Morning Comment

AIB Treasury Economic Research Unit



Tuesday 01 October 2024 06:53 am

EUR/GBP registers a fresh YTD low

There was a mixed mood on markets yesterday, amid a relatively quiet data calendar. The Euro Stoxx 50 declined by 1.3%, while on Wall Street, the S&P 500 inched 0.4% higher. Meantime, oil prices fell, with Brent crude moving back below \$72 per barrel.

Data-wise, both German and Italian inflation moved lower in September, to 1.8% and 0.8%, respectively. The data follow similar prints below 2% for Spanish and French inflation last week. ECB President Lagarde noted yesterday that "the latest developments strengthen our (the ECB's) confidence that inflation will return to target in a timely manner". She also stated that the ECB will take account of the recent disinflation when it next meets later this month. Against this backdrop, Eurozone futures softened slightly. Elsewhere, Fed Chair Powell stated that the Fed was not in "a hurry to cut rates quickly", indicating it may cut by 25bps in November. US futures firmed somewhat overnight following the remarks.

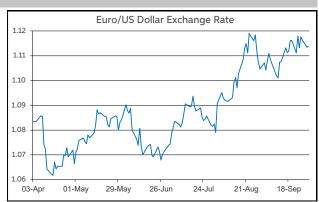
On the currency front, the euro was under some downward pressure yesterday. This saw EUR/GBP register a new YTD low of 83.13p. A the same time, the yen was on the defensive. As trading gets underway this morning, EUR/GBP remains firmly in the lower half of 83-84p. Meanwhile, EUR/USD is back below the midpoint of \$1.11-1.12. GBP/USD is operating in the top half of \$1.33-1.34. USD/JPY is up above ¥144.

Today, the main release will be the flash reading of the Eurozone wide measure of HICP inflation. In line with the national releases, the bloc-wide headline rate for September is projected to fall to 1.8%. However, core-HICP is expected to remain elevated, edging back to 2.7% from 2.8%. In the US, the manufacturing ISM for September and the JOLTS job openings data for August are due.

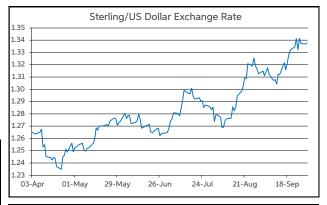
Daniel Noonan, Economist, AIB

Today's Opening FX Rates				
		% Change		
		Day *	End 2023	
EUR/USD	1.1139	-0.21	0.93	
EUR/GBP	0.8327	-0.11	-3.93	
GBP/USD	1.3377	-0.08	5.09	
GBP/EUR	1.2008	0.11	4.10	
USD/JPY	144.28	1.52	2.28	
EUR/JPY	160.73	1.32	3.28	
* v Previous Day's European Open				
See Next Page for More Rates				

Opening Interest Rates						
		Money Market		Swap Rates		
	Base Rate	1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	4.88	4.96	4.85	4.11	3.74	3.53
EUR	3.65	3.37	3.33	2.68	2.31	2.23
GBP	5.00	4.94	4.80	4.28	4.14	3.87









All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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Opening Levels



Euro	0
EUR/GBP	0.8327
EUR/USD	1.1139
EUR/JPY	160.73
EUR/SEK	11.3153
EUR/DKK	7.455
EUR/NOK	11.7466
EUR/CHF	0.9416
EUR/AUD	1.6068
EUR/HKD	8.659
EUR/CAD	1.5066

Sterling				
GBP/EUR	1.2008			
GBP/USD	1.3377			
GBP/CAD	1.8093			
GBP/NZD	2.1109			
GBP/JPY	193			
GBP/SEK	13.5776			
GBP/DKK	8.9523			
GBP/NOK	14.1014			
GBP/CHF	1.1309			
GBP/AUD	1.9296			

Dollar				
USD/JPY	144.28			
USD/CAD	1.3525			
USD/CHF	0.8454			
USD/CNY	7.0176			
USD/BRL	5.4497			
USD/RUB	92.9			
USD/INR	83.796			
AUD/USD	0.6932			
NZD/USD	0.6336			



US Swap Curve Offer Rates : Money Rates to 1 Year

5.25

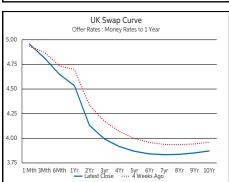
4.75 4.50

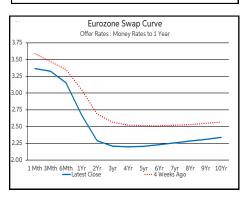
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3.75 3.50

3.25







1 Mth 3Mth 6Mth 1Yr 2Yr 3yr 4Yr 5yr 6Yr 7yr 8Yr 9Yr 10Yr Latest Close ···· 4 Weeks Ago



	Debt	Markets		
		Change bps		
	Close	Day	4 Weeks	End 23
10 Year Yield %				
US	3.80	+5	-11	-6
Germany	2.13	-1	-21	+10
UK	4.01	+3	-5	+47
Ireland	2.48	-2	-23	+12
Belgium	2.76	-1	-15	+7
France	2.93	-0	-11	+37
Italy	3.47	+1	-24	-23
Spain	2.94	+0	-21	-6
Portugal	2.71	-0	-22	-8
Greece	3.12	+2	-26	+5
5 Year Swap %				
US	3.50	+5	-15	-30
Eurozone	2.21	-2	-30	-22
UK	3.87	+3	-13	+22
2 Year Swap %				
US	3.68	+9	-30	-65
Eurozone	2.29	-2	-40	-51
UK	4.13	+5	-20	-13
 10 Year Governme	nt Bond Spread	s to Benchn	 nark bps	
Ireland	35	-1	-2	+1
Belgium	63	-O	+6	-3
France	79	+1	+9	+26
Italy	133	+2	-3	-34
Spain	80	+1	-1	-16
Portugal	58	+0	-2	-18
Greece	99	+2	-5	-6

Commodities					
		% Change			
	Close Day 4 Weeks				
Brent Oil	71.77	-0.29	-7.42	-6.84	
West Texas Oil	71.65	-0.17	-1.90	-1.27	
Gold \$	2634.5	-0.88	+5.41	+27.73	

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