

Chair Powell's testimony in focus today

There was a positive tone to risk appetite at the start of the week on financial markets. Despite the announcement of US tariffs on imports of steel and aluminium, and the threat of "reciprocal tariffs" on all countries who place levies on US exports over the weekend, equity markets moved higher on both sides of the Atlantic. The Euro Stoxx 50 gained 0.6%, while on Wall Street, the S&P moved 0.7% higher.

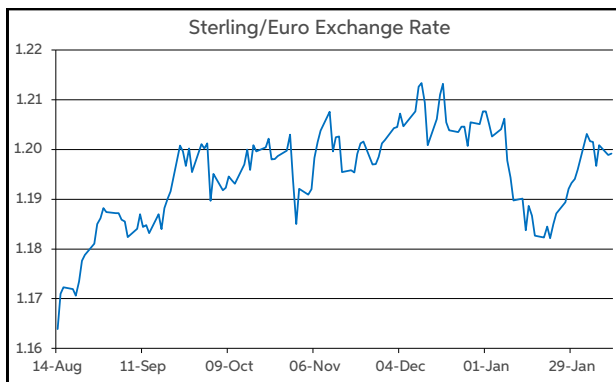
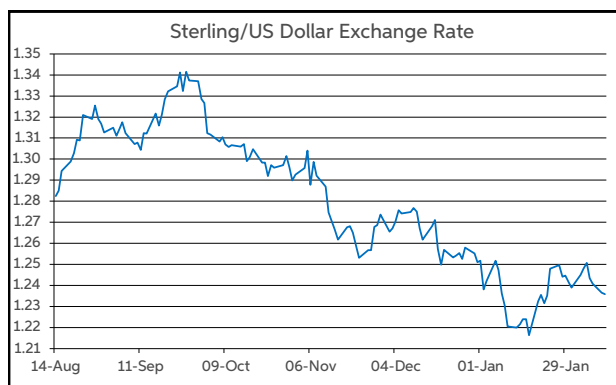
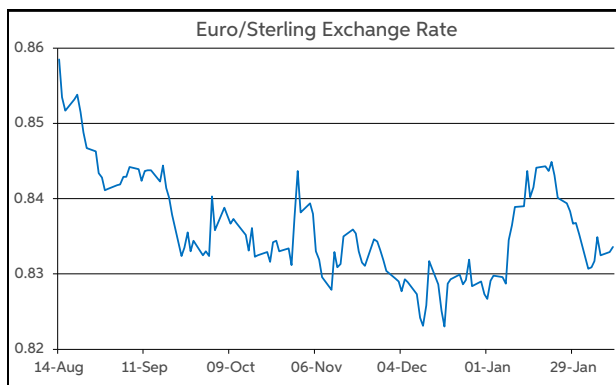
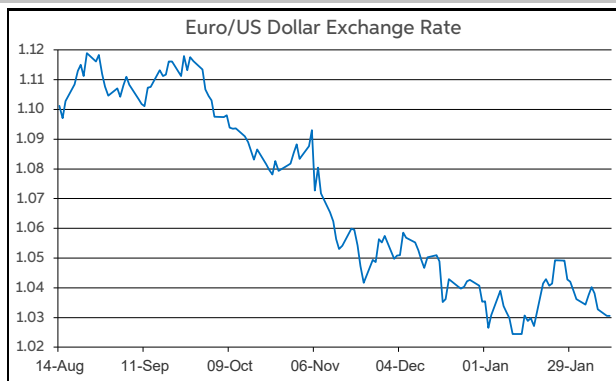
Currency-wise, the main pairs were tightly range bound throughout the European session. A sparse data schedule likely contributed to the lacklustre price action. The only release of note yesterday was the EU Sentix index for February. The survey ended a run of consecutive falls, improving to -12.7, its highest level since last July and well above expectations for a reading of -16.3. However, the release did not influence the euro.

Of the very limited moves to register on forex markets yesterday, sterling was under some downward pressure. However, there was no obvious catalyst for the decline. Meantime, in overnight action the dollar edged slightly higher across the board.

As trading gets underway this morning, EUR/USD opens back at the \$1.03 threshold. GBP/USD is operating down nearer to the midpoint of the \$1.23-1.24 corridor. Meanwhile, EUR/GBP is changing hands in the lower half of the 83-84p band.

Today, remarks from a number of central bank officials, including BoE Governor Bailey and fellow MPC member Mann, as well as the ECB's Schnabel will warrant attention. However, the main focus will be on comments from Fed Chair Powell, as he provides his semi-annual testimony to the US Senate Banking Committee.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.0305	-0.11	-0.46
EUR/GBP	0.8336	0.23	0.76
GBP/USD	1.2357	-0.35	-1.23
GBP/EUR	1.199	-0.23	-0.76
USD/JPY	151.91	-0.03	-3.35
EUR/JPY	156.56	-0.13	-3.80

* 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	4.38	4.31	4.31	4.23	4.41	4.34
EUR	2.90	2.65	2.53	2.29	2.17	2.21
GBP	4.50	4.45	4.41	4.13	4.22	4.12

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

Euro

EUR/GBP	0.8336
EUR/USD	1.0305
EUR/JPY	156.56
EUR/SEK	11.2586
EUR/DKK	7.4594
EUR/NOK	11.5546
EUR/CHF	0.9393
EUR/AUD	1.641
EUR/HKD	8.0286
EUR/CAD	1.4766

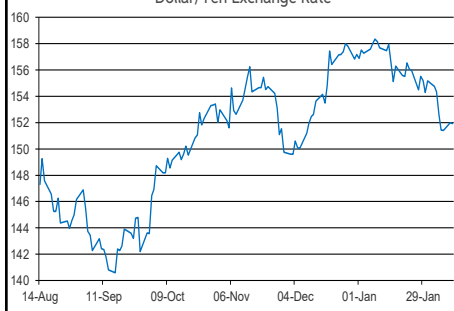
Sterling

GBP/EUR	1.199
GBP/USD	1.2357
GBP/CAD	1.7705
GBP/NZD	2.1879
GBP/JPY	187.75
GBP/SEK	13.503
GBP/DKK	8.9425
GBP/NOK	13.8564
GBP/CHF	1.1265
GBP/AUD	1.9672

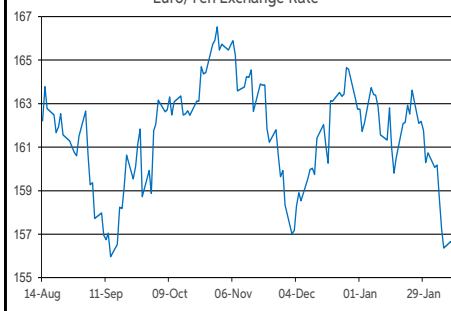
Dollar

USD/JPY	151.91
USD/CAD	1.4328
USD/CHF	0.9115
USD/CNY	7.3063
USD/BRL	5.7874
USD/RUB	96.2
USD/INR	86.89
AUD/USD	0.6279
NZD/USD	0.5646

Dollar/Yen Exchange Rate

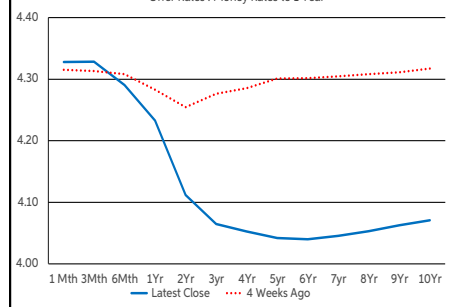


Euro/Yen Exchange Rate



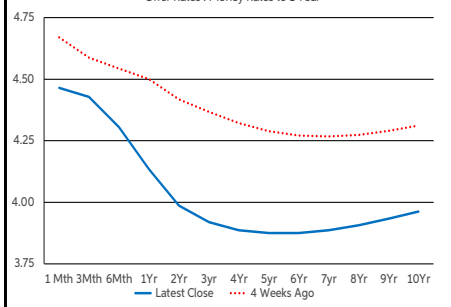
US Swap Curve

Offer Rates : Money Rates to 1 Year



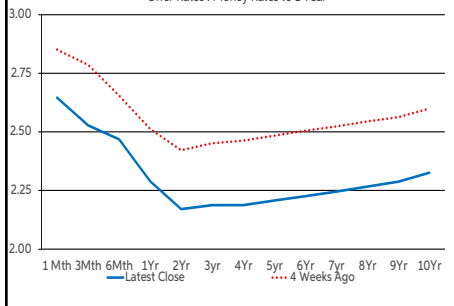
UK Swap Curve

Offer Rates : Money Rates to 1 Year

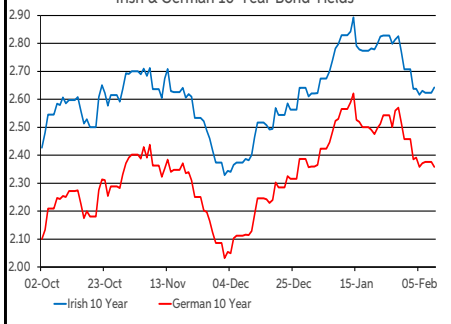


Eurozone Swap Curve

Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



Debt Markets

	Close	Change bps		
		Day	4 Weeks	End 24
10 Year Yield %				
US	4.50	+1	-31	-8
Germany	2.36	-2	-23	-0
UK	4.46	-2	-43	-12
5 Year Swap %				
US	4.31	-0	-24	+2
Eurozone	2.20	-0	-28	-4
UK	4.12	-3	-40	-17
2 Year Swap %				
US	4.37	-1	-13	+3
Eurozone	2.16	-2	-26	-3
UK	4.22	-4	-42	-27
10 Year Government Bond Spreads to Benchmark bps				
Ireland	30	+2	+1	+2
Belgium	59	+0	-3	-3
France	72	+1	-14	-11
Italy	109	+0	-14	-7
Spain	67	+1	-4	-3
Portugal	53	-0	+4	+4
Greece	90	+1	+1	+1

Commodities

	% Change			
	Close	Day	4 Weeks	End 24
Brent Oil	75.87	+1.62	-6.34	+1.65
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2907.3	+1.64	+9.21	+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.