Morning Comment

AIB Treasury Economic Research Unit



Wednesday 09 October 2024 06:47 am

Currency markets range bound

There was a mixed mood to sentiment yesterday. This was against the backdrop of a quiet data schedule. At the same time, investors were digesting newsflow out of China in relation to further stimulus measures. The additional stimulus disappointed versus expectations. The announcement weighed on European equities, with the Euro Stoxx 50 falling by 0.4%. On Wall Street though, the S&P 500 rose by 1%, recouping its losses from the day prior.

Meanwhile, oil prices retreated from their recent peak. Brent crude prices fell by circa 4% to near \$77 per barrel. In terms of fixed income, benchmark sovereign yields were little changed yesterday. The 10-year US Treasury yields continued to operate in and around 4%. Elsewhere, the 10-year UK Gilt yield declined by circa 3bps, to near 4.2%.

Currency-wise, the main FX pairs have been range bound over the past 24 hours. Of the limited moves to note, the euro was slightly weaker following some dovish remarks from a number of ECB officials, including the usually hawkish Bundesbank President Nagel. The yen has also been holding a marginally softer tone.

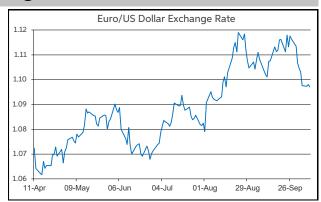
In level terms, the very modest decline in the euro sees EUR/USD open this morning nearer to the midpoint of the \$1.09-1.10 range. Elsewhere, EUR/GBP is changing hands in the upper half of the 83-84p trading band. GBP/USD is operating up in the top half of the \$1.30-1.31 corridor. USD/JPY is at the halfway mark of \$148-149.

Turning to the day ahead, the data calendar is barren throughout the European session. Overnight though, the release of the latest Fed FOMC meeting minutes will garner attention. Meantime remarks from a plethora of Fed officials will also be in focus.

Daniel Noonan, Economist, AIB

Today's Opening FX Rates				
		% Change		
		Day *	End 2023	
EUR/USD	1.0971	-0.13	-0.59	
EUR/GBP	0.8377	-0.18	-3.36	
GBP/USD	1.3096	0.05	2.88	
GBP/EUR	1.1936	0.18	3.47	
USD/JPY	148.52	0.30	5.29	
EUR/JPY	162.95	0.17	4.70	
* v Previous Day's European Open				
See Next Page for More Rates				

Opening Interest Rates						
		Money Market		Swap Rates		5
	Base Rate	1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	4.88	4.81	4.65	4.11	4.05	3.83
EUR	3.65	3.28	3.27	2.73	2.46	2.39
GBP	5.00	4.92	4.77	4.37	4.31	4.08









All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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Opening Levels



Е	uro	
EUR/GBP	0.83	377
EUR/USD	1.09	971
EUR/JPY	162	.95
EUR/SEK	11.34	80
EUR/DKK	7.45	573
EUR/NOK	11.75	05
EUR/CHF	0.94	111
EUR/AUD	1.6	25
EUR/HKD	8.52	64
EUR/CAD	1.49	978

Sterling				
GBP/EUR	1.1936			
GBP/USD	1.3096			
GBP/CAD	1.7877			
GBP/NZD	2.147			
GBP/JPY	194.51			
GBP/SEK	13.5354			
GBP/DKK	8.9004			
GBP/NOK	14.0213			
GBP/CHF	1.1236			
GBP/AUD	1.9396			

Dollar					
USD/JPY	148.52				
USD/CAD	1.3652				
USD/CHF	0.8578				
USD/CNY	7.058				
USD/BRL	5.5349				
USD/RUB	96.8				
USD/INR	83.945				
AUD/USD	0.675				
NZD/USD	0.6099				



US Swap Curve Offer Rates : Money Rates to 1 Year

5.25

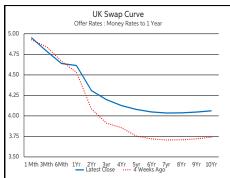
4.75

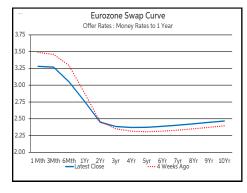
4.00 3.75

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	4.04	+1	+39	+18		
Germany	2.25	-0	+10	+22		
UK	4.19	-3	+36	+65		
Ireland	2.60	-1	+6	+24		
Belgium	2.86	-1	+11	+17		
France	3.02	-0	+17	+46		
Italy	3.55	-1	+4	-15		
Spain	3.00	-2	+3	+0		
Portugal	2.77	-1	-1	-2		
Greece	3.23	+2	+1	+15		
5 Year Swap %						
US	3.78	-2	+41	-1		
Eurozone	2.37	-3	+7	-5		
UK	4.08	-4	+33	+43		
2 Year Swap %						
US	4.01	-2	+39	-32		
Eurozone	2.45	-3	-1	-35		
UK	4.31	-5	+23	+4		
10 Year Government Bond Spreads to Benchmark bps						
Ireland	36	-1	-4	+2		
Belgium	62	-0	+1	-5		
France	77	-0	+7	+24		
Italy	131	-1	-6	-36		
Spain	75	-2	-7	-21		
Portugal	52	-O	-11	-24		
Greece	98	+2	-9	-7		

Commodities					
		% Change			
Close Day 4 Weeks				End 23	
Brent Oil	77.18	-4.63	+11.55	+0.18	
West Texas Oil	71.65	-0.17	-1.90	-1.27	
Gold \$	2621.9	-0.82	+4.21	+27.12	

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