

ECB meeting tops a busy week ahead

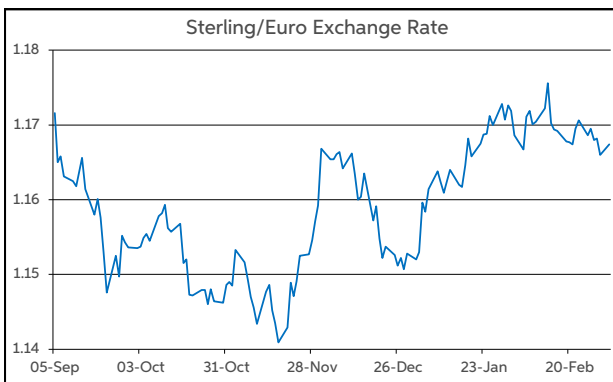
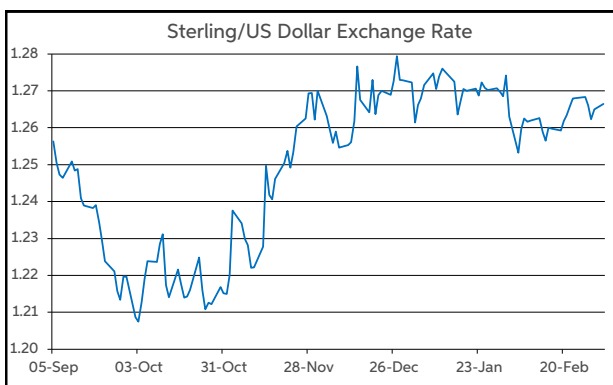
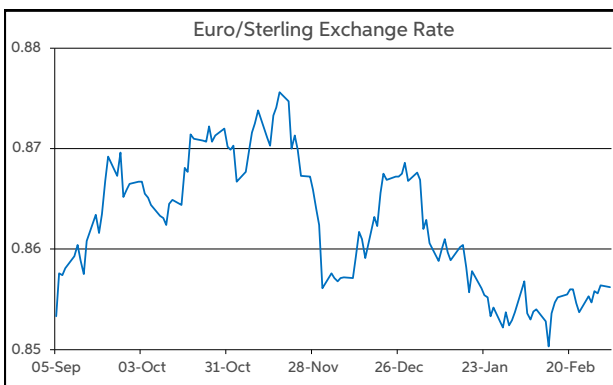
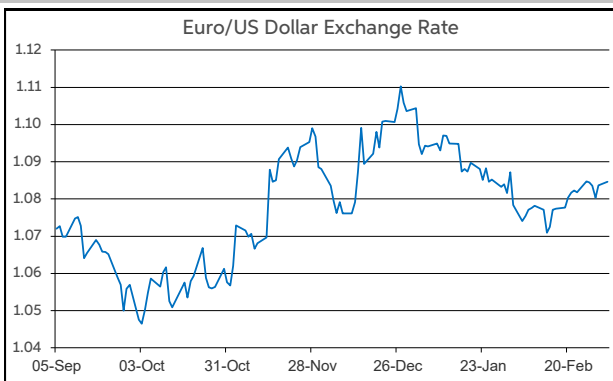
Overall last week was relatively quiet on financial markets. On stock markets, the Euro Stoxx 50 and the S&P 500 rose by 0.5% and 0.9% respectively. In terms of fixed income, German Bund yields moved 2-8bps higher. In contrast, US Treasury yields declined by 2-11bps, led lower by the front-end of the curve, amid a modest softening in US market rate expectations. Meantime, oil prices rose by circa 2.5%, with Brent crude up near \$83 per barrel.

A somewhat sparse data schedule contributed to the limited price action on markets last week. Furthermore, the main data highlights were largely in-line with expectations. US Core-PCE inflation eased to 2.4% in January, although other metrics suggest price pressures remain elevated. Similarly, Eurozone flash HICP inflation declined to 2.6% in February but again, there were some signs that underlying inflation remains sticky, particularly services inflation.

Against this backdrop, currency markets were range bound throughout the week. EUR/USD operated in a tight band between \$1.08-1.09. Likewise, all the action in GBP/USD was contained to the \$1.26-1.27 corridor. Meantime, EUR/GBP stayed within 85-86p. As trading gets underway this morning, the main FX pairs open near the heart of these ranges.

Turning to the week ahead, there is a busier look to the macro schedule. The main highlight will be the ECB monetary policy meeting on Thursday. No changes to policy are anticipated, but the post-meeting press conference and the updated macro forecasts will garner interest. Elsewhere in terms of monetary policy, Fed Chair Powell will provide testimony to Congress this week. On the fiscal policy front, the Spring Budget in the UK will be in focus. Data-wise, the US labour market report for February is due on Friday.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0849	0.36	-1.69
EUR/GBP	0.8562	-0.01	-1.22
GBP/USD	1.2667	0.33	-0.49
GBP/EUR	1.1675	0.01	1.24
USD/JPY	150.31	-0.08	6.56
EUR/JPY	163.07	0.26	4.78

* 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	5.59	5.28	4.78	4.24
EUR	4.50	3.82	3.94	3.69	3.24	2.80
GBP	5.25	5.18	5.19	4.99	4.83	4.28

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

Monday 04 March 2024
07:02 am



Euro

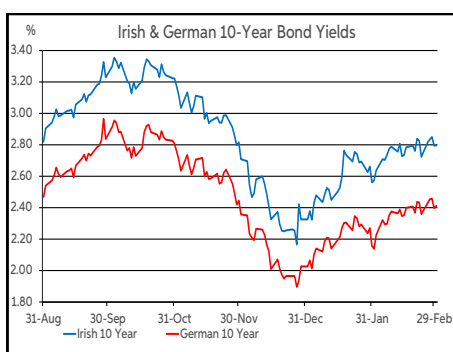
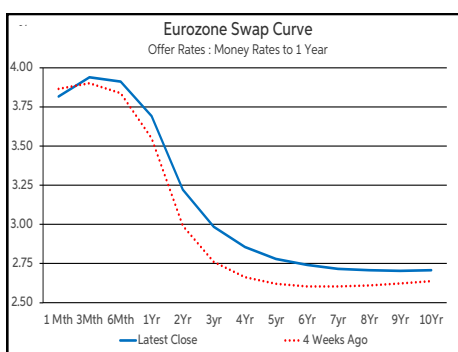
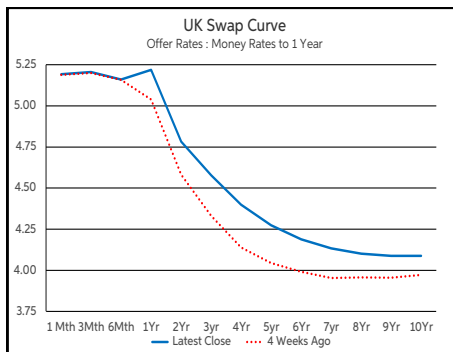
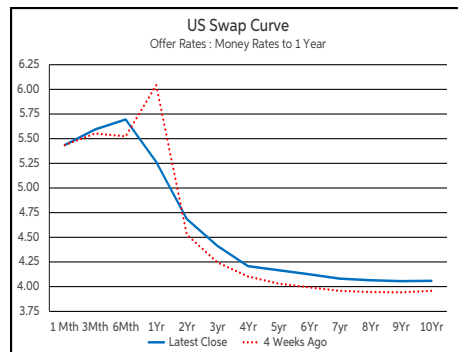
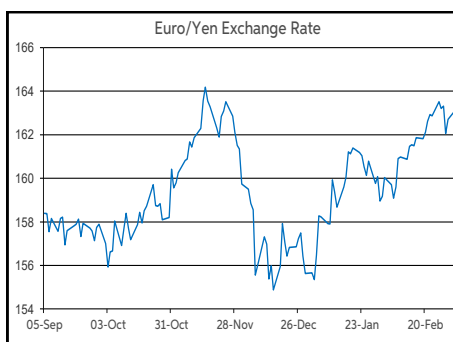
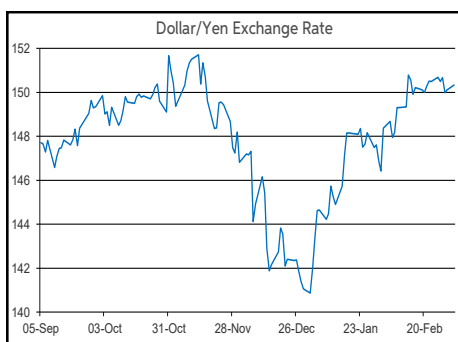
EUR/GBP	0.8562
EUR/USD	1.0849
EUR/JPY	163.07
EUR/SEK	11.1847
EUR/DKK	7.4546
EUR/NOK	11.4034
EUR/CHF	0.9575
EUR/AUD	1.6625
EUR/HKD	8.4915
EUR/CAD	1.4712

Sterling

GBP/EUR	1.1675
GBP/USD	1.2667
GBP/CAD	1.7179
GBP/NZD	2.0759
GBP/JPY	190.4
GBP/SEK	13.064
GBP/DKK	8.7026
GBP/NOK	13.319
GBP/CHF	1.1183
GBP/AUD	1.9412

Dollar

USD/JPY	150.31
USD/CAD	1.356
USD/CHF	0.8825
USD/CNY	7.1987
USD/BRL	4.9541
USD/RUB	91.5425
USD/INR	82.877
AUD/USD	0.6525
NZD/USD	0.61



Debt Markets				
		Change bps		
	Close	Day	4 Weeks	End 23
10 Year Yield %				
US	4.19	-7	+16	+32
Germany	2.41	+1	+18	+39
UK	4.12	-1	+20	+58
Ireland	2.84	+0	+14	+45
Belgium	3.00	+3	+16	+32
France	2.91	+3	+17	+35
Italy	3.90	+6	+8	+20
Spain	3.32	+3	+15	+32
Portugal	3.07	+3	+12	+28
Greece	3.45	+6	+17	+37
5 Year Swap %				
US	4.17	-10	+18	+38
Eurozone	2.78	-1	+17	+35
UK	4.27	-3	+28	+62
2 Year Swap %				
US	4.69	-11	+20	+35
Eurozone	3.22	-1	+24	+43
UK	4.78	-3	+21	+52
10 Year Government Bond Spreads to Benchmark bps				
Ireland	42	-1	-4	+7
Belgium	59	+2	-3	-7
France	50	+2	-2	-3
Italy	148	+4	-10	-19
Spain	90	+2	-4	-6
Portugal	66	+2	-7	-10
Greece	103	+5	-2	-2

Commodities				
	Close	% Change		
		Day	4 Weeks	End 23
Brent Oil	83.55	-0.08	+8.04	+8.45
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2083.4	+1.96	+2.20	+1.01

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.