

Encouraging Eurozone growth data

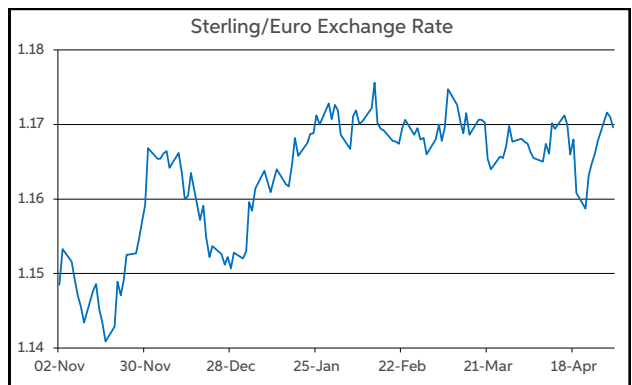
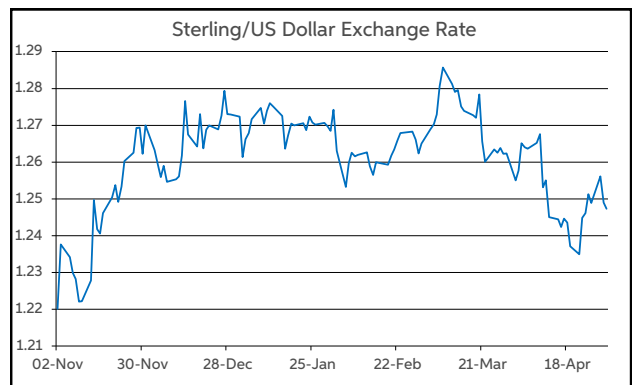
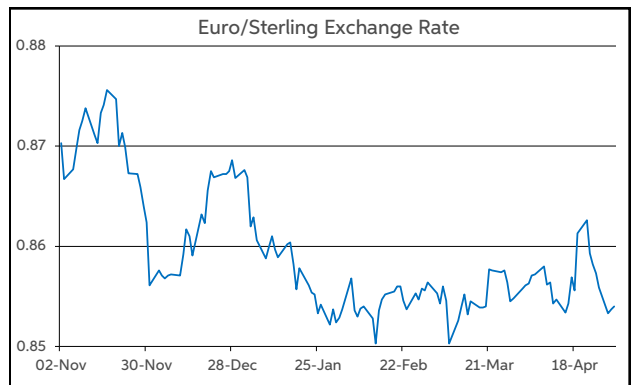
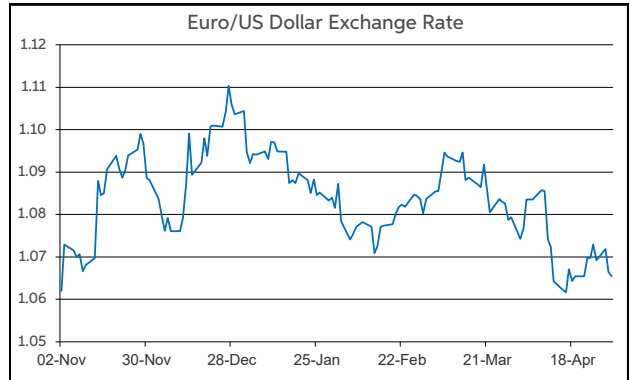
After the previous few days of 'yen' dominated market discourse, attention yesterday shifted back to the macro data diary. There were important releases on both sides of the Atlantic. In the Eurozone, we got a raft of preliminary Q1 GDP readings. There were upside surprises from quarterly growth estimates in France, Spain, Italy and Germany. Meanwhile, the Eurozone aggregate number posted a 0.3% increase in the quarter, compared to a 0.2% forecast. There was also inflation numbers, with the Eurozone core-HICP rate easing to 2.7% in April, from 2.9% (vs. f'cast for 2.6%).

In the US, the Fed's preferred wage gauge-the Employment Cost Index- printed stronger than expected in Q1, rising by 1.2% in the quarter (vs. f'cast for +1.0%). The underlying wages component rose by 1.1% in Q1, matching its pace from Q4'23. Meanwhile, consumer confidence for April missed to the downside of forecasts, falling to 97.0 (f'cast for 104).

Currency-wise, the Eurozone GDP numbers provided some upside to the euro. However, these gains were short-lived. Instead, it is the dollar that is firmer over the past 24 hours. This has occurred against a risk averse backdrop and a move higher in US yields/rates amid stronger than expected US wage pressures in Q1. EUR/USD is at the midpoint of \$1.06-1.07, GBP/USD is below \$1.25, while USD/JPY is above ¥157. EUR/GBP remains within the 85-86p band.

This evening we get the conclusion of the two-day US Fed policy setting meeting. The overwhelming consensus is for no change to rates. Indeed, amid higher than expected inflation and more hawkish Fed comments recently, the first rate cut is now not fully price in until December. Therefore, Chair Powell's press conference will be closely analysed for guidance on the outlook for US rates.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0654	-0.47	-3.46
EUR/GBP	0.854	0.11	-1.48
GBP/USD	1.2472	-0.57	-2.02
GBP/EUR	1.1702	-0.11	1.50
USD/JPY	157.88	0.73	11.92
EUR/JPY	168.24	0.32	8.10

* 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	5.43	5.59	5.54	5.24	4.78
EUR	4.50	3.86	3.84	3.67	3.39	2.97
GBP	5.25	5.19	5.17	5.03	4.97	4.48

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
---------	----------------------------	------------	------------	------------------	---------------------------	-----------------	-----------------------------------

Opening Levels

Wednesday 01 May 2024
07:19 am



Euro

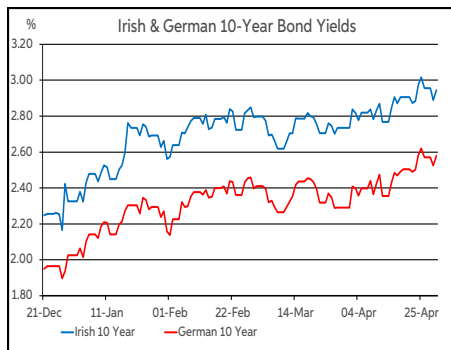
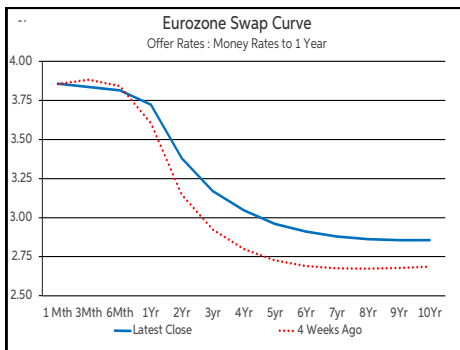
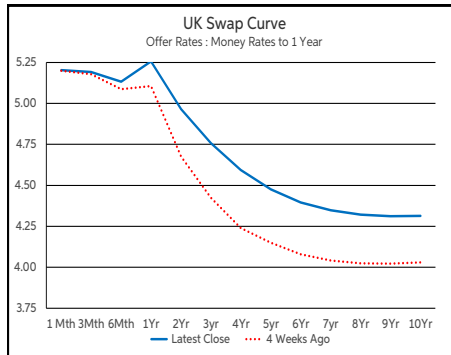
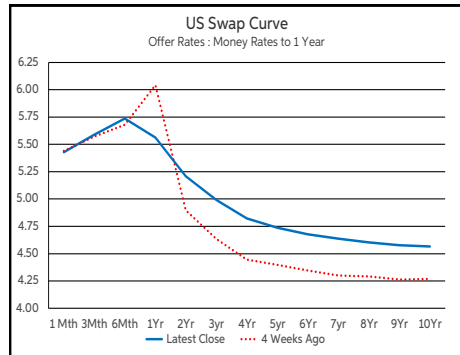
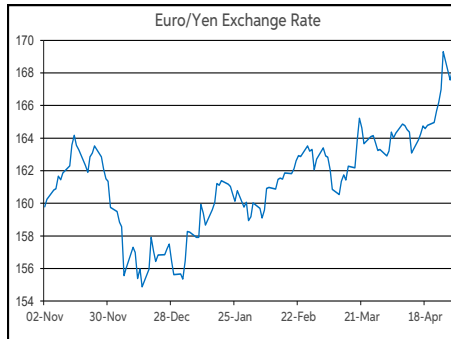
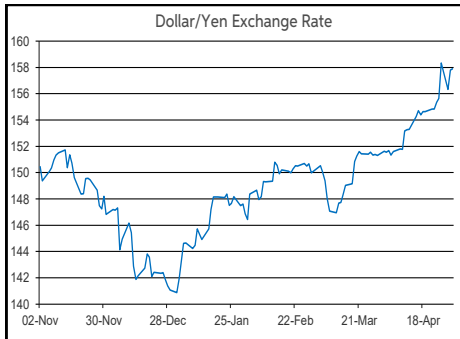
EUR/GBP	0.854
EUR/USD	1.0654
EUR/JPY	168.24
EUR/SEK	11.7544
EUR/DKK	7.4579
EUR/NOK	11.8478
EUR/CHF	0.9818
EUR/AUD	1.6444
EUR/HKD	8.3338
EUR/CAD	1.4682

Sterling

GBP/EUR	1.1702
GBP/USD	1.2472
GBP/CAD	1.7186
GBP/NZD	2.1181
GBP/JPY	196.92
GBP/SEK	13.7577
GBP/DKK	8.7304
GBP/NOK	13.87
GBP/CHF	1.1491
GBP/AUD	1.9249

Dollar

USD/JPY	157.89
USD/CAD	1.3777
USD/CHF	0.9212
USD/CNY	7.2401
USD/BRL	5.1936
USD/RUB	93.4455
USD/INR	83.515
AUD/USD	0.6478
NZD/USD	0.5886



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 23
10 Year Yield %				
US	4.68	+7	+32	+82
Germany	2.58	+5	+17	+55
UK	4.35	+6	+26	+81
5 Year Swap %				
US	4.74	+7	+38	+95
Eurozone	2.96	+6	+24	+53
UK	4.48	+7	+33	+82
2 Year Swap %				
US	5.21	+5	+35	+87
Eurozone	3.38	+7	+24	+59
UK	4.97	+7	+30	+70
10 Year Government Bond Spreads to Benchmark bps				
Ireland	38	-0	-7	+5
Belgium	52	-0	-7	-14
France	50	-1	-2	-3
Italy	130	+0	-10	-37
Spain	77	-1	-8	-19
Portugal	61	-1	-8	-15
Greece	89	-2	-10	-16

Commodities				
	Close	% Change		
		Day	4 Weeks	End 23
Brent Oil	87.86	-0.61	-1.19	+14.04
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2285.6	-2.09	+0.24	+10.81

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. In the UK 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 (NI). 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 AIB (NI) are trade marks used under licence by AIB 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.