

Fed in focus today

There was a mixed tone to investor sentiment yesterday. The Euro Stoxx 50 gained 0.7%, as the German parliament passed a substantial fiscal package to increase defence and infrastructure spending. Meantime, the S&P 500 declined by 1.1%, led lower by a renewed fall in tech stocks.

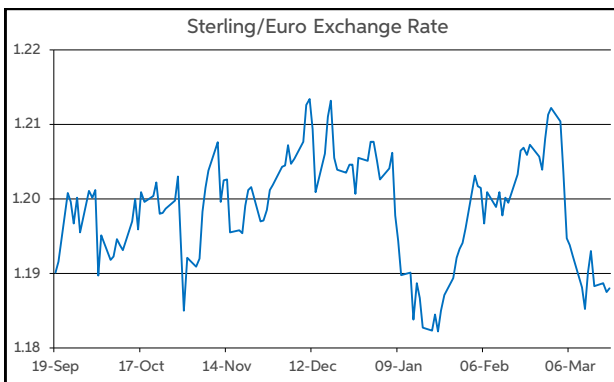
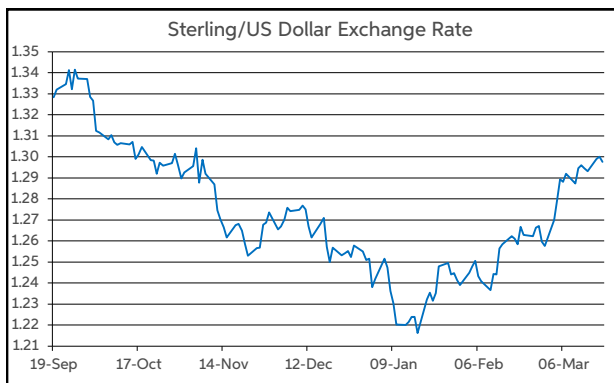
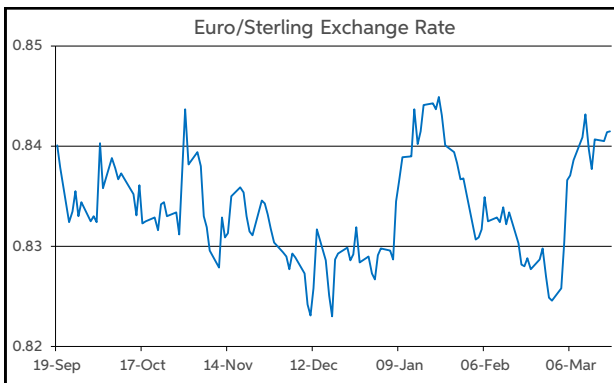
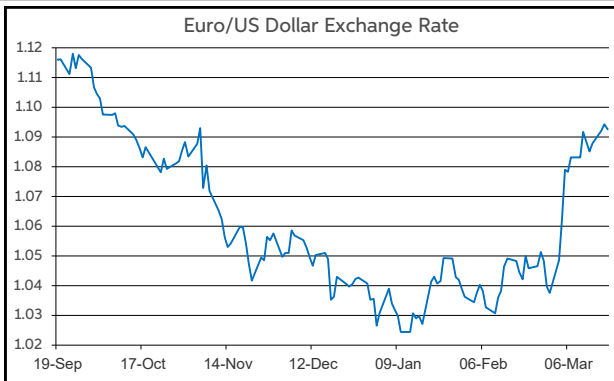
Currency-wise, the dollar started yesterday under some downward pressure. This saw EUR/USD register a new year-to-date high of \$1.0955 in the early part of the European session. GBP/USD also tested above the \$1.30 threshold for the first time since last November. However, the dollar recouped its losses later in the day, amid some better than anticipated US data. Industrial production printed at +0.7% in February, above the consensus for a 0.2% rise in output. At the same time, housing starts jumped to 1.50m in February, compared to expectations for 1.38m.

Overnight, the BoJ left monetary policy on hold, as anticipated. The decision has had a limited impact on the yen thus far. Likewise, an agreement for Russia to halt strikes on energy infrastructure in Ukraine has not influenced markets.

As trading gets underway this morning, EUR/USD is just above the \$1.09 threshold. GBP/USD is in the top half of the \$1.29-1.30 range. Meanwhile, USD/JPY remains in the upper region of the ¥149-150 corridor. EUR/GBP is in the lower half of 84-85p.

Today, the main focus will be on the US Fed policy decision. Rates are expected to be unchanged, but the Fed may provide new guidance on its quantitative tightening programme. Meantime, the updated interest rate dotplot and the post-meeting press conference with Chair Powell will garner significant attention.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.0926	0.17	5.53
EUR/GBP	0.8415	0.12	1.72
GBP/USD	1.2977	0.03	3.72
GBP/EUR	1.1876	-0.12	-1.69
USD/JPY	149.81	0.05	-4.69
EUR/JPY	163.71	0.23	0.59

* 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	4.30	4.09	4.17	4.09
EUR	2.65	2.39	2.46	2.34	2.31	2.49
GBP	4.50	4.44	4.37	4.17	4.28	4.24

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
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Opening Levels

Wednesday 19 March 2025
06:16 am



Euro

EUR/GBP	0.8415
EUR/USD	1.0926
EUR/JPY	163.71
EUR/SEK	10.999
EUR/DKK	7.459
EUR/NOK	11.5427
EUR/CHF	0.9581
EUR/AUD	1.719
EUR/HKD	8.4901
EUR/CAD	1.5636

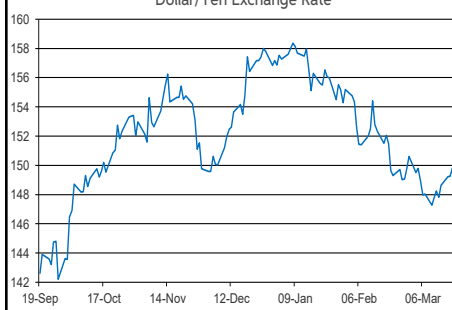
Sterling

GBP/EUR	1.1876
GBP/USD	1.2977
GBP/CAD	1.8574
GBP/NZD	2.2327
GBP/JPY	194.41
GBP/SEK	13.0635
GBP/DKK	8.8583
GBP/NOK	13.7132
GBP/CHF	1.1383
GBP/AUD	2.0415

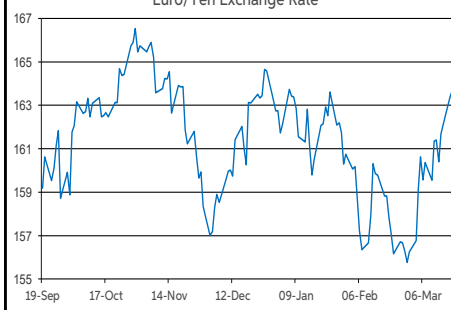
Dollar

USD/JPY	149.81
USD/CAD	1.4312
USD/CHF	0.8769
USD/CNY	7.2346
USD/BRL	5.6729
USD/RUB	82.2
USD/INR	86.48
AUD/USD	0.6354
NZD/USD	0.5809

Dollar/Yen Exchange Rate

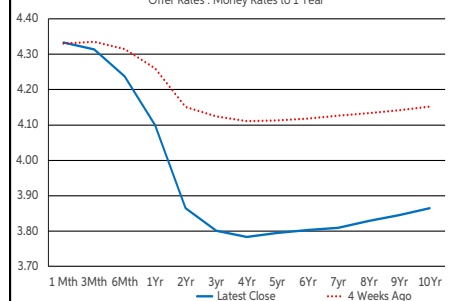


Euro/Yen Exchange Rate



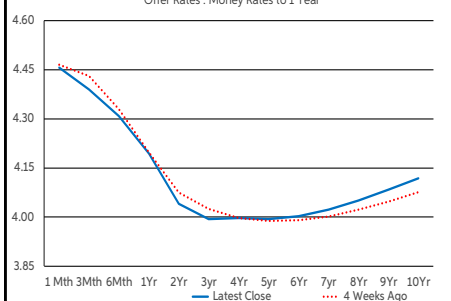
US Swap Curve

Offer Rates : Money Rates to 1 Year



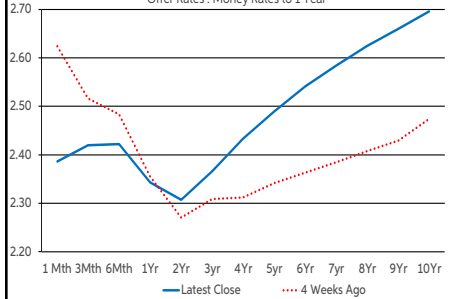
UK Swap Curve

Offer Rates : Money Rates to 1 Year

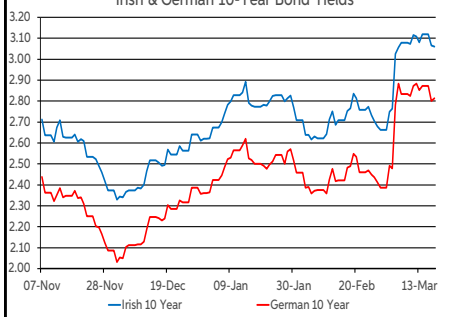


Eurozone Swap Curve

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	4.28	-3	-26	-30
Germany	2.82	+1	+33	+45
UK	4.65	+1	+9	+7
Ireland	3.10	-0	+31	+45
Belgium	3.37	+3	+32	+39
France	3.49	+1	+33	+30
Italy	3.88	+2	+33	+35
Spain	3.44	+1	+29	+37
Portugal	3.33	+3	+33	+48
Greece	3.68	+4	+32	+43
5 Year Swap %				
US	4.04	-2	-32	-25
Eurozone	2.48	-2	+15	+24
UK	4.23	+0	+0	-5
2 Year Swap %				
US	4.12	-1	-28	-21
Eurozone	2.30	-0	+4	+11
UK	4.28	-0	-3	-21
10 Year Government Bond Spreads to Benchmark bps				
Ireland	28	-1	-2	-1
Belgium	56	+2	-0	-6
France	68	-1	+1	-16
Italy	106	+0	+0	-10
Spain	62	-1	-3	-8
Portugal	52	+2	+1	+3
Greece	87	+2	-0	-2

Commodities

	% Change			
	Close	Day	4 Weeks	End 24
Brent Oil	70.56	-0.72	-6.96	-5.47
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3033.9	+1.08	+3.35	+15.63

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