

EUR/GBP remains pinned at 85p

The subdued tone to investor sentiment continued yesterday, as market participants in the US and UK returned from respective bank holiday weekends. A limited macro calendar contributed to the lacklustre price action once again. In terms of the main benchmark equity indices, the Euro Stoxx 50 shed 0.6%, while on Wall Street, the S&P 500 finished flat for the day amid relatively light trading conditions.

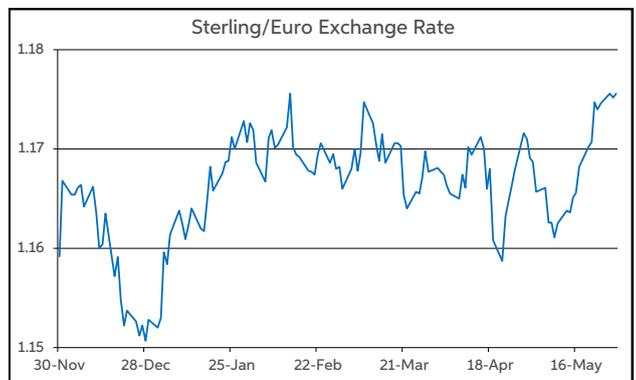
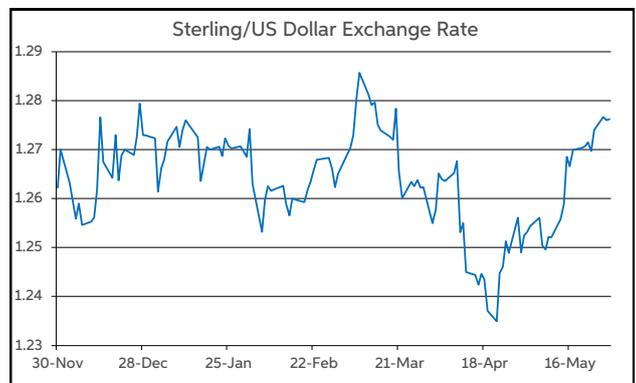
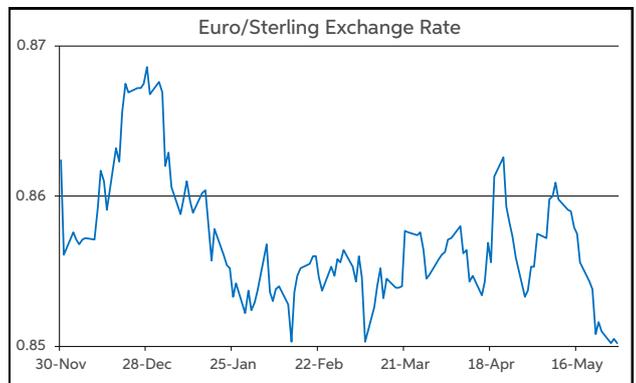
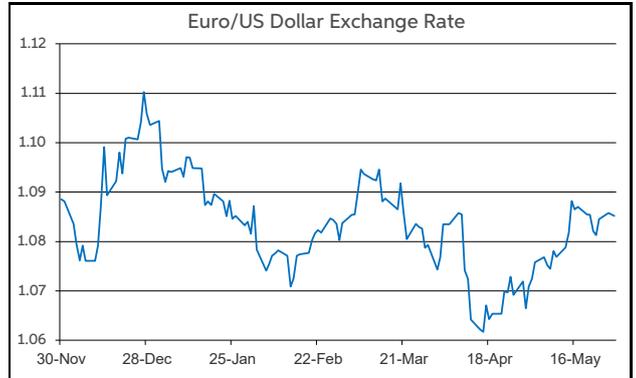
The only release of note yesterday was the May reading of the Conference Board measure of US Consumer Confidence. The index printed above the consensus of 95.9, and ended a run of three straight declines, rising to 102.0. However, the release had no major impact on the dollar yesterday.

Indeed, the main FX pairs were confined to quite narrow trading ranges, amid the muted release schedule. Of the limited price action to note, the dollar was under some slight downward pressure in the early part of the European session. However, before the closing bell, the greenback had recouped its losses. Elsewhere, EUR/GBP continued to trade in and around the 85p mark.

In level terms, as trading gets underway this morning, EUR/GBP opens at the 85p threshold. Meanwhile, GBP/USD remains in the top half of the \$1.27-1.28 corridor. EUR/USD is operating near to the midpoint of the \$1.08-1.09 band.

Turning to today, the main release will be the flash estimate of German HICP inflation for May. The headline rate is forecast to rise to 2.7% from 2.4%, largely owing to base effects in transport costs from reduced rail fares last year. Meantime, the Eurozone monetary aggregates and lending data for April are also due.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0852	-0.20	-1.67
EUR/GBP	0.8502	-0.12	-1.92
GBP/USD	1.2761	-0.10	0.25
GBP/EUR	1.1755	0.12	1.95
USD/JPY	157.08	0.26	11.36
EUR/JPY	170.5	0.05	9.55

* 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	5.60	5.47	5.16	4.64
EUR	4.50	3.79	3.80	3.67	3.40	2.99
GBP	5.25	5.20	5.18	5.07	4.98	4.41

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

Wednesday 29 May 2024
07:50 am



Euro

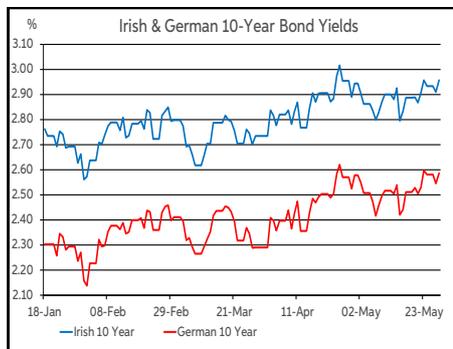
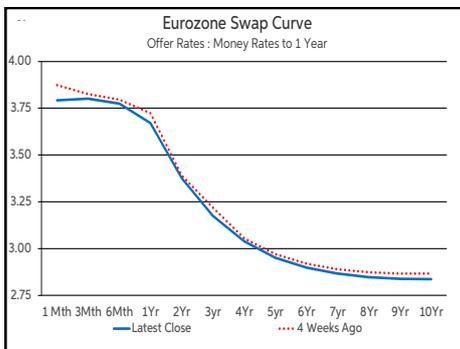
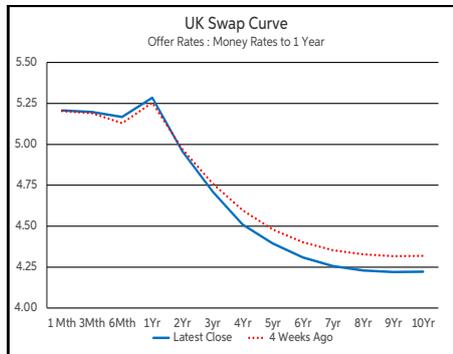
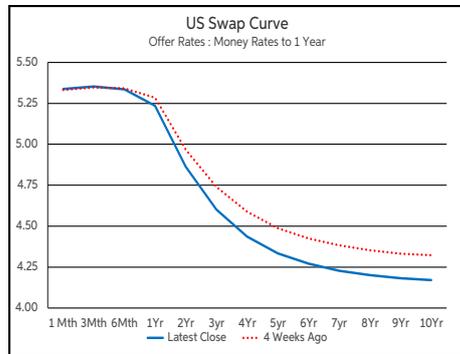
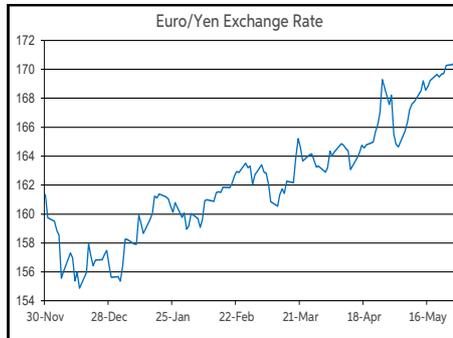
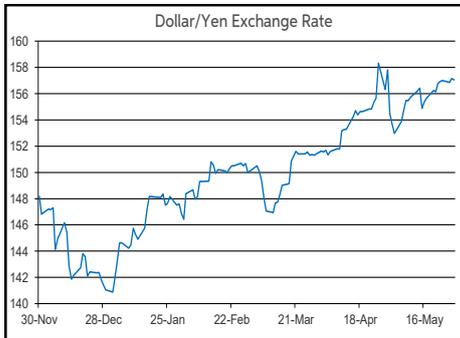
EUR/GBP	0.8502
EUR/USD	1.0852
EUR/JPY	170.5
EUR/SEK	11.48
EUR/DKK	7.4607
EUR/NOK	11.3967
EUR/CHF	0.9901
EUR/AUD	1.6308
EUR/HKD	8.48
EUR/CAD	1.482

Sterling

GBP/EUR	1.1755
GBP/USD	1.2761
GBP/CAD	1.7425
GBP/NZD	2.0794
GBP/JPY	200.45
GBP/SEK	13.4984
GBP/DKK	8.7713
GBP/NOK	13.392
GBP/CHF	1.1641
GBP/AUD	1.9175

Dollar

USD/JPY	157.08
USD/CAD	1.3654
USD/CHF	0.9121
USD/CNY	7.2476
USD/BRL	5.1602
USD/RUB	89.015
USD/INR	83.3403
AUD/USD	0.6654
NZD/USD	0.6135



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 23
10 Year Yield %				
US	4.54	+7	-14	+68
Germany	2.59	+4	+1	+56
UK	4.29	+2	-7	+75
5 Year Swap %				
US	4.60	+7	-14	+81
Eurozone	2.95	+3	-1	+52
UK	4.39	+1	-8	+74
2 Year Swap %				
US	5.11	+2	-12	+77
Eurozone	3.38	+0	-0	+58
UK	4.96	+1	-1	+69
10 Year Government Bond Spreads to Benchmark bps				
Ireland	39	+1	+1	+5
Belgium	54	+1	+1	-12
France	49	+1	-0	-4
Italy	131	+3	+1	-36
Spain	76	+1	-1	-20
Portugal	63	+1	+1	-13
Greece	98	-2	+9	-7

Commodities				
	Close	% Change		
		Day	4 Weeks	End 23
Brent Oil	84.22	+1.35	-4.14	+9.32
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2361.0	+0.43	+3.30	+14.47

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