## **Morning Comment**

AIB Treasury Economic Research Unit



Wednesday 04 December 2024 06:36 am

## Dollar slightly softer

A limited data schedule contributed to a relatively quiet day on markets yesterday. On equity markets, the Euro Stoxx 50 gained 0.7%. Meantime on Wall Street, the S&P 500 finished broadly flat for the day, having registered a fresh all-time high on Monday.

In terms of fixed income, US Treasury and UK Gilt yields inched 2-3bps higher along the curve. Similarly, German Bund yields rose by 2-5bps yesterday, with the larger move concentrated at the front-end of the curve. The spread between 10-year German and French sovereign yields narrowed slightly to 84bps.

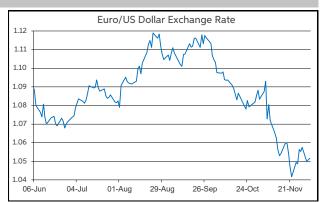
Of the limited data releases to note yesterday, US JOLTS job openings printed above the consensus in October. The number of job openings jumped to 7.74m in the month, up from 7.37m in September and versus 7.47m forecast. The dollar edged off its lows following the release.

Overall though, the dollar was under some downward pressure yesterday. The greenback declined by circa 0.3% against the euro and sterling. The softer dollar tone is reflected by EUR/USD opening this morning north of the \$1.05 threshold. Meanwhile, GBP/USD is changing hands in the top half of the \$1.26-1.27 corridor. EUR/GBP remains just below the 83p mark.

Today, the main release of note will be the US Non-manufacturing ISM for November. Meantime, political developments in France will be in focus, as PM Barnier's Government faces two no confidence votes in the Assembly. Remarks from a number of central bank officials including, Fed Chair Powell, ECB President Lagarde, and BoE Governor Bailey, will also garner some interest. **Daniel Noonan, Economist, AIB** 

| Today's Opening FX Rates         |        |          |          |  |
|----------------------------------|--------|----------|----------|--|
|                                  |        | % Change |          |  |
|                                  |        | Day *    | End 2023 |  |
| EUR/USD                          | 1.0516 | 0.25     | -4.71    |  |
| EUR/GBP                          | 0.8284 | -0.11    | -4.43    |  |
| GBP/USD                          | 1.2688 | 0.34     | -0.32    |  |
| GBP/EUR                          | 1.2063 | 0.11     | 4.64     |  |
| USD/JPY                          | 149.92 | -0.06    | 6.28     |  |
| EUR/JPY                          | 157.69 | 0.18     | 1.32     |  |
| * v Previous Day's European Open |        |          |          |  |

| Opening Interest Rates |                  |              |       |            |      |      |
|------------------------|------------------|--------------|-------|------------|------|------|
|                        |                  | Money Market |       | Swap Rates |      |      |
|                        | <b>Base Rate</b> | 1-Mth        | 3-Mth | 1-Yr       | 2-Yr | 5-Yr |
| USD                    | 4.63             | 4.51         | 4.44  | 4.18       | 4.28 | 4.08 |
| EUR                    | 3.40             | 2.99         | 2.92  | 2.30       | 2.08 | 2.02 |
| GBP                    | 4.75             | 4.68         | 4.63  | 4.33       | 4.33 | 4.08 |









All rates quoted are indicative market rates

See Next Page for More Rates

See Next Page For More Rates & Charts

| FX Spot Karl Cooke FX Options Mark Tuite Reuters AIBG.I Morning Comment John | hn Fahey          |
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## **Opening Levels**



| 0.8284  |
|---------|
| 1.0516  |
| 157.69  |
| 11.5763 |
| 7.4581  |
| 11.6301 |
| 0.9317  |
| 1.6324  |
| 8.1854  |
| 1.4786  |
|         |

| GBP/EUR         1.2063           GBP/USD         1.2688           GBP/CAD         1.7838           GBP/NZD         2.1661           GBP/JPY         190.24           GBP/SEK         13.9497 |
|--|
| GBP/CAD 1.7838<br>GBP/NZD 2.1661<br>GBP/JPY 190.24   |
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| GBP/JPY 190.24   |
|  |
| GBP/SEK 13.9497  |
| , ,  |
| GBP/DKK 8.9959   |
| GBP/NOK 14.0208  |
| GBP/CHF 1.1239   |
| GBP/AUD 1.969  |

| Dollar  |        |
|---------|--------|
| USD/JPY | 149.94 |
| USD/CAD | 1.4059 |
| USD/CHF | 0.8857 |
| USD/CNY | 7.2687 |
| USD/BRL | 6.044  |
| USD/RUB | 105    |
| USD/INR | 84.69  |
|         |        |
| AUD/USD | 0.6441 |
| NZD/USD | 0.5854 |

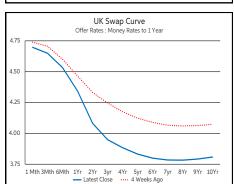


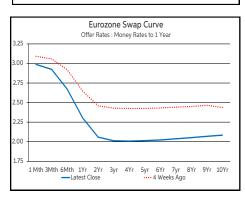
US Swap Curve Offer Rates : Money Rates to 1 Year

4.75

4.25 4.00 3.75







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               | 4.22           | +3          | -7           | +36    |  |
| Germany          | 2.06           | +2          | -38          | +3     |  |
| UK               | 4.25           | +3          | -29          | +71    |  |
| Ireland          | 2.37           | +1          | -37          | +1     |  |
| Belgium          | 2.66           | -0          | -34          | -2     |  |
| France           | 2.90           | -2          | -26          | +34    |  |
| Italy            | 3.24           | -2          | -43          | -46    |  |
| Spain            | 2.76           | -1          | -37          | -24    |  |
| Portugal         | 2.51           | -0          | -38          | -27    |  |
| Greece           | 2.93           | +1          | -37          | -14    |  |
| 5 Year Swap %    |                |             |              |        |  |
| US               | 4.04           | +2          | -1           | +25    |  |
| Eurozone         | 2.01           | +1          | -40          | -41    |  |
| UK               | 4.07           | +2          | -29          | +42    |  |
| 2<br>Year Swap % |                |             |              |        |  |
| US               | 4.25           | -0          | +3           | -8     |  |
| Eurozone         | 2.06           | +2          | -39          | -73    |  |
| UK               | 4.33           | +0          | -23          | +6     |  |
| 10 Year Governme | nt Bond Spread | s to Benchn | <br>nark bps |        |  |
| Ireland          | 32             | -1          | +0           | -2     |  |
| Belgium          | 61             | -2          | +3           | -5     |  |
| France           | 84             | -4          | +11          | +31    |  |
| Italy            | 119            | -4          | -6           | -49    |  |
| Spain            | 70             | -3          | +0           | -26    |  |
| Portugal         | 46             | -2          | -1           | -30    |  |
| Greece           | 88             | -1          | +1           | -17    |  |

| Commodities    |        |          |         |        |  |
|----------------|--------|----------|---------|--------|--|
|                |        | % Change |         |        |  |
|                | Close  | Day      | 4 Weeks | End 23 |  |
| Brent Oil      | 73.62  | +2.49    | -2.53   | -4.44  |  |
| West Texas Oil | 71.65  | -0.17    | -1.90   | -1.27  |  |
| Gold \$        | 2643.4 | +0.17    | -3.65   | +28.16 |  |

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