

Dollar firmer over the last week

Currency markets had plenty to digest last week with a plethora of central bank meetings. These included the Bank of Japan, US Federal Reserve and Bank of England. As anticipated, the BoJ raised rates for the first time since 2007, exiting its negative interest rate policy that was in place since 2016. However, its post-meeting communications were dovish in tone, resulting in a weaker yen.

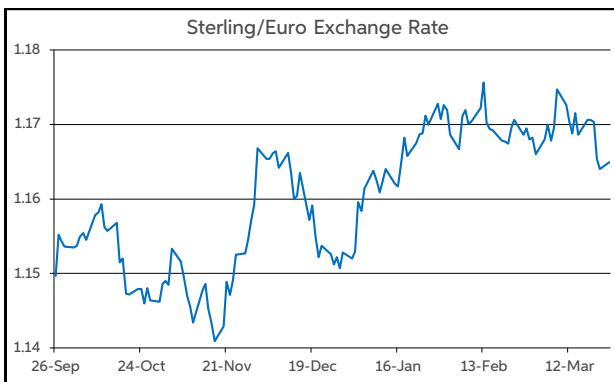
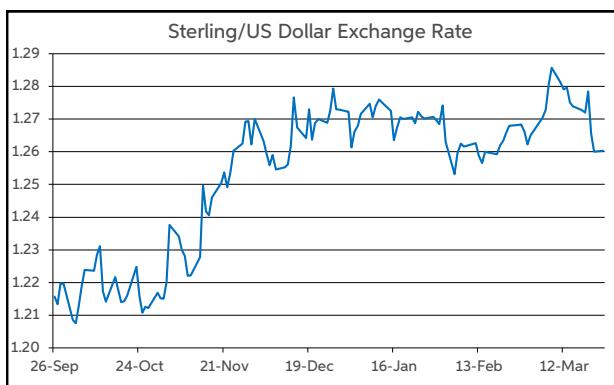
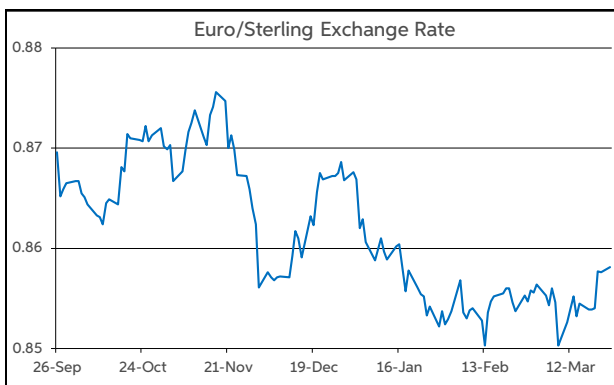
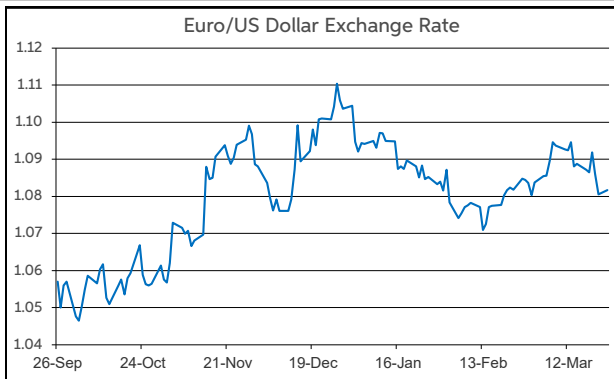
Meanwhile, both the Fed and BoE left policy on hold, which was very much in line with market expectations. The Fed also continued to project 75bps of rate cuts for this year in its updated 'dot plot'. Some market participants had been speculating that it may be reduced to 50bps. As a result, the dollar was softer in the immediate aftermath of the Fed meeting on Wednesday night, with EUR/USD above \$1.09 and GBP/USD reaching \$1.28.

Sterling though, found itself under some downward pressure following the BoE statement on Thursday, which included a dovish shift in the vote to keep policy unchanged (2 members are no longer voting for a hike). This softer tone gathered some further momentum amid comments from BoE Governor Bailey, where he stated that rate cuts were "in play" at upcoming meetings.

As trading gets underway this morning, the dollar is stronger versus a raft of other majors compared to last Monday's open. EUR/USD is trading in the lower half of \$1.08-1.09. GBP/USD is operating down near to \$1.26, while USD/JPY is above ¥151. Elsewhere, EUR/GBP is marginally higher, but remains within the 85-86p band.

This week's macro diary is quiet. The main highlights are inflation data. France, Italy and Spain report HICP inflation numbers for March. Meantime, in the US, core-PCE for February is due.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0817	-0.19	-1.98
EUR/GBP	0.8582	0.10	-0.99
GBP/USD	1.2604	-0.28	-0.98
GBP/EUR	1.165	-0.10	1.00
USD/JPY	151.35	-0.09	7.29
EUR/JPY	163.73	-0.30	5.20

* 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	5.57	5.26	4.78	4.26
EUR	4.50	3.85	3.90	3.61	3.16	2.71
GBP	5.25	5.18	5.16	4.83	4.62	4.06

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

Monday 25 March 2024
07:20 am



Euro

EUR/GBP	0.8582
EUR/USD	1.0817
EUR/JPY	163.73
EUR/SEK	11.4156
EUR/DKK	7.4581
EUR/NOK	11.6184
EUR/CHF	0.9709
EUR/AUD	1.6586
EUR/HKD	8.4612
EUR/CAD	1.4711

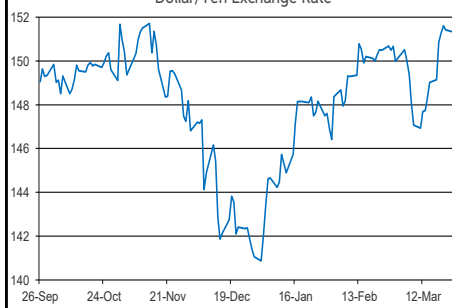
Sterling

GBP/EUR	1.165
GBP/USD	1.2604
GBP/CAD	1.7138
GBP/NZD	2.1024
GBP/JPY	190.76
GBP/SEK	13.3065
GBP/DKK	8.688
GBP/NOK	13.537
GBP/CHF	1.1313
GBP/AUD	1.9324

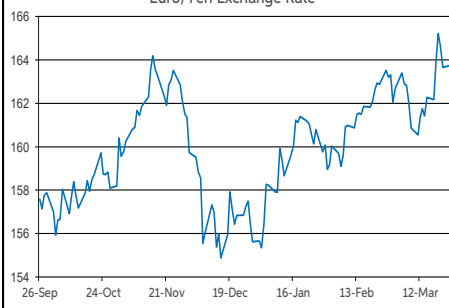
Dollar

USD/JPY	151.35
USD/CAD	1.3596
USD/CHF	0.8974
USD/CNY	7.2078
USD/BRL	5.0017
USD/RUB	92.033
USD/INR	83.479
AUD/USD	0.6521
NZD/USD	0.5993

Dollar/Yen Exchange Rate

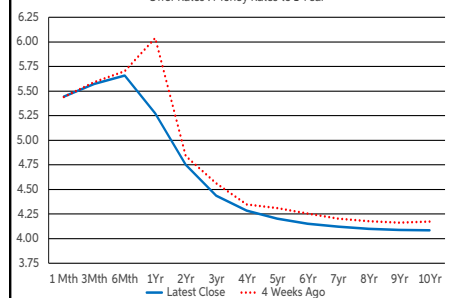


Euro/Yen Exchange Rate



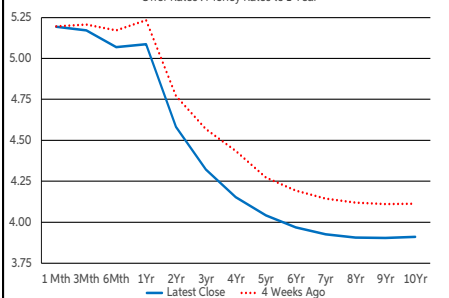
US Swap Curve

Offer Rates : Money Rates to 1 Year



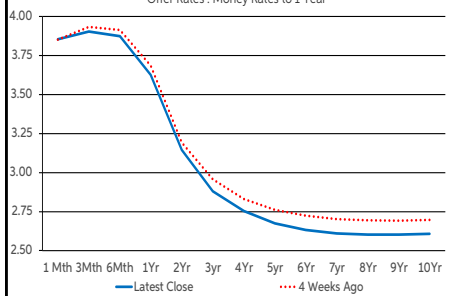
UK Swap Curve

Offer Rates : Money Rates to 1 Year

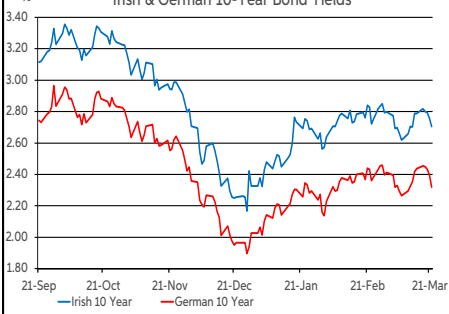


Eurozone Swap Curve

Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



Debt Markets

	Close	Change bps		
		Day	4 Weeks	End 23
10 Year Yield %				
US	4.20	-7	-5	+34
Germany	2.32	-8	-4	+29
UK	3.93	-7	-11	+39
Ireland	2.75	-5	-3	+36
Belgium	2.89	-6	-3	+21
France	2.80	-5	-3	+24
Italy	3.64	-4	-17	-6
Spain	3.16	-5	-10	+16
Portugal	2.99	-5	-2	+20
Greece	3.28	-4	-7	+20
5 Year Swap %				
US	4.20	-8	-7	+41
Eurozone	2.68	-7	-8	+25
UK	4.04	-6	-23	+39
2 Year Swap %				
US	4.75	-3	-5	+42
Eurozone	3.15	-4	-4	+35
UK	4.58	-5	-18	+32
10 Year Government Bond Spreads to Benchmark bps				
Ireland	43	+3	+1	+7
Belgium	56	+2	+1	-9
France	48	+3	+1	-6
Italy	132	+4	-13	-35
Spain	83	+3	-6	-13
Portugal	67	+3	+2	-9
Greece	96	+4	-3	-9

Commodities

	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	85.43	-0.41	+4.67	+10.89
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2164.1	-0.76	+6.31	+4.92

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