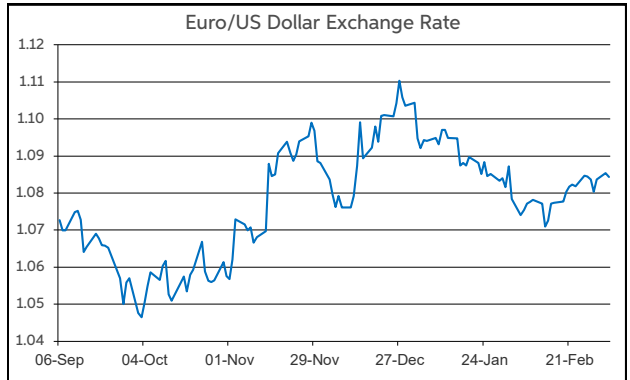
Data-wise, the only release of note yesterday was the EU sentix index for March. It improved for the fifth consecutive month, rising to -10.5 from -12.9 in February. The data were also a touch better than the consensus, for a reading of -11.0. However, the release did not impact the euro.

Indeed overall, currency markets were quite static yesterday. Of the limited moves to register, sterling was holding a slightly firmer tone. The pound rose by circa 0.3% versus the euro and dollar during the European session. However, it handed back these gains overnight.

In level terms, as trading gets underway this morning, EUR/GBP opens at the midpoint of the 85-86p corridor. GBP/USD is changing hands in the top half of the \$1.26-1.27 band. Meantime, EUR/USD is near the halfway mark of \$1.08-1.09.

Turning to today, the final reading of the services PMIs in the Eurozone, US and UK for February are due. Meanwhile, the US non-manufacturing ISM is forecast to inch down to 53.0 in February from 53.4. In the Eurozone, producer price inflation is projected to remain negative, at -8.1% y/y in January. Barring any major surprises though, the data are unlikely to impact on currency markets.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0843	0.00	-1.75
EUR/GBP	0.8554	-0.09	-1.32
GBP/USD	1.2674	0.10	-0.43
GBP/EUR	1.1684	0.09	1.33
USD/JPY	150.44	0.09	6.65
EUR/JPY	163.15	0.10	4.83

* 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	5.59	5.30	4.77	4.24
EUR	4.50	3.82	3.94	3.69	3.22	2.76
GBP	5.25	5.19	5.21	5.03	4.83	4.31

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 05 March 2024
07:44 am



Euro

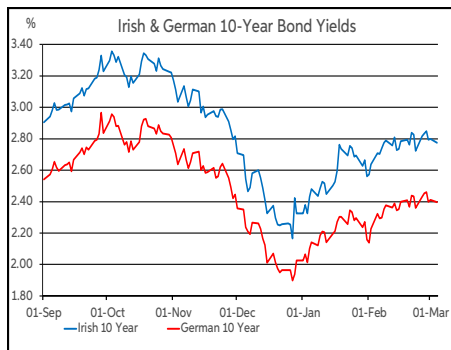
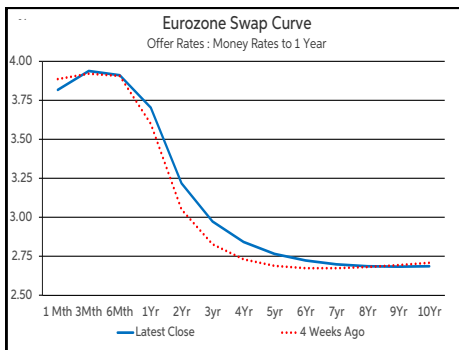
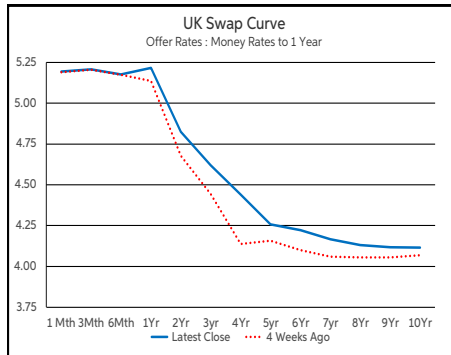
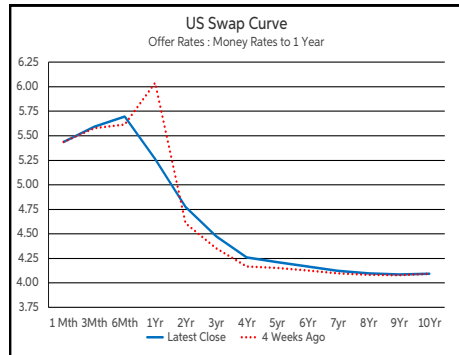
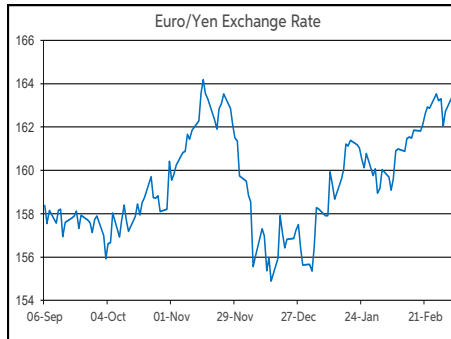
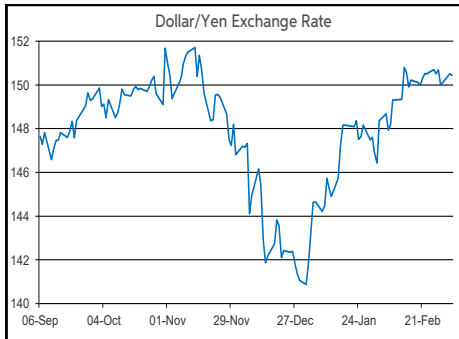
EUR/GBP	0.8554
EUR/USD	1.0843
EUR/JPY	163.15
EUR/SEK	11.2687
EUR/DKK	7.4537
EUR/NOK	11.4916
EUR/CHF	0.9609
EUR/AUD	1.673
EUR/HKD	8.485
EUR/CAD	1.4744

Sterling

GBP/EUR	1.1684
GBP/USD	1.2674
GBP/CAD	1.7232
GBP/NZD	2.0854
GBP/JPY	190.67
GBP/SEK	13.1671
GBP/DKK	8.7086
GBP/NOK	13.425
GBP/CHF	1.1229
GBP/AUD	1.9551

Dollar

USD/JPY	150.44
USD/CAD	1.3596
USD/CHF	0.886
USD/CNY	7.1989
USD/BRL	4.9458
USD/RUB	91.275
USD/INR	82.888
AUD/USD	0.6481
NZD/USD	0.6074



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 23
10 Year Yield %				
US	4.22	+3	+6	+35
Germany	2.40	-2	+7	+37
UK	4.12	+0	+11	+59
5 Year Swap %				
US	4.21	+3	+10	+42
Eurozone	2.76	-2	+9	+34
UK	4.26	-1	+15	+61
2 Year Swap %				
US	4.77	+6	+21	+44
Eurozone	3.22	+1	+18	+42
UK	4.82	+4	+15	+56
10 Year Government Bond Spreads to Benchmark bps				
Ireland	41	-1	-3	+6
Belgium	57	-2	-3	-8
France	48	-2	-2	-5
Italy	143	-6	-14	-25
Spain	88	-3	-4	-9
Portugal	64	-2	-7	-12
Greece	99	-4	-7	-6

Commodities				
	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	82.8	-0.90	+6.17	+7.48
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2115.0	+1.52	+4.46	+2.54

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