

ECB cuts rates by 25bps

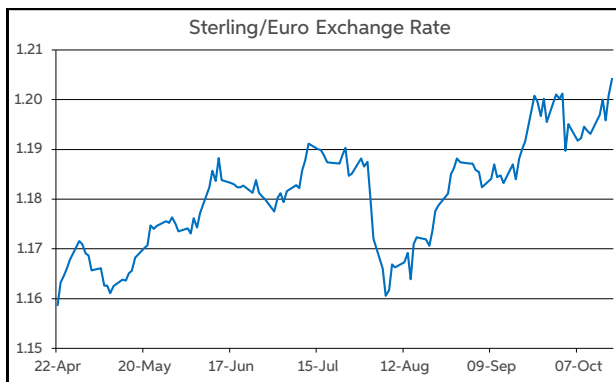
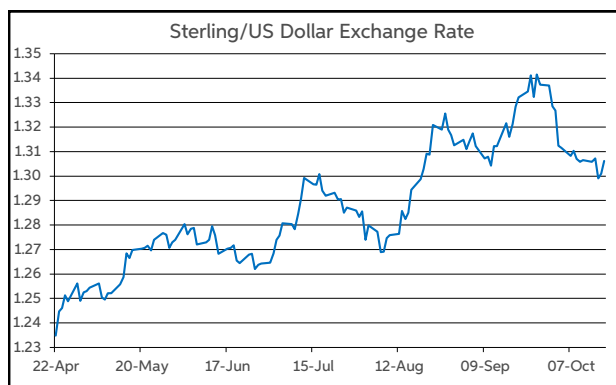
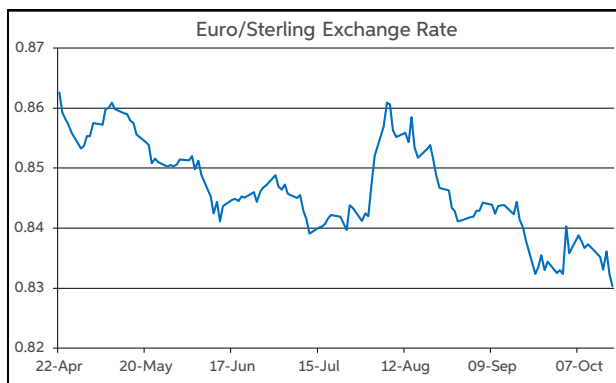
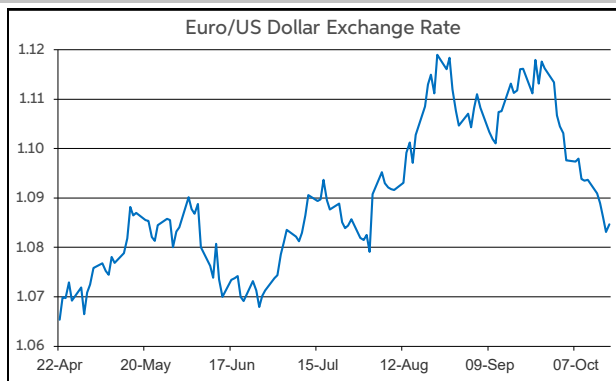
In line with market expectations, the ECB lowered official interest rates by 25bps yesterday. The decision was unanimous, and it marked the first time the ECB had cut rates at consecutive meetings in 13 years. At the post-meeting press conference President Lagarde emphasised that the ECB remains data dependent. However, the overarching tone of the meeting statement/press conference suggest that the ECB will cut rates again in December, unless inflation and activity data print to the upside of expectations.

In the initial aftermath of the policy announcement, the euro came under some downward pressure. During the aforementioned press conference the single currency lost further ground. Elsewhere on the currency front, the yen was on the back-foot, while the dollar was holding a slightly firmer tone. The dollar strength was on the back of strong retail sales data, with the headline measure rising by 0.4% in September (vs. +0.3% f'cast), while the control group metric increased by 0.7% (vs. +0.3% f'cast). However, the dollar handed back some of its gains overnight.

Already this morning, UK retail sales data for September have been released. Both the headline and core rates rose by 0.3%, well above the consensus for a fall of 0.3% in each metric. Sterling has been on the front foot in early trading following the release.

The firmer tone to sterling in early trading and the softer euro over the past 24 hours is evidenced by EUR/GBP operating back near to 83p. At the same time, EUR/USD opens this morning in the lower half of the \$1.08-1.09 range. Meanwhile, GBP/USD is changing hands in the top half of \$1.30-1.31, having spent the majority of yesterday in and around the \$1.30 handle. USD/JPY is up near the ¥150 mark. The remainder of today's calendar is relatively quite.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0847	-0.04	-1.71
EUR/GBP	0.8303	-0.67	-4.21
GBP/USD	1.3064	0.62	2.63
GBP/EUR	1.2043	0.67	4.40
USD/JPY	149.91	0.25	6.27
EUR/JPY	162.62	0.20	4.49

* 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	4.76	4.63	4.13	4.07	3.88
EUR	3.40	3.21	3.21	2.61	2.33	2.27
GBP	5.00	4.86	4.71	4.25	4.18	3.96

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

Friday 18 October 2024
07:32 am



Euro

EUR/GBP	0.8303
EUR/USD	1.0847
EUR/JPY	162.62
EUR/SEK	11.4033
EUR/DKK	7.4581
EUR/NOK	11.8117
EUR/CHF	0.9391
EUR/AUD	1.6154
EUR/HKD	8.4268
EUR/CAD	1.4958

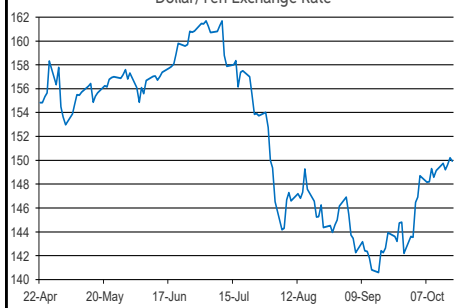
Sterling

GBP/EUR	1.2043
GBP/USD	1.3064
GBP/CAD	1.8014
GBP/NZD	2.1523
GBP/JPY	195.84
GBP/SEK	13.7323
GBP/DKK	8.9821
GBP/NOK	14.219
GBP/CHF	1.131
GBP/AUD	1.9454

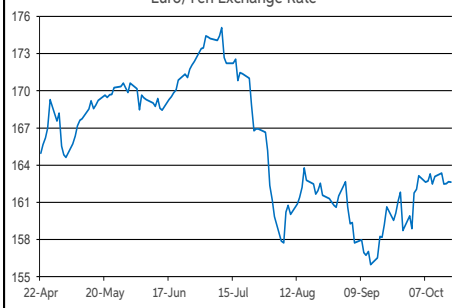
Dollar

USD/JPY	149.91
USD/CAD	1.3787
USD/CHF	0.8657
USD/CNY	7.1077
USD/BRL	5.6537
USD/RUB	97.1
USD/INR	84.07
AUD/USD	0.6712
NZD/USD	0.6067

Dollar/Yen Exchange Rate

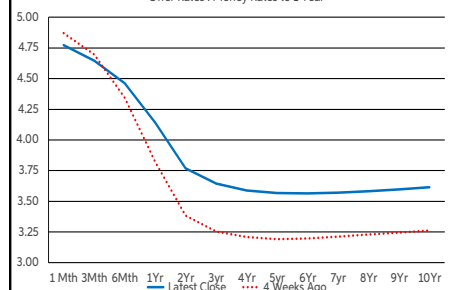


Euro/Yen Exchange Rate



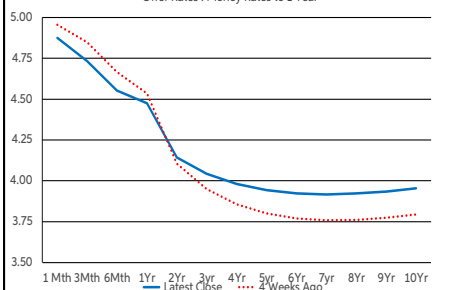
US Swap Curve

Offer Rates : Money Rates to 1 Year



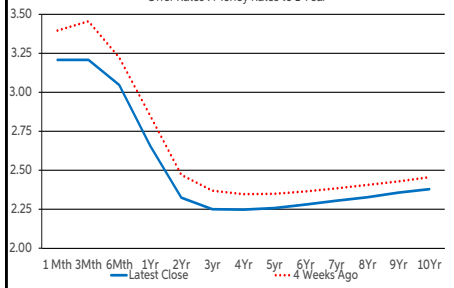
UK Swap Curve

Offer Rates : Money Rates to 1 Year

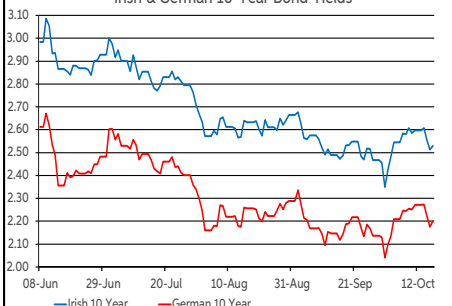


Eurozone Swap Curve

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	4.10	+8	+36	+24
Germany	2.20	+2	+1	+17
UK	4.09	+3	+20	+55
Ireland	2.57	+2	-0	+20
Belgium	2.79	+2	-0	+11
France	2.94	+2	+1	+38
Italy	3.41	-1	-15	-29
Spain	2.91	+1	-9	-9
Portugal	2.65	+1	-13	-13
Greece	3.08	+0	-13	-0
5 Year Swap %				
US	3.83	+6	+39	+4
Eurozone	2.26	-1	-8	-17
UK	3.94	+1	+15	+29
2 Year Swap %				
US	4.02	+3	+41	-31
Eurozone	2.33	-3	-14	-47
UK	4.14	-1	+4	-12
10 Year Government Bond Spreads to Benchmark bps				
Ireland	36	-0	-1	+3
Belgium	59	-0	-1	-7
France	74	-0	-0	+21
Italy	120	-3	-16	-47
Spain	70	-2	-10	-26
Portugal	45	-2	-14	-31
Greece	87	-2	-14	-18

Commodities

	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	74.45	+0.31	-0.57	-3.36
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2692.5	+0.72	+4.10	+30.54

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