

## Eurozone flash HICP inflation in focus

It was a relatively quiet day on financial markets yesterday. A market holiday in the US for Thanksgiving and a muted data schedule elsewhere contributed to the lacklustre price action.

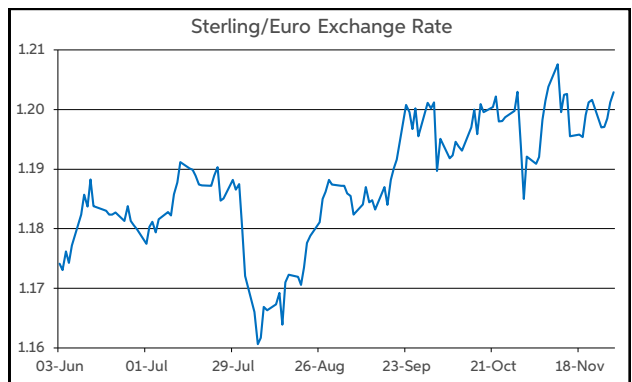
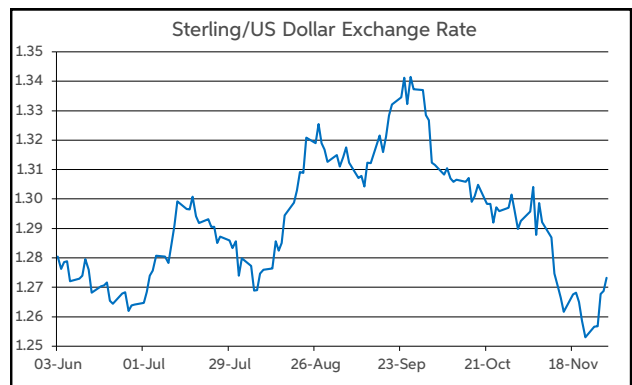
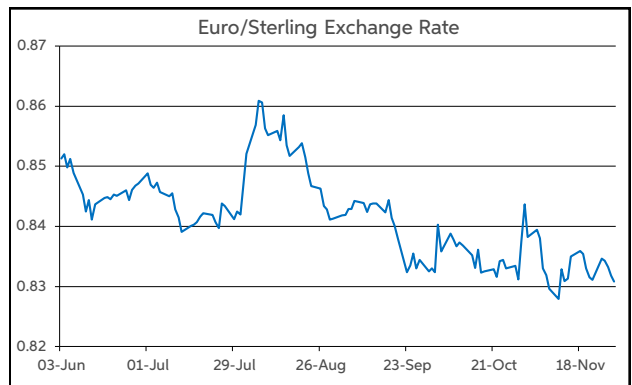
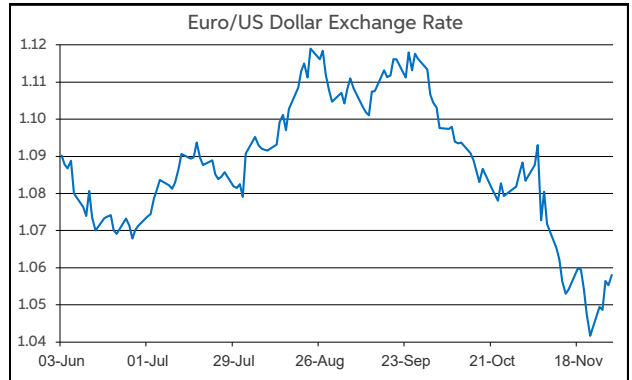
Of the limited data release to note, the Eurozone economic sentiment indicators printed broadly in-line with expectations. Services sector sentiment deteriorated in November, while there was a modest improvement in the industrial sector. Meantime, flash German HICP inflation printed below the consensus in November, rising to 2.4% (vs. 2.6% f'cast) from 2.0%.

Amid the weaker than forecast rise in German inflation, Eurozone yields declined across the board. Reports of compromise in the ongoing French Budget negotiations also coincided with the fall in yields. Overall, 10-year German Bund yields moved 4bps lower, while French OAT yields declined by 9bps. Meanwhile, the Euro Stoxx 50 recouped some of its recent losses, rising by 0.5%

Currency-wise, the main FX pairs operated in very narrow ranges throughout the European session. Of the meagre moves to record, sterling was holding a slightly firmer tone. Overnight, sterling has maintained some upward momentum, while the dollar has been on the defensive. In level terms, this sees EUR/GBP open this morning back near 83p. GBP/USD is changing hands north of \$1.27. EUR/USD is up in the top half of \$1.05-1.06. Meantime, USD/JPY is back below the ¥150 mark.

Today, the main data highlight will be the flash reading of Eurozone HICP inflation for November. Both the headline and core rates are forecast to rise to 2.3% and 2.8%, respectively.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.058	0.29	-4.13
EUR/GBP	0.8308	-0.26	-4.15
GBP/USD	1.2733	0.54	0.03
GBP/EUR	1.2033	0.26	4.33
USD/JPY	149.76	-1.17	6.17
EUR/JPY	158.49	-0.87	1.84

\* 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	4.63	4.53	4.46	4.23	4.30	4.08
EUR	3.40	2.98	2.91	2.36	2.17	2.11
GBP	4.75	4.69	4.66	4.38	4.38	4.12

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 29 November 2024  
07:36 am



## Euro

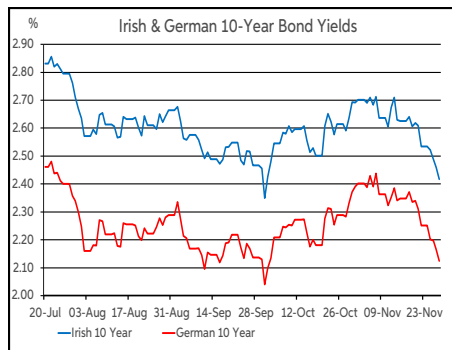
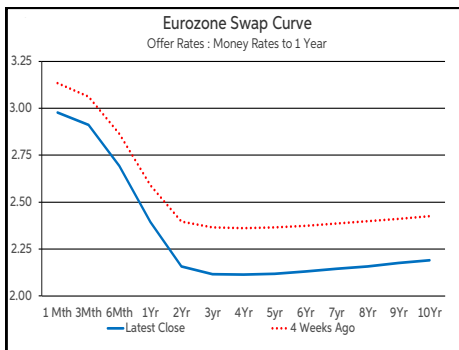
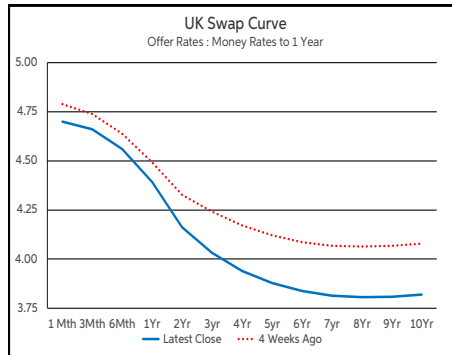
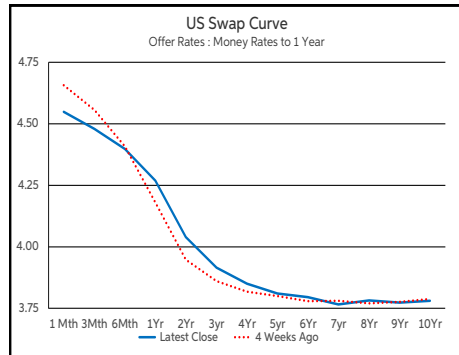
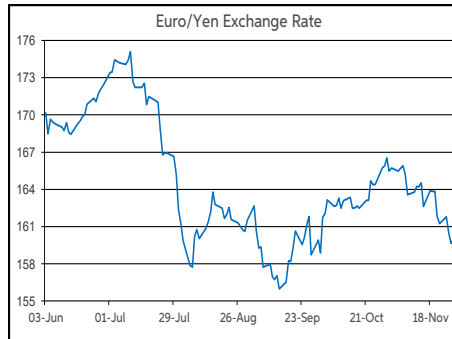
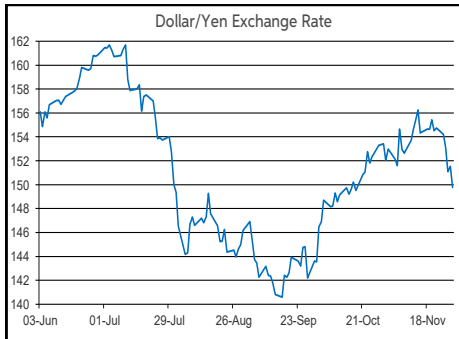
EUR/GBP	0.8308
EUR/USD	1.058
EUR/JPY	158.49
EUR/SEK	11.5135
EUR/DKK	7.4578
EUR/NOK	11.6505
EUR/CHF	0.9315
EUR/AUD	1.6225
EUR/HKD	8.2357
EUR/CAD	1.4809

## Sterling

GBP/EUR	1.2033
GBP/USD	1.2733
GBP/CAD	1.7814
GBP/NZD	2.1485
GBP/JPY	190.7
GBP/SEK	13.845
GBP/DKK	8.9713
GBP/NOK	14.013
GBP/CHF	1.1204
GBP/AUD	1.9516

## Dollar

USD/JPY	149.76
USD/CAD	1.3994
USD/CHF	0.8801
USD/CNY	7.2282
USD/BRL	6.0142
USD/RUB	108
USD/INR	84.495
AUD/USD	0.6519
NZD/USD	0.5922



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 23
<b>10 Year Yield %</b>				
US	4.24	-6	-4	+38
Germany	2.13	-4	-27	+10
UK	4.28	-2	-17	+74
<b>5 Year Swap %</b>				
US	4.08	+2	+3	+29
Eurozone	2.12	-3	-24	-31
UK	4.12	-2	-16	+47
<b>2 Year Swap %</b>				
US	4.29	+0	+9	-4
Eurozone	2.16	-3	-23	-64
UK	4.39	-1	-9	+12
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	32	-0	-1	-2
Belgium	61	-2	+2	-5
France	82	-3	+8	+29
Italy	122	-2	-6	-45
Spain	72	-1	+0	-25
Portugal	48	-1	+6	-28
Greece	86	-3	-10	-19

Commodities				
	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	73.28	+0.62	+0.16	-4.88
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2641.0	+0.21	-3.75	+28.04

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