

## ECB meeting in focus today

Risk appetite was holding a firmer tone during the European session yesterday, supported by stronger than expected corporate earnings, and better than anticipated PMI data. The Euro Stoxx 50 rose by 2.2%, its largest daily gain since November 2022. However, having initially been higher, the S&P 500 closed up by just 0.1%, as risk appetite faded during the US session.

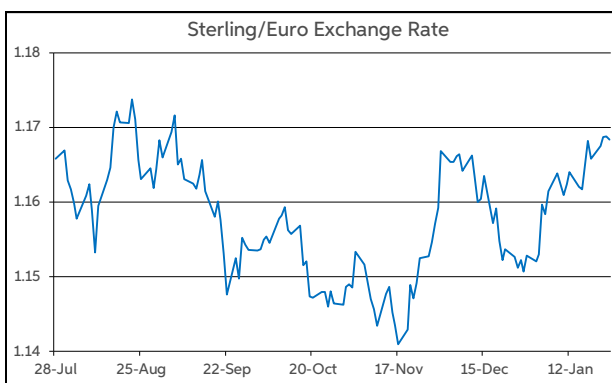
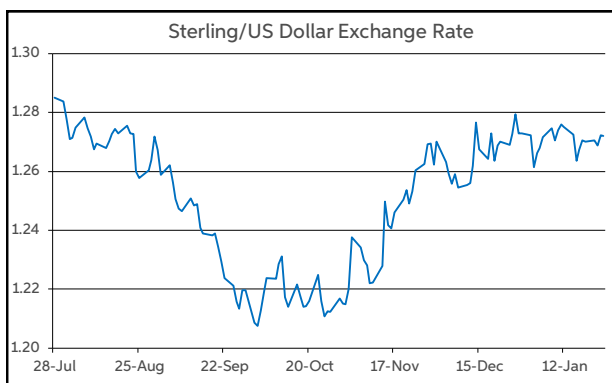
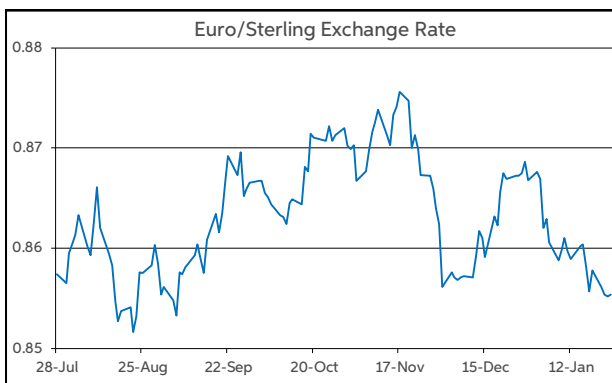
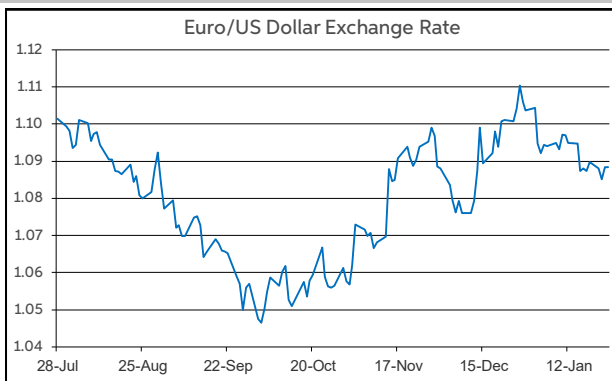
Data-wise, the flash PMIs broadly improved and printed above the consensus in January in the US, UK and Eurozone. In the US, both sectors were in expansion mode. Likewise, in the UK, the services PMI was above the key 50 mark, although, the manufacturing sector stayed below 50. Meantime, both Eurozone PMIs remained in contraction territory in January.

Amid the more positive mood on markets yesterday, the dollar was under some downward pressure. This was reflected in EUR/USD rising to a weekly high of \$1.093 during the European session. However, the dollar recouped some of its losses late on, following the release of the US PMI data.

In level terms, EUR/USD opens this morning in the top half of \$1.08-1.09. GBP/USD is operating in the lower half of the \$1.27-1.28 range. Elsewhere, EUR/GBP remains at the midpoint of 85-86p.

Turning to the day ahead, the ECB monetary policy meeting outcome will be in the market spotlight. The Governing Council is widely expected to leave policy unaltered. However, the post-meeting statement and press conference will garner close attention. In the US, the first reading of Q4 GDP is projected to show the economy expanded by 2% annualised in the quarter. The first reading of Q4 core-PCE inflation will also be released.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0885	0.23	-1.37
EUR/GBP	0.8553	0.05	-1.33
GBP/USD	1.2721	0.17	-0.06
GBP/EUR	1.1682	-0.05	1.34
USD/JPY	147.61	-0.18	4.64
EUR/JPY	160.7	0.06	3.26

\* 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	5.45	5.59	5.08	4.50	4.08
EUR	4.50	3.87	3.95	3.60	3.04	2.70
GBP	5.25	5.19	5.19	4.93	4.63	4.13

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

Thursday 25 January 2024  
07:49 am



## Euro

EUR/GBP	0.8553
EUR/USD	1.0885
EUR/JPY	160.7
EUR/SEK	11.361
EUR/DKK	7.4568
EUR/NOK	11.3857
EUR/CHF	0.9398
EUR/AUD	1.6535
EUR/HKD	8.5083
EUR/CAD	1.4721

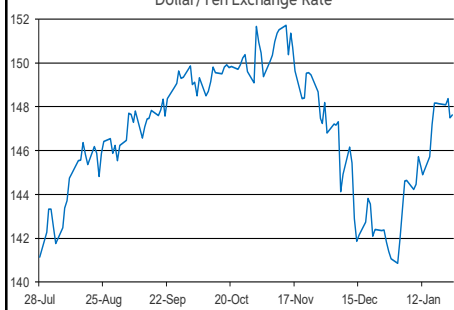
## Sterling

GBP/EUR	1.1682
GBP/USD	1.2721
GBP/CAD	1.7204
GBP/NZD	2.0806
GBP/JPY	187.77
GBP/SEK	13.2752
GBP/DKK	8.7127
GBP/NOK	13.3071
GBP/CHF	1.0984
GBP/AUD	1.9328

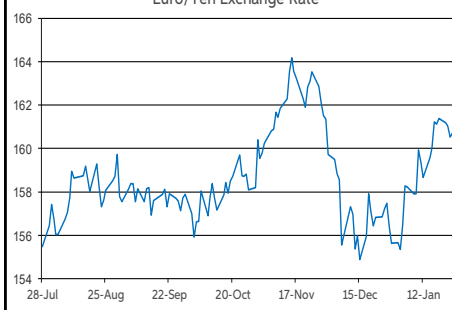
## Dollar

USD/JPY	147.61
USD/CAD	1.3519
USD/CHF	0.8633
USD/CNY	7.1637
USD/BRL	4.9335
USD/RUB	88.5175
USD/INR	83.098
AUD/USD	0.6581
NZD/USD	0.6113

Dollar/Yen Exchange Rate

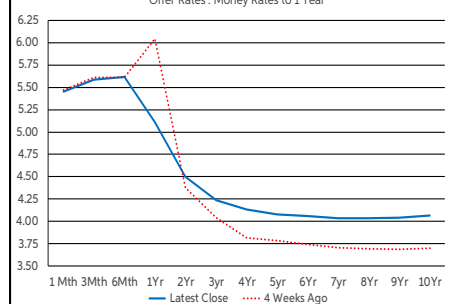


Euro/Yen Exchange Rate



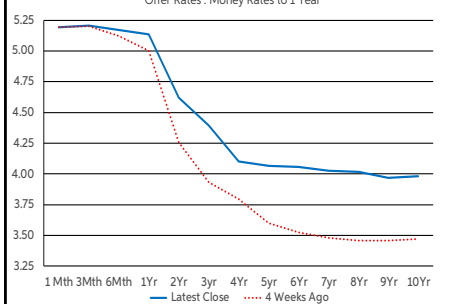
US Swap Curve

Offer Rates : Money Rates to 1 Year



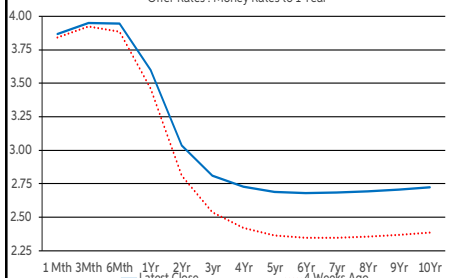
UK Swap Curve

Offer Rates : Money Rates to 1 Year

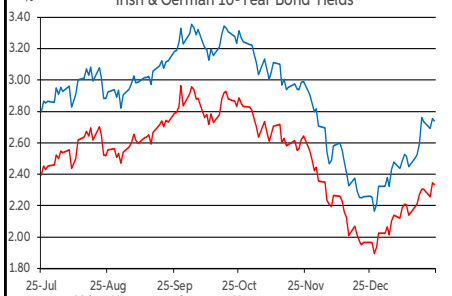


Eurozone Swap Curve

Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



## Debt Markets

	Close	Change bps		
		Day	4 Weeks	End 23
<b>10 Year Yield %</b>				
US	4.18	+5	+39	+31
Germany	2.33	-2	+43	+31
UK	4.01	+2	+58	+47
Ireland	2.78	-3	+55	+39
Belgium	2.95	-0	+41	+27
France	2.84	-0	+43	+28
Italy	3.91	-1	+42	+21
Spain	3.27	-0	+44	+28
Portugal	3.06	-1	+46	+27
Greece	3.34	-5	+35	+27
<b>5 Year Swap %</b>				
US	4.08	+4	+33	+29
Eurozone	2.69	-1	+34	+26
UK	4.07	+2	+47	+41
<b>2 Year Swap %</b>				
US	4.50	+3	+16	+16
Eurozone	3.04	-1	+24	+24
UK	4.62	+2	+37	+35
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	44	-1	+12	+9
Belgium	61	+1	-2	-4
France	51	+1	-0	-2
Italy	157	+0	-1	-10
Spain	93	+1	+1	-3
Portugal	73	+0	+2	-3
Greece	101	-3	-9	-4

## Commodities

	Close	% Change		
		Day	4 Weeks	End 23
Brent Oil	80.04	+0.62	+0.49	+3.89
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2012.6	-0.79	-3.11	-2.42

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.