

First Fed FOMC meeting of 2025 today

It was a relatively quiet day on financial markets yesterday. A sparse data schedule likely contributed to the muted action. Of the limited releases to note, US consumer confidence printed below the consensus, falling to 104.1 in January (vs. 105.6 f'cast) from a revised 109.5 in December. Elsewhere in the US, durable goods orders declined by 2.2% in December (vs. +0.6% f'cast), although this was largely due to a drop in the erratic aircraft component.

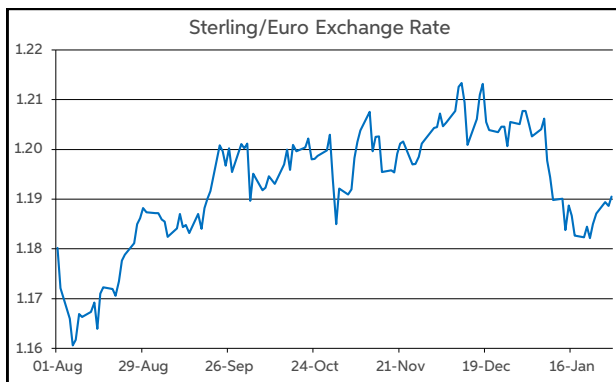
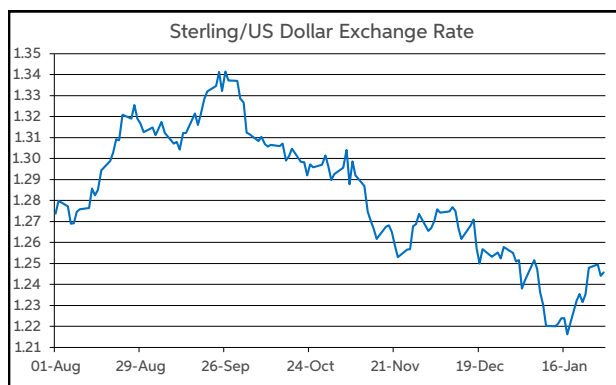
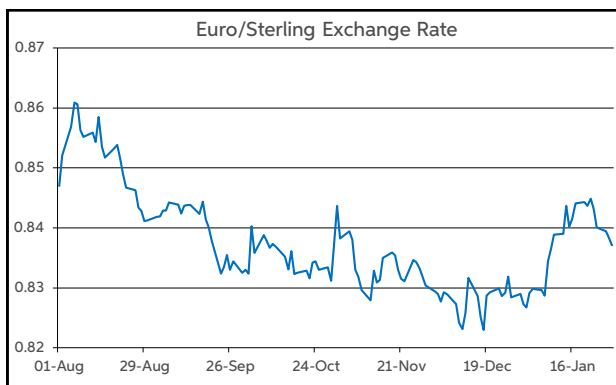
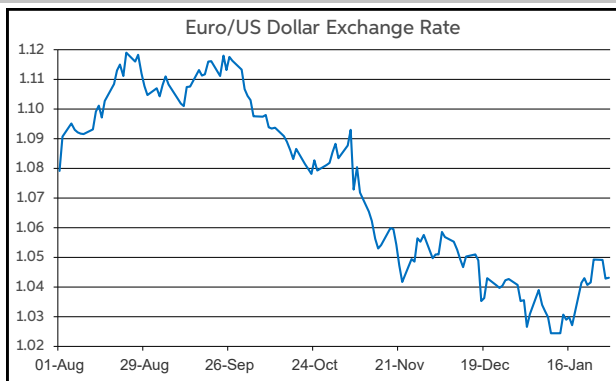
Against that backdrop, equity markets rebounded somewhat, with a number of the worst performing tech-stocks from Monday recouping part of their losses. Overall, this saw the S&P 500 rise by 0.9% yesterday. Meantime, the Euro Stoxx 50 edged marginally higher by just 0.1%.

On the currency front, the main pairs have operated in very tight ranges over the past 24 hours. The euro inched marginally lower across the board yesterday. At the same time, there was a slightly firmer tone to the yen overnight.

As trading gets underway this morning, the slightly weaker euro sees EUR/USD open nearer to the \$1.04 threshold. Meanwhile, EUR/GBP is changing hands in the top half of the 83-84p band. GBP/USD remains in and around the midpoint of the \$1.24-1.25 band. USD/JPY is operating down in the lower half of ¥155-156.

Turning to the day ahead, the main focus will be the first US Fed FOMC meeting of the year. The Fed is widely expected to leave rates unchanged but the post meeting press conference will garner significant attention. Elsewhere on the monetary policy front, remarks from BoE Governor Bailey to the Treasury Select Committee will also be of interest to market participants.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.0431	-0.05	0.75
EUR/GBP	0.8371	-0.13	1.18
GBP/USD	1.2454	0.10	-0.46
GBP/EUR	1.1936	0.13	-1.17
USD/JPY	155.21	-0.31	-1.25
EUR/JPY	161.89	-0.38	-0.53

* 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	4.30	4.28	4.13	4.31	4.30
EUR	3.15	2.74	2.64	2.46	2.38	2.41
GBP	4.75	4.52	4.47	4.28	4.39	4.27

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 29 January 2025
07:18 am



Euro

EUR/GBP	0.8371
EUR/USD	1.0431
EUR/JPY	161.89
EUR/SEK	11.4684
EUR/DKK	7.4621
EUR/NOK	11.7619
EUR/CHF	0.9435
EUR/AUD	1.6715
EUR/HKD	8.1272
EUR/CAD	1.5021

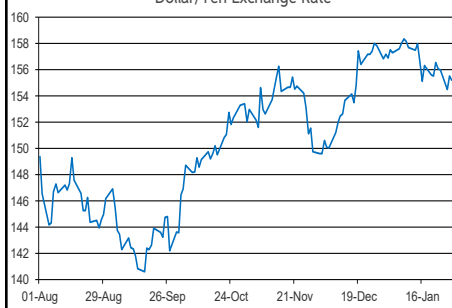
Sterling

GBP/EUR	1.1936
GBP/USD	1.2454
GBP/CAD	1.7933
GBP/NZD	2.1981
GBP/JPY	193.3
GBP/SEK	13.6899
GBP/DKK	8.905
GBP/NOK	14.0223
GBP/CHF	1.1258
GBP/AUD	1.9947

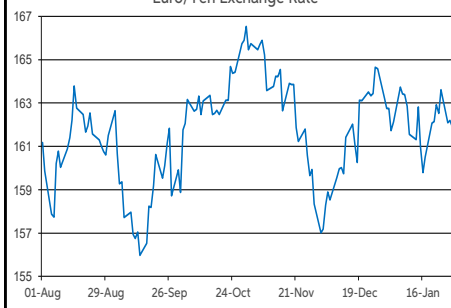
Dollar

USD/JPY	155.21
USD/CAD	1.4402
USD/CHF	0.904
USD/CNY	7.2507
USD/BRL	5.8571
USD/RUB	98.1
USD/INR	86.5725
AUD/USD	0.6239
NZD/USD	0.566

Dollar/Yen Exchange Rate

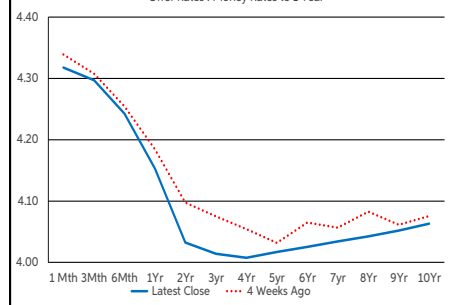


Euro/Yen Exchange Rate



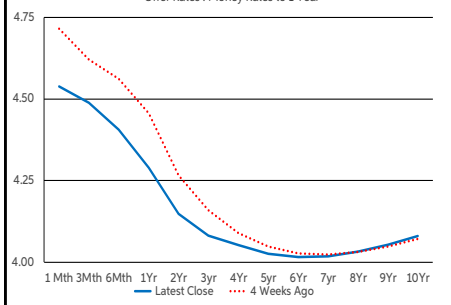
US Swap Curve

Offer Rates : Money Rates to 1 Year



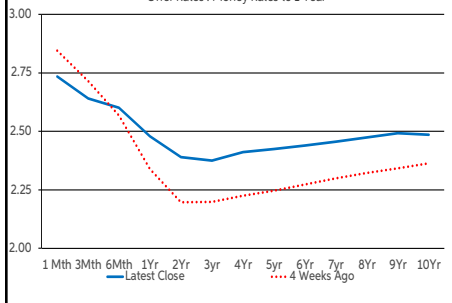
UK Swap Curve

Offer Rates : Money Rates to 1 Year

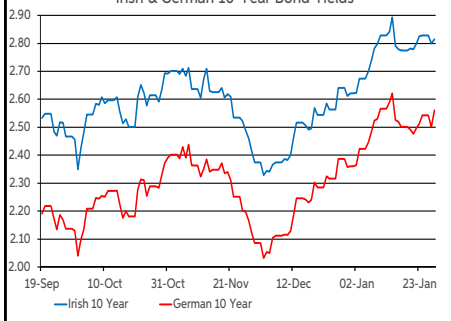


Eurozone Swap Curve

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	4.55	+2	-3	-3
Germany	2.56	+6	+20	+20
UK	4.62	+3	+4	+4
Ireland	2.84	+3	+19	+19
Belgium	3.16	+2	+18	+18
France	3.29	+1	+9	+9
Italy	3.66	+2	+14	+14
Spain	3.17	+2	+11	+11
Portugal	2.96	+1	+11	+11
Greece	3.43	-0	+18	+18
5 Year Swap %				
US	4.28	+0	-1	-1
Eurozone	2.42	+1	+19	+19
UK	4.26	+2	-2	-2
2 Year Swap %				
US	4.29	+1	-5	-5
Eurozone	2.39	+1	+20	+20
UK	4.39	+2	-10	-10
10 Year Government Bond Spreads to Benchmark bps				
Ireland	28	-3	-1	-1
Belgium	60	-3	-2	-2
France	73	-4	-10	-10
Italy	110	-3	-6	-6
Spain	61	-4	-9	-9
Portugal	40	-4	-9	-9
Greece	87	-6	-2	-2

Commodities

	% Change			
	Close	Day	4 Weeks	End 24
Brent Oil	77.49	+0.53	+3.82	+3.82
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2763.1	+0.80	+5.31	+5.31

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.