

## US CPI due today

There was a cautious mood on markets yesterday. Benchmark equity indices moved lower on both sides of the Atlantic. The Euro Stoxx 50 fell by 0.6%, while the S&P 500 edged down by 0.1%. Meantime, 2-year US Treasury yields rose by 5bps, amid a marginal hardening in US futures contracts. In contrast, UK Gilt yields were little changed, despite a softening in UK market rate expectations.

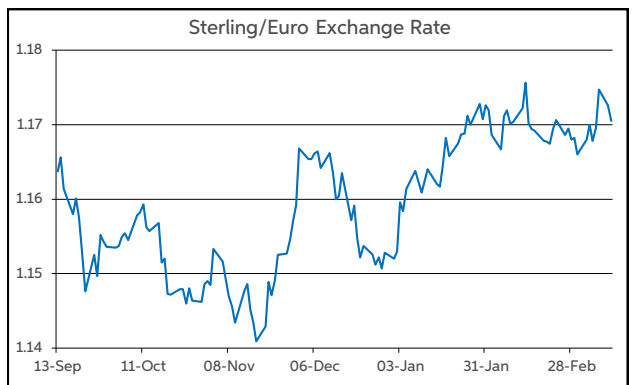
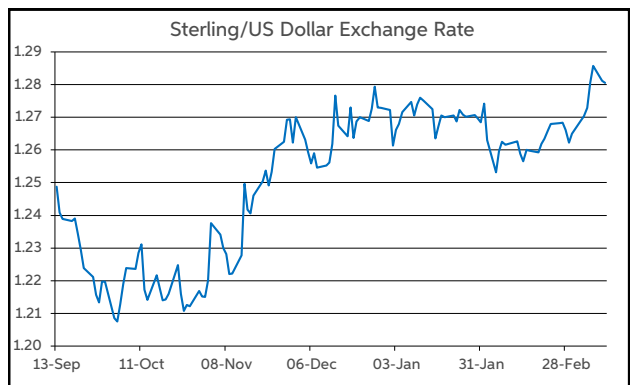
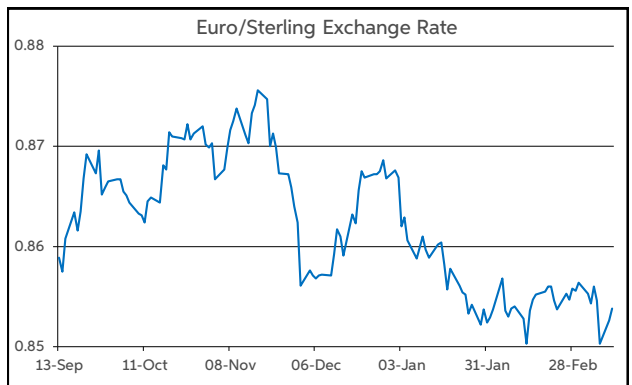
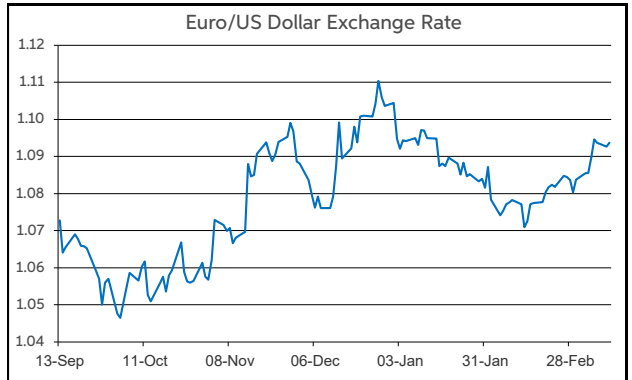
Currency-wise, the main FX pairs operated within tight ranges throughout yesterday. A sparse data schedule likely contributed to the lacklustre price action. Of the limited moves to register, the dollar was holding a slightly firmer tone. Overnight though, the US currency was unable to hold onto all of its gains. Elsewhere, sterling was under some modest downward pressure. The pound shed circa 0.3% against the euro, dollar and yen.

In level terms, EUR/USD opens this morning in the lower half of the \$1.09-1.10 corridor. Meantime, GBP/USD is operating down at the \$1.28 threshold. EUR/GBP is changing hands up near the midpoint of the 85-86p range.

Already this morning, UK labour market data for January have printed broadly in-line with the consensus. The unemployment rate rose to 3.9 (vs. 3.8% f'cast), while average earnings slowed to +5.6% y/y in the three months to January (vs. +5.7% y/y f'cast). The data have not impacted sterling in early trading.

Later today the main focus will be on US CPI inflation. The headline rate, which has been somewhat sticky recently, is projected to remain at 3.1% in February. However, core-CPI is expected to ease to 3.7% from 3.9%. The data pose some event risk for the dollar.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0935	-0.04	-0.92
EUR/GBP	0.8539	0.31	-1.49
GBP/USD	1.2804	-0.34	0.59
GBP/EUR	1.1705	-0.30	1.51
USD/JPY	147.29	0.22	4.42
EUR/JPY	161.11	0.19	3.52

\* 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	5.25	4.69	4.14
EUR	4.50	3.88	3.94	3.63	3.12	2.65
GBP	5.25	5.19	5.20	4.93	4.67	4.09

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 12 March 2024  
07:40 am



## Euro

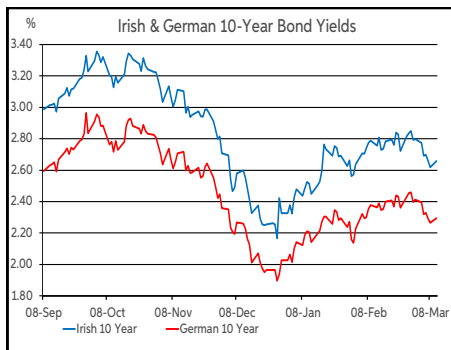
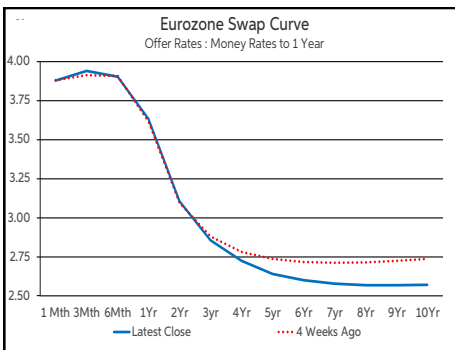
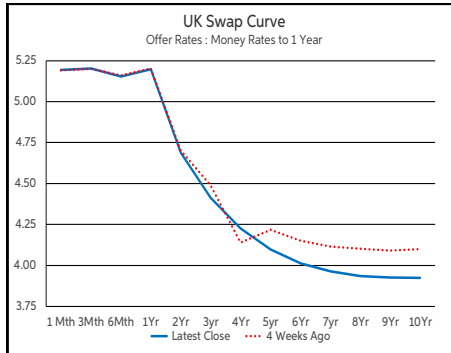
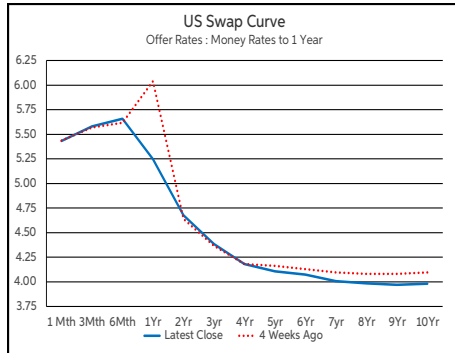
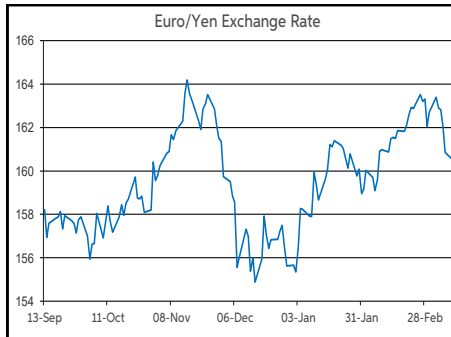
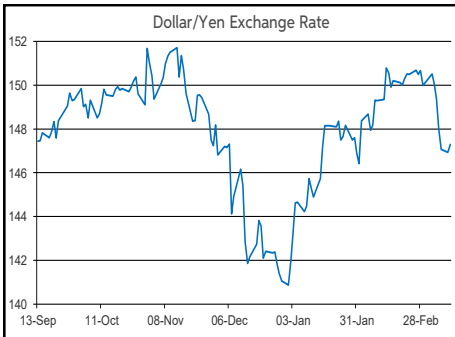
EUR/GBP	0.8539
EUR/USD	1.0935
EUR/JPY	161.11
EUR/SEK	11.1967
EUR/DKK	7.456
EUR/NOK	11.4289
EUR/CHF	0.9587
EUR/AUD	1.6522
EUR/HKD	8.5563
EUR/CAD	1.4732

## Sterling

GBP/EUR	1.1705
GBP/USD	1.2804
GBP/CAD	1.7248
GBP/NZD	2.0751
GBP/JPY	188.59
GBP/SEK	13.1058
GBP/DKK	8.7271
GBP/NOK	13.3789
GBP/CHF	1.1224
GBP/AUD	1.935

## Dollar

USD/JPY	147.29
USD/CAD	1.3469
USD/CHF	0.8766
USD/CNY	7.1741
USD/BRL	4.9791
USD/RUB	90.635
USD/INR	82.723
AUD/USD	0.6616
NZD/USD	0.6169



## Debt Markets

	Close	Change bps		
		Day	4 Weeks	End 23
<b>10 Year Yield %</b>				
US	4.10	+2	-8	+23
Germany	2.30	+3	-7	+27
UK	3.97	-1	-9	+43
<b>5 Year Swap %</b>				
US	4.11	+5	-2	+31
Eurozone	2.64	+3	-9	+21
UK	4.10	-3	-11	+45
<b>2 Year Swap %</b>				
US	4.68	+4	+8	+34
Eurozone	3.11	+3	+2	+31
UK	4.69	-4	-1	+43
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	41	+2	-4	+6
Belgium	55	+1	-5	-10
France	46	+1	-4	-7
Italy	133	+2	-22	-34
Spain	83	+2	-13	-13
Portugal	67	+1	-4	-9
Greece	92	+0	-13	-13

## Commodities

	Close	% Change		
		Day	4 Weeks	End 23
Brent Oil	82.21	+0.16	+0.26	+6.71
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2182.5	+0.23	+8.05	+5.81

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