## Morning Comment

AIB Treasury Economic Research Unit

Thursday 05 December 2024 07:10 am

## Currency markets range bound

1 12

Despite choppy trading conditions yesterday, equity markets maintained their recent momentum on both sides of the Atlantic. The Euro Stoxx 50 rose for a fifth consecutive day, finishing up by 0.8%. Meantime, the S&P 500 moved higher for the 11th time in the past 12 sessions, gaining 0.6%.

On bond markets, US Treasury yields declined by circa 4bps. Meantime, UK Gilt and German Bund yields were little changed. The spread between German and French 10-year yields remained at circa 84bps also, despite a no confidence vote in the French Government passing yesterday.

Currency-wise, the main pairs were largely range bound. Remarks from Fed Chair Powell, ECB President Lagarde and BoE Governor Bailey had a negligible impact on proceedings. Initially, the dollar was holding a firmer tone in the European session. However, the greenback handed back its gains amid some disappointing US data. The US non-manufacturing ISM fell to 52.1 in November (vs. 55.5 f'cast), while the underlying survey details indicated the pace of jobs growth and new orders slowed in the month.

As trading gets underway this morning, EUR/USD opens in the bottom half of the \$1.05-1.06 range once again. Meanwhile, GBP/ USD is changing hands above the \$1.27 threshold. EUR/GBP remains below the 83p mark.

Today's data calendar is sparse. Eurozone retail sales data are forecast to fall by 0.3% in October. However, barring any major surprises, the release is unlikely to impact the euro. In the US, the latest weekly initial jobless claims figures will garner some interest. Daniel Noonan, Economist, AIB

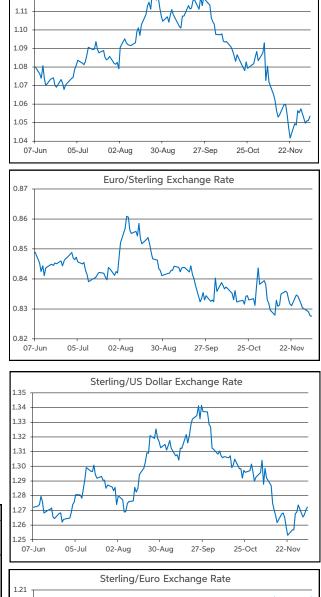
Today's Opening FX Rates				
		% Change		
		Day *	End 2023	
EUR/USD	1.0534	0.19	-4.55	
EUR/GBP	0.8276	-0.08	-4.52	
GBP/USD	1.2722	0.27	-0.05	
GBP/EUR	1.2076	0.08	4.74	
USD/JPY	149.85	-0.15	6.23	
EUR/JPY	157.86	0.02	1.43	
* v Previous Day's Eu	v Previous Day's European Open			
See Next Page for More Rates				

	Opening Interest Rates					
		Money Market		Swap Rates		
	Base Rate	1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	4.63	4.48	4.42	4.17	4.25	4.05
EUR	3.40	3.00	2.88	2.29	2.08	2.03
GBP	4.75	4.68	4.63	4.34	4.34	4.08

## All rates quoted are indicative market rates

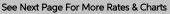
FX Spot Karl Cooke Shane Gargan

FX Options Mark Tuite



Euro/US Dollar Exchange Rate





AIBG.I Reuters Phone

00353-1-7724018

Morning Comment John Fahey john.j.fahey@aib.ie

## **Opening Levels**

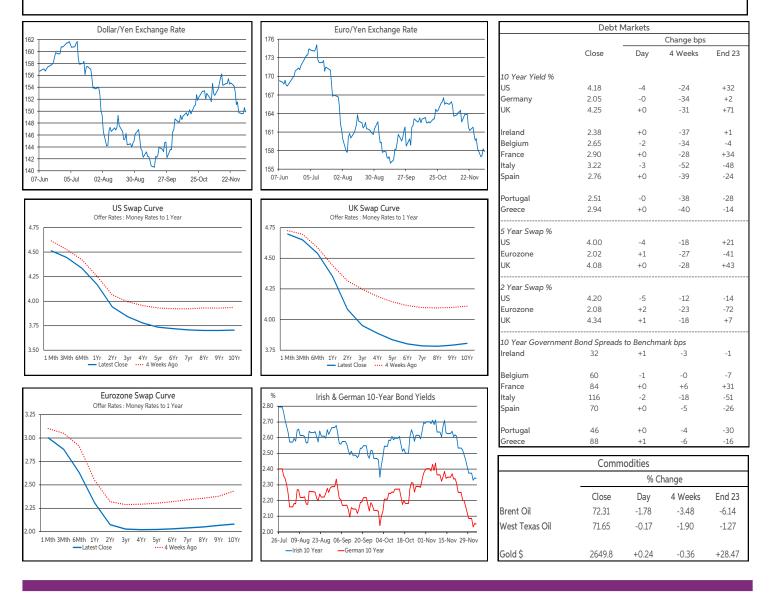
Thursday 05 December 2024 07:10 am



Euro	D
EUR/GBP	0.8276
EUR/USD	1.0534
EUR/JPY	157.86
EUR/SEK	11.495
EUR/DKK	7.4576
EUR/NOK	11.6271
EUR/CHF	0.9304
EUR/AUD	1.6347
EUR/HKD	8.1967
EUR/CAD	1.4816

Sterling			
GBP/EUR	1.2076		
GBP/USD	1.2722		
GBP/CAD	1.7895		
GBP/NZD	2.1652		
GBP/JPY	190.64		
GBP/SEK	13.8823		
GBP/DKK	9.005		
GBP/NOK	14.026		
GBP/CHF	1.1237		
GBP/AUD	1.9744		

Dollar				
USD/JPY	149.85			
USD/CAD	1.4068			
USD/CHF	0.8833			
USD/CNY	7.2668			
USD/BRL	6.0409			
USD/RUB	105			
USD/INR	84.724			
AUD/USD	0.6441			
NZD/USD	0.5873			



This publication is for information purposes and is not an invitation to deal. The information is believed to be reliable but is not guaranteed. Any expressions of opinions are subject to change without notice. This publication is not to be reproduced in whole or in part without prior permission. In the Republic of Ireland it is distributed by Allied Irish Banks, p.l.c. and Allied Irish Bank (GB). In Northern Ireland it is distributed by Allied Irish Bank (N). In the United States of America it is distributed by Allied Irish Banks, p.l.c. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland. Allied Irish Bank (GB) and AlB (NI) are trade marks used under licence by AlB Group (UK) p.l.c. (a wholly owned subsidiary of Allied Irish Banks, p.l.c.), incorporated in Northern Ireland. Registered Office 92 Ann Street, Belfast BT1 3HH. Registered Number NI018800. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In the United States of America, Allied Irish Banks, p.l.c., New York Branch, is a branch licensed by the New York State Department of Financial Services. Deposits and other investment products are not FDIC insured, they are not guaranteed by any bank and they may lose value. Please note that telephone calls may be recorded in line with market practice.