

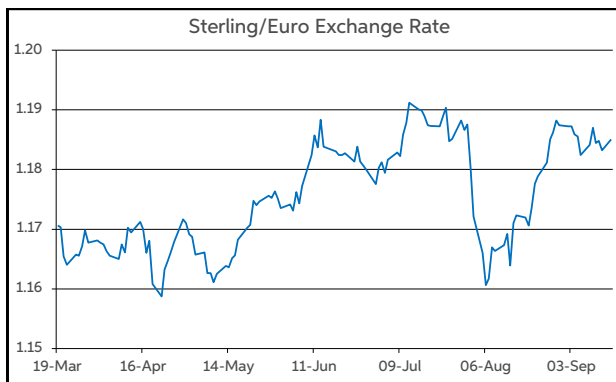
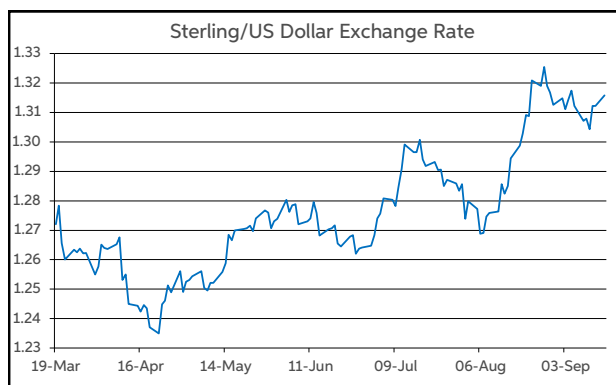
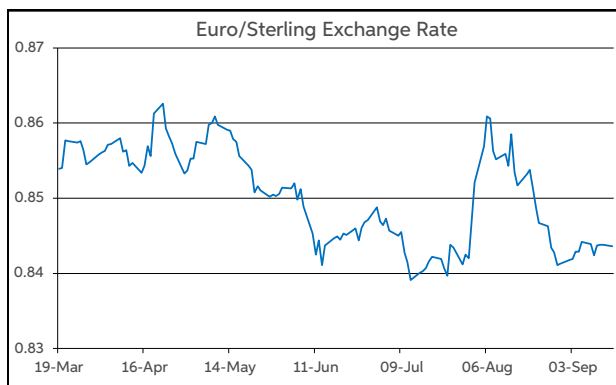
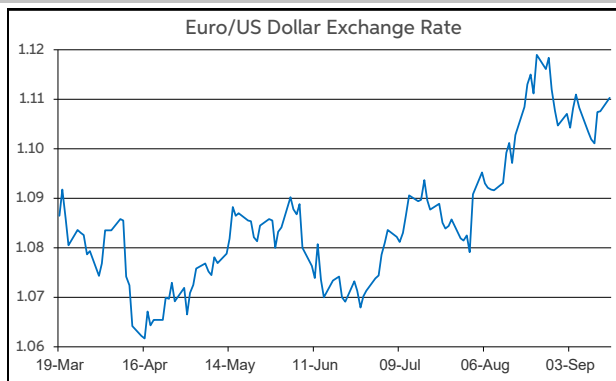
Busy central bank diary this week, with Fed in focus

Monetary policy is front and centre of the market discourse at the moment as we are in the midst of the September round of central bank meetings. Last week, it was the ECB that was under the spotlight. As expected, it cut the Deposit rate by 25bps to 3.50%. However, President Lagarde was tight lipped regarding the rate outlook over its final two meetings of 2024. As a result, the market's expectation for 50bps of additional rate cuts by year end has lessened. Currency-wise, while there was some initial modest downward pressure on the euro, there was no sustained reaction given the lack of specific guidance. The \$1.10 level for EUR/USD remained in place, while EUR/GBP retained the 84p threshold.

Attention this week turns to the Fed, BoE and BoJ. Of the three, the main focus will be on the Fed. The meeting entails event risk for the dollar amid uncertainty over whether there will be a 25bps or 50bps rate cut. Some softening in futures contract pricing towards the end of last week indicates the market is still not ruling out a 50bps cut. Aside from the policy decision, the release of the latest Fed interest rate projections and Chair Powell's press conference will be closely scrutinised and therefore could also be sources of volatility for the dollar. EUR/USD starts the week up at \$1.11.

The BoE is expected to keep the Bank Rate unchanged at 5.00%, having cut rates by 25bps in August. It has been non-committal on the rates outlook, so the market will be looking to see if the statement/minutes provide any new insight. Market expectations for less BoE easing versus elsewhere, has helped provide a supportive backdrop to sterling recently. Meantime, the BoJ is also expected to leave rates unchanged, having hiked in July. However, yen watchers will be paying close attention to Governor Ueda's comments for insight on the BoJ's tightening trajectory.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.1103	0.19	0.61
EUR/GBP	0.8436	0.07	-2.68
GBP/USD	1.3158	0.08	3.37
GBP/EUR	1.185	-0.07	2.75
USD/JPY	140.06	-0.63	-0.71
EUR/JPY	155.51	-0.47	-0.08

* 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	5.20	5.20	4.14	3.64	3.40
EUR	3.65	3.41	3.47	2.85	2.46	2.31
GBP	5.00	4.89	4.79	4.18	3.98	3.66

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 16 September 2024
07:19 am



Euro

EUR/GBP	0.8436
EUR/USD	1.1103
EUR/JPY	155.51
EUR/SEK	11.3178
EUR/DKK	7.4623
EUR/NOK	11.7816
EUR/CHF	0.9392
EUR/AUD	1.6506
EUR/HKD	8.6557
EUR/CAD	1.5073

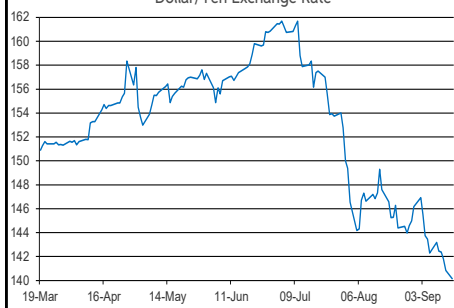
Sterling

GBP/EUR	1.185
GBP/USD	1.3158
GBP/CAD	1.7865
GBP/NZD	2.1306
GBP/JPY	184.29
GBP/SEK	13.4111
GBP/DKK	8.8443
GBP/NOK	13.9631
GBP/CHF	1.1132
GBP/AUD	1.9563

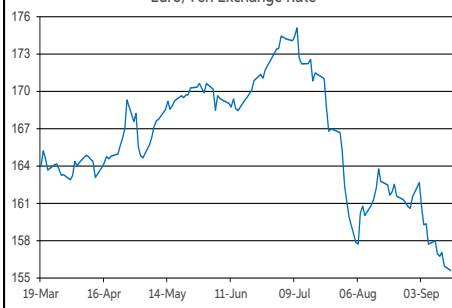
Dollar

USD/JPY	140.06
USD/CAD	1.3576
USD/CHF	0.8459
USD/CNY	7.093
USD/BRL	5.5625
USD/RUB	91.1
USD/INR	83.885
AUD/USD	0.6726
NZD/USD	0.6176

Dollar/Yen Exchange Rate

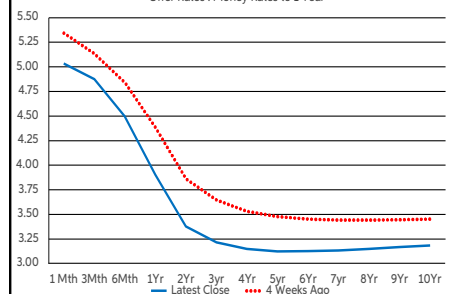


Euro/Yen Exchange Rate



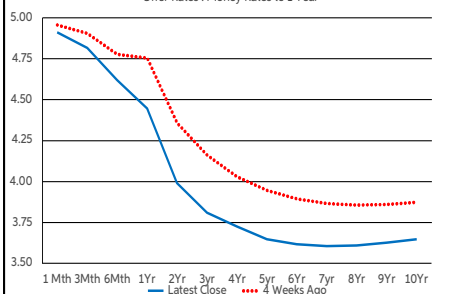
US Swap Curve

Offer Rates : Money Rates to 1 Year



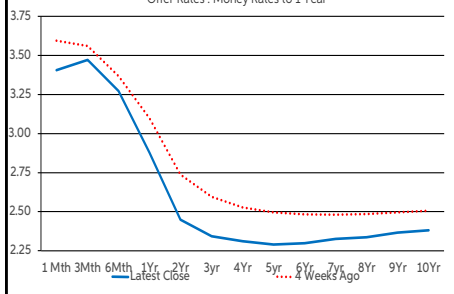
UK Swap Curve

Offer Rates : Money Rates to 1 Year

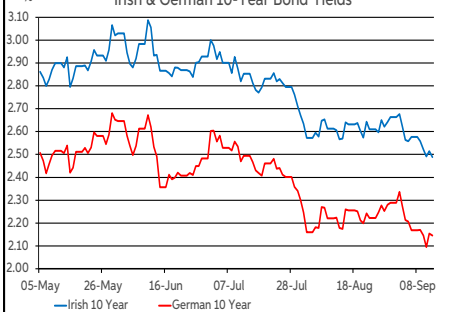


Eurozone Swap Curve

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	3.65	-3	-24	-21
Germany	2.15	-1	-11	+12
UK	3.77	-1	-16	+23
Ireland	2.53	-1	-14	+16
Belgium	2.74	-2	-12	+5
France	2.84	-1	-14	+28
Italy	3.51	-3	-13	-19
Spain	2.94	-2	-15	-5
Portugal	2.74	-3	-15	-5
Greece	3.14	-2	-19	+6
5 Year Swap %				
US	3.38	-3	-34	-41
Eurozone	2.29	-4	-20	-14
UK	3.65	-6	-29	-0
2 Year Swap %				
US	3.62	-5	-48	-72
Eurozone	2.45	-4	-28	-35
UK	3.99	-7	-36	-27
10 Year Government Bond Spreads to Benchmark bps				
Ireland	38	-1	-3	+4
Belgium	59	-1	-1	-7
France	69	-0	-3	+16
Italy	137	-2	-2	-31
Spain	80	-1	-4	-17
Portugal	59	-2	-4	-17
Greece	99	-1	-8	-6

Commodities

	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	71.61	-0.50	-10.13	-7.05
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2576.5	+0.69	+2.76	+24.92

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