

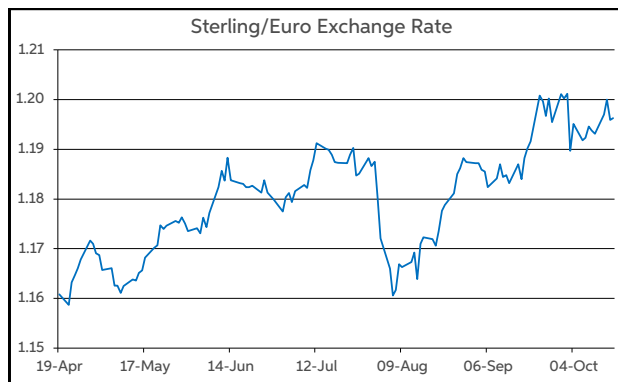
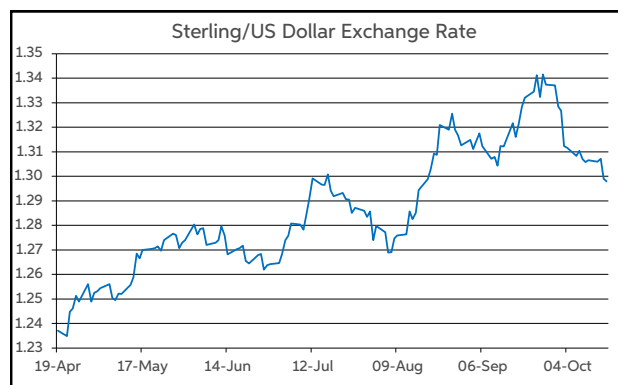
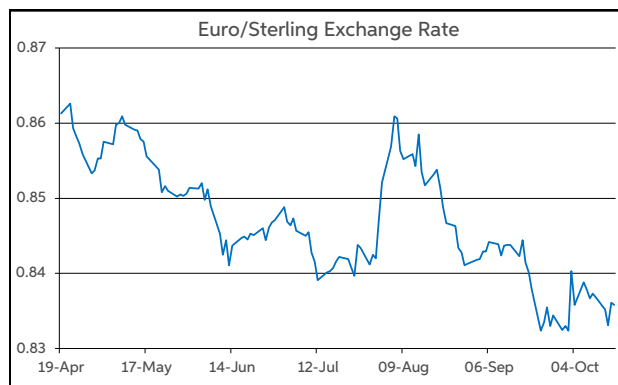
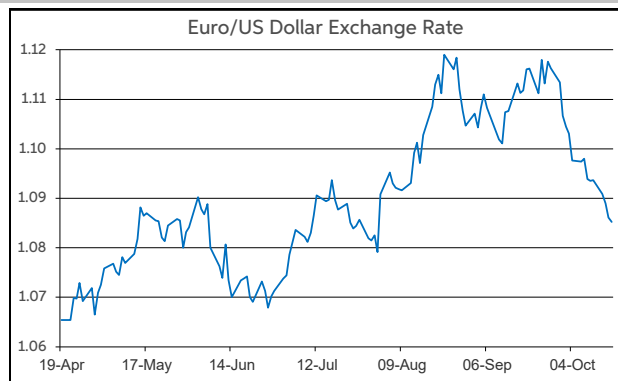
ECB rate decision in focus today

The currency market action yesterday saw sterling on the defensive straight from the European open. This followed the release of lower than forecast UK inflation numbers for September. There was a softening in UK rate expectations, while UK gilt yields fell by 8-10bps along the curve. In level terms, EUR/GBP opens this morning at the halfway point of the 83-84p band. Meanwhile, the combination of a weaker sterling and the dollar continuing to strengthen sees GBP/USD below the \$1.30 threshold. Elsewhere, EUR/USD has edged down towards the midpoint of \$1.08-1.09.

Looking ahead to today, the UK/sterling diary is sparse. From a euro perspective, the ECB meeting/rate decision for October entails some key event risk for the currency. The market is fully pricing in a 25bps rate cut. This would see the Deposit rate reduced to 3.25%. If the ECB does ease, it would mark its first consecutive rate cut, as it also lowered rates at its previous meeting in September. Prior to this, the ECB commenced its easing cycle with a rate cut in June. The post-meeting press conference will garner plenty of attention and could be a source of volatility for the euro, as market participants look for insight on the ECB's rate outlook. Futures contracts indicate the market is anticipating another 25bps cut at its final meeting of the year on December 12th.

Data-wise, today's diary is dominated by US releases, which will attract some interest from dollar watchers. The retail sales report for September will provide an indication on how the all-important consumer side of the US economy performed at the end of Q3. We also get an update on the production side of the economy, with industrial output data for September scheduled for publication. A busy US calendar closes out with housing market data, with homebuilder sentiment for October due.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0852	-0.34	-1.67
EUR/GBP	0.8358	0.36	-3.58
GBP/USD	1.2983	-0.69	2.00
GBP/EUR	1.1963	-0.36	3.71
USD/JPY	149.61	0.23	6.06
EUR/JPY	162.36	-0.10	4.32

* 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	4.88	4.75	4.62	4.10	4.03	3.83
EUR	3.65	3.24	3.22	2.68	2.38	2.30
GBP	5.00	4.86	4.71	4.22	4.15	3.94

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

Thursday 17 October 2024
07:19 am



Euro

EUR/GBP	0.8358
EUR/USD	1.0852
EUR/JPY	162.36
EUR/SEK	11.4129
EUR/DKK	7.4603
EUR/NOK	11.8552
EUR/CHF	0.9408
EUR/AUD	1.6228
EUR/HKD	8.4339
EUR/CAD	1.4941

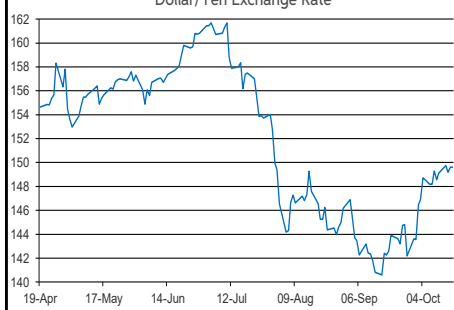
Sterling

GBP/EUR	1.1963
GBP/USD	1.2983
GBP/CAD	1.7874
GBP/NZD	2.1412
GBP/JPY	194.24
GBP/SEK	13.6518
GBP/DKK	8.9246
GBP/NOK	14.176
GBP/CHF	1.1255
GBP/AUD	1.9414

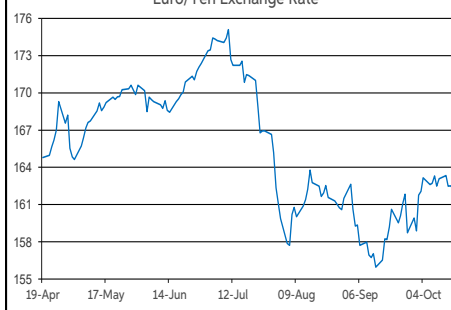
Dollar

USD/JPY	149.61
USD/CAD	1.3768
USD/CHF	0.8669
USD/CNY	7.1218
USD/BRL	5.6692
USD/RUB	97
USD/INR	84.023
AUD/USD	0.6685
NZD/USD	0.6062

Dollar/Yen Exchange Rate

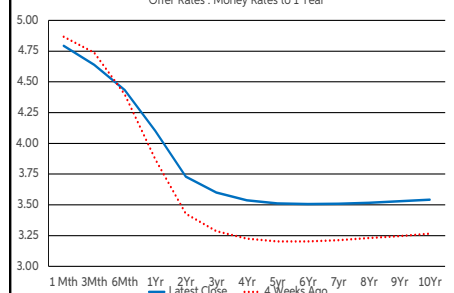


Euro/Yen Exchange Rate



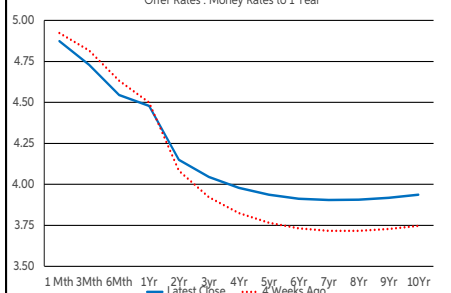
US Swap Curve

Offer Rates : Money Rates to 1 Year



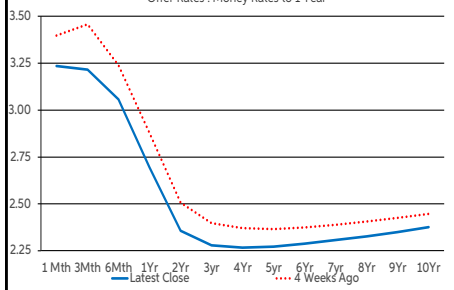
UK Swap Curve

Offer Rates : Money Rates to 1 Year

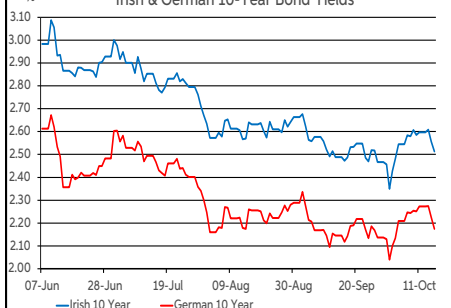


Eurozone Swap Curve

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	4.02	-2	+33	+16
Germany	2.18	-5	-1	+15
UK	4.07	-10	+22	+53
Ireland	2.55	-3	-2	+18
Belgium	2.77	-5	-2	+9
France	2.92	-4	+0	+36
Italy	3.41	-5	-16	-29
Spain	2.90	-5	-10	-9
Portugal	2.64	-5	-14	-14
Greece	3.07	-7	-12	-0
5 Year Swap %				
US	3.77	-1	+33	-2
Eurozone	2.27	-4	-8	-16
UK	3.94	-10	+18	+28
2 Year Swap %				
US	3.99	-0	+31	-35
Eurozone	2.36	-4	-14	-44
UK	4.15	-10	+7	-11
10 Year Government Bond Spreads to Benchmark bps				
Ireland	37	+2	-0	+3
Belgium	60	-0	-1	-6
France	74	+1	+1	+21
Italy	123	-0	-15	-44
Spain	72	+0	-9	-24
Portugal	47	-0	-13	-29
Greece	90	-2	-11	-15

Commodities

	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	74.22	-0.04	+0.77	-3.66
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2673.2	+0.46	+4.47	+29.61

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