

Yen firmer

The cautious mood on markets persisted yesterday, amid a quiet data schedule. The Euro Stoxx 50 declined by 1%, while in contrast, the S&P 500 edged 0.2% higher. Meantime, 10-year sovereign bond yields fell by 2-7bps in the US, UK and Eurozone. Elsewhere, oil prices continued to decline, with Brent crude down near \$77 per barrel mark.

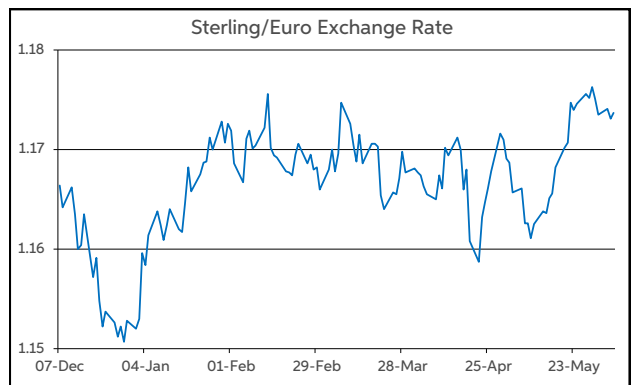
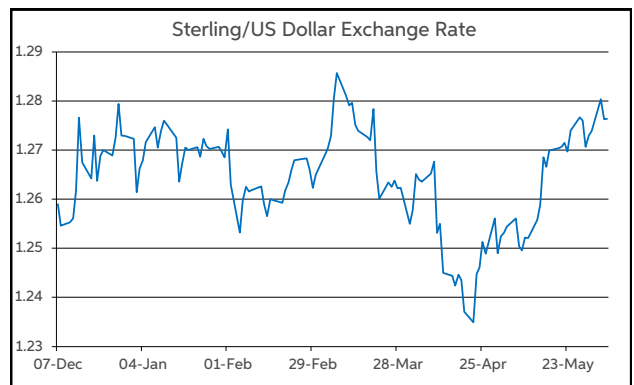
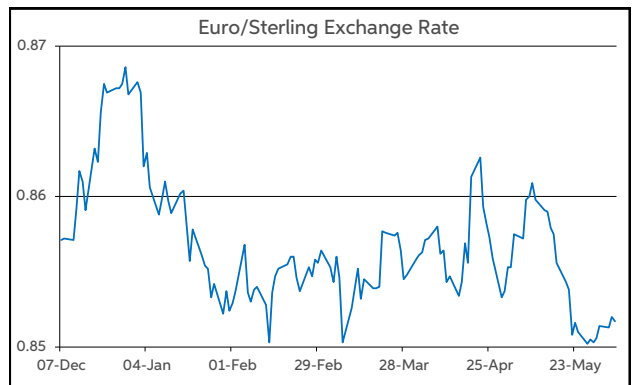
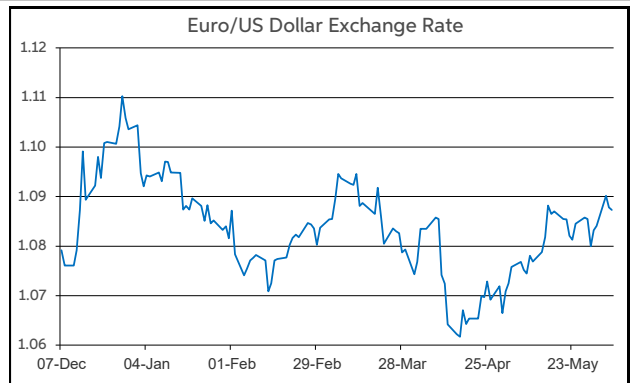
Data-wise, the only release of note, US JOLTS job openings printed below the consensus, falling to 8.1m in April (vs. 8.4m f'cast). The April reading was the lowest since February 2021. The data suggest tight conditions in the labour market have softened somewhat.

On the currency front, the yen was in the ascendancy yesterday. It strengthened as Finance Minister Suzuki officially confirmed authorities had intervened in the market to support the yen. This saw EUR/JPY trade down to a low near ¥168 and USD/JPY decline to a trough of ¥154.6. However, overnight, the yen handed back most of its gains. Elsewhere, range trading between the euro, sterling and dollar continued.

As things open this morning, the firmer yen sees EUR/JPY open in the lower half of the ¥169-170 range, having started above ¥170 yesterday. EUR/USD is operating back below the \$1.09 threshold. Meanwhile, GBP/USD is changing hands in the top half of the \$1.27-1.28 band. The EUR/GBP pair remains below the midpoint of the 85-86p corridor.

Turning to the day ahead, the main data highlight will be the US non-manufacturing ISM for May. The index is forecast to move back into expansion mode, rising to 50.8 from 49.4. In the Eurozone, producer price inflation for April are due.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0872	-0.32	-1.49
EUR/GBP	0.8517	0.04	-1.74
GBP/USD	1.2764	-0.34	0.27
GBP/EUR	1.1738	-0.04	1.77
USD/JPY	155.73	-0.36	10.40
EUR/JPY	169.34	-0.69	8.81

* 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	5.44	5.60	5.38	4.96	4.41
EUR	4.50	3.69	3.78	3.62	3.32	2.90
GBP	5.25	5.19	5.17	5.00	4.88	4.31

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

Wednesday 05 June 2024
07:25 am



Euro

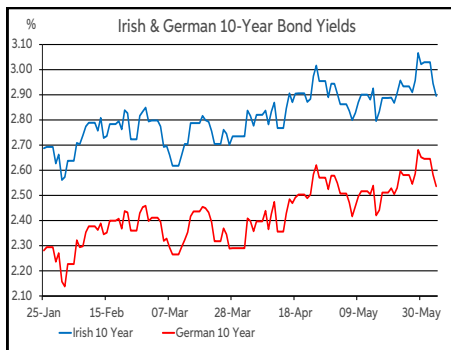
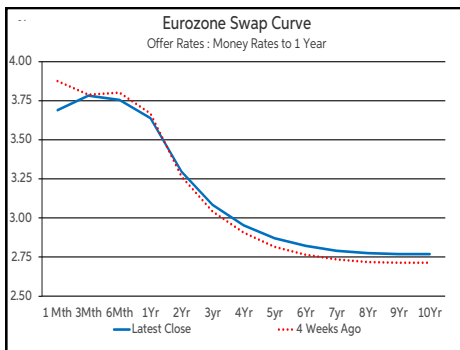
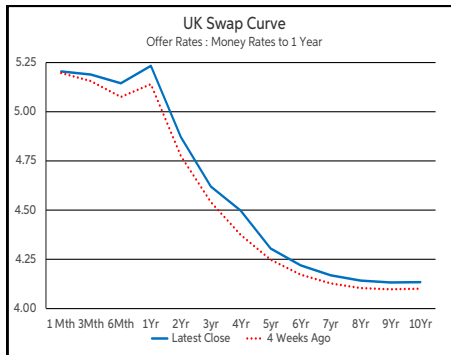
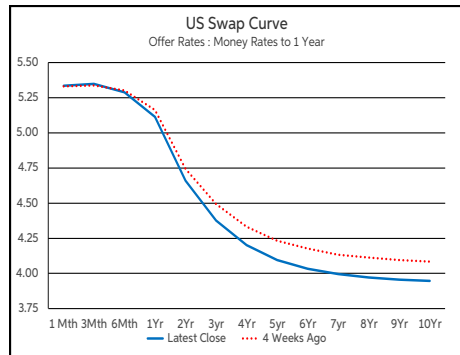
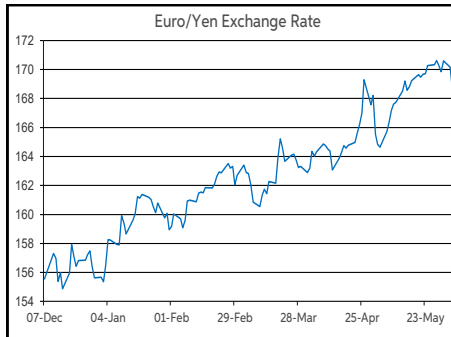
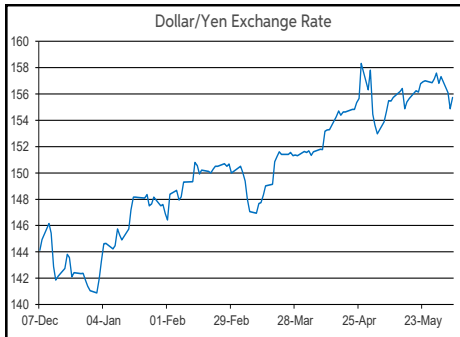
EUR/GBP	0.8517
EUR/USD	1.0872
EUR/JPY	169.34
EUR/SEK	11.339
EUR/DKK	7.4588
EUR/NOK	11.4826
EUR/CHF	0.969
EUR/AUD	1.634
EUR/HKD	8.491
EUR/CAD	1.4869

Sterling

GBP/EUR	1.1738
GBP/USD	1.2764
GBP/CAD	1.7457
GBP/NZD	2.0656
GBP/JPY	198.77
GBP/SEK	13.3094
GBP/DKK	8.7554
GBP/NOK	13.473
GBP/CHF	1.1377
GBP/AUD	1.9182

Dollar

USD/JPY	155.73
USD/CAD	1.3675
USD/CHF	0.8912
USD/CNY	7.2457
USD/BRL	5.2896
USD/RUB	88.8875
USD/INR	83.383
AUD/USD	0.6653
NZD/USD	0.6177



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 23
10 Year Yield %				
US	4.34	-7	-13	+48
Germany	2.54	-5	+12	+51
UK	4.18	-4	+5	+64
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Ireland	2.93	-3	+12	+56
Belgium	3.09	-4	+13	+40
France	3.04	-3	+12	+48
Italy	3.86	-3	+10	+16
Spain	3.28	-2	+8	+29
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Portugal	3.14	-3	+7	+35
Greece	3.58	-5	+11	+51
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5 Year Swap %				
US	4.36	-6	-12	+57
Eurozone	2.87	-5	+6	+44
UK	4.30	-4	+6	+65
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2 Year Swap %				
US	4.91	-6	-9	+58
Eurozone	3.30	-4	+4	+50
UK	4.87	-2	+10	+61
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10 Year Government Bond Spreads to Benchmark bps				
Ireland	39	+2	-0	+5
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Belgium	55	+1	+1	-11
France	50	+2	-0	-3
Italy	132	+2	-2	-35
Spain	74	+3	-4	-22
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Portugal	60	+2	-5	-16
Greece	105	-0	-0	-0

Commodities				
	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	77.52	-1.07	-6.78	+0.62
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2327.7	-0.96	+0.60	+12.85

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