

Yen remains volatile

Investor sentiment soured yesterday, despite some better than anticipated US data. Growing speculation that the BoJ may tighten policy and a surprise decision Chinese central bank to cut rates also impacted the mood on markets. Overall, the Euro Stoxx 50 shed 1%, while the S&P 500 declined by 0.5%.

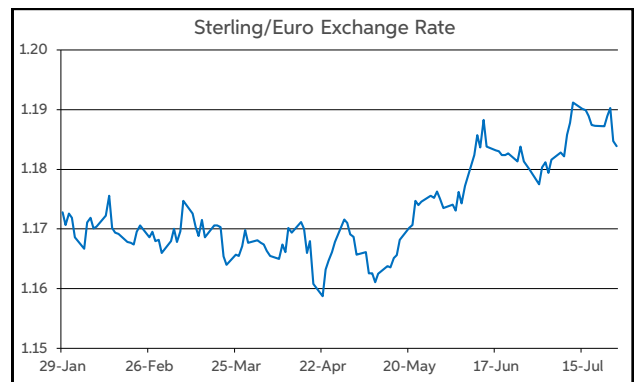
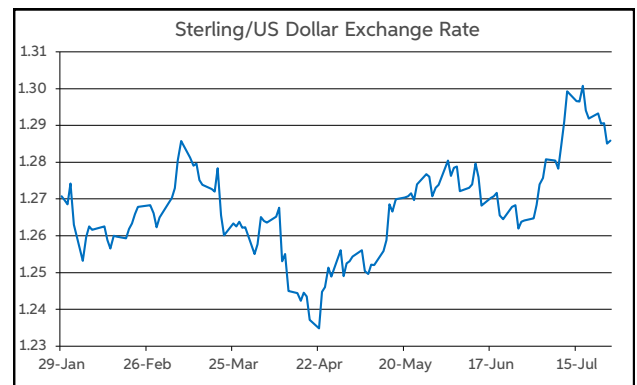
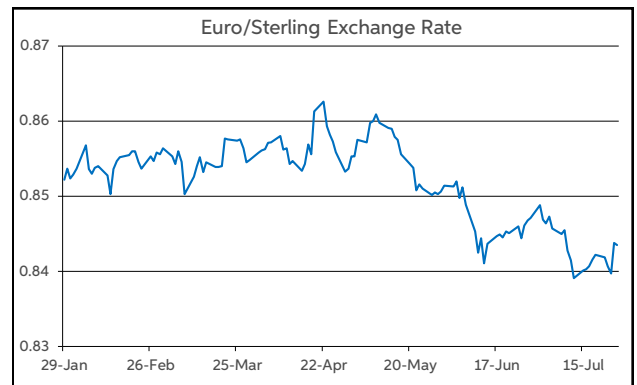
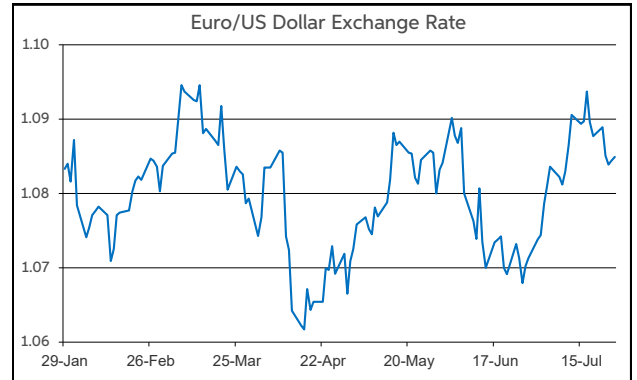
Data-wise, US GDP printed ahead of the consensus, rising by 2.8% annualised in Q2 (vs. 2.0% f'cast). Consumer spending (+2.3%), fixed investment (+3.6%) and Government expenditure (+3.1%) were the main drivers of growth. Meanwhile, the Q2 reading of core-PCE inflation rose by 2.9% annualised (vs. +2.7% f'cast). In contrast, both the German Ifo and French INSEE business sentiment indicators for July deteriorated and printed below expectations.

On the currency front, the yen was holding a firmer tone in the early part of the European session. This saw USD/JPY fall to a low of ¥151.9. However, as the day progressed the yen came under some downward pressure. Elsewhere, the dollar firmed in the initial aftermath of the US GDP release. Meantime, sterling was on the back-foot.

In level terms, EUR/USD starts this morning at the midpoint of the \$1.08-1.09 range. EUR/GBP is nearer to the halfway mark of 84-85p. Meanwhile, GBP/USD is operating close to the heart of the \$1.28-1.29 band. USD/JPY opens in the top half of ¥153-154.

Turning to the day ahead, the main release of note will be the June reading of US core-PCE inflation. The consensus is for a modest decline to 2.5%, albeit the Q2 data released yesterday suggests it may be higher. At the same time, US personal consumption and income for June are projected are also due.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0849	0.10	-1.69
EUR/GBP	0.8435	0.32	-2.69
GBP/USD	1.2859	-0.22	1.02
GBP/EUR	1.1848	-0.32	2.76
USD/JPY	153.73	0.75	8.98
EUR/JPY	166.82	0.85	7.19

* 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	5.46	5.54	5.02	4.56	4.14
EUR	4.25	3.60	3.70	3.36	2.97	2.71
GBP	5.25	5.09	5.06	4.76	4.59	4.14

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 26 July 2024
07:39 am



Euro

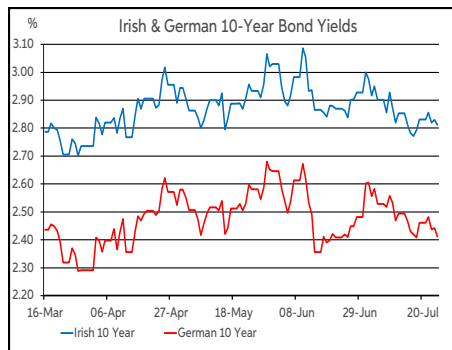
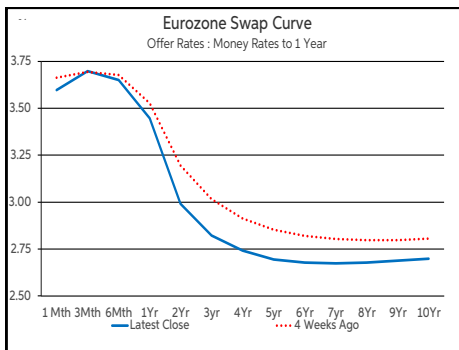
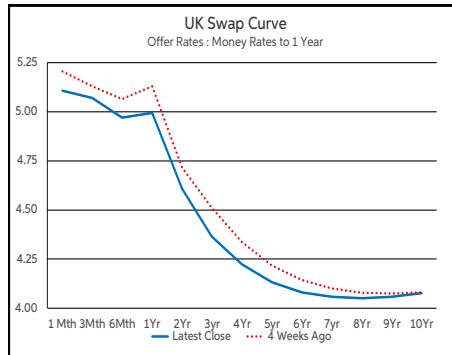
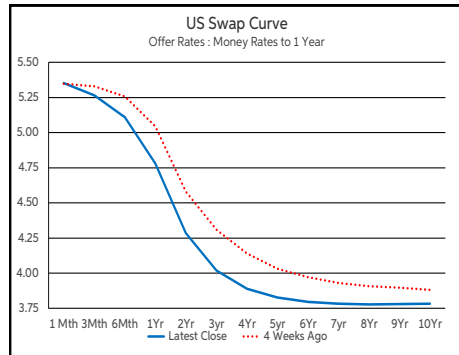
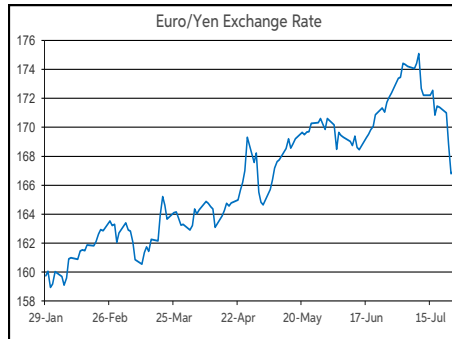
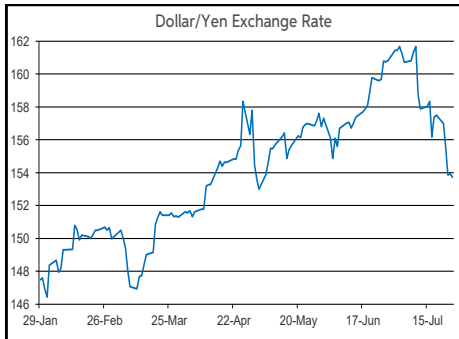
EUR/GBP	0.8435
EUR/USD	1.0849
EUR/JPY	166.82
EUR/SEK	11.7358
EUR/DKK	7.4621
EUR/NOK	11.9488
EUR/CHF	0.9567
EUR/AUD	1.6555
EUR/HKD	8.4706
EUR/CAD	1.4989

Sterling

GBP/EUR	1.1848
GBP/USD	1.2859
GBP/CAD	1.7765
GBP/NZD	2.183
GBP/JPY	197.68
GBP/SEK	13.909
GBP/DKK	8.8432
GBP/NOK	14.17
GBP/CHF	1.1341
GBP/AUD	1.9621

Dollar

USD/JPY	153.73
USD/CAD	1.3813
USD/CHF	0.8817
USD/CNY	7.2495
USD/BRL	5.6447
USD/RUB	85.25
USD/INR	83.72
AUD/USD	0.6554
NZD/USD	0.5889



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 23
10 Year Yield %				
US	4.26	-3	-3	+40
Germany	2.41	-3	-4	+39
UK	4.13	-2	-0	+60
5 Year Swap %				
US	4.10	-3	-18	+31
Eurozone	2.70	-2	-15	+27
UK	4.13	-3	-8	+48
2 Year Swap %				
US	4.51	-4	-32	+18
Eurozone	2.99	-3	-19	+20
UK	4.58	-3	-17	+32
10 Year Government Bond Spreads to Benchmark bps				
Ireland	42	+1	-7	+8
Belgium	58	+1	-10	-8
France	70	-0	-11	+17
Italy	136	+1	-21	-31
Spain	83	+1	-12	-13
Portugal	64	-1	-14	-12
Greece	107	+3	-18	+3

Commodities				
	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	82.37	+0.81	-4.65	+6.92
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2364.5	-1.38	+1.59	+14.64

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