

Uneventful start to a busy week

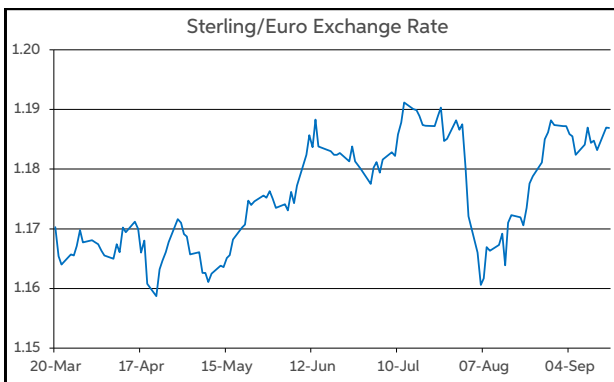
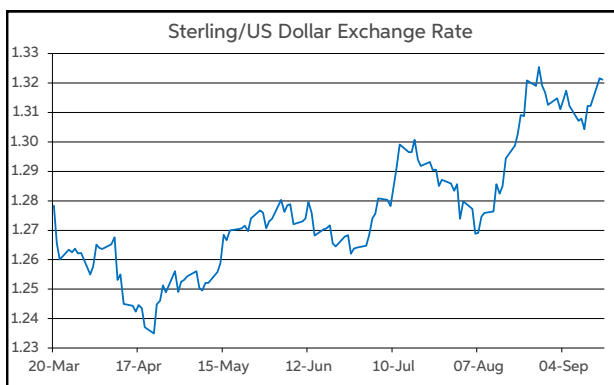
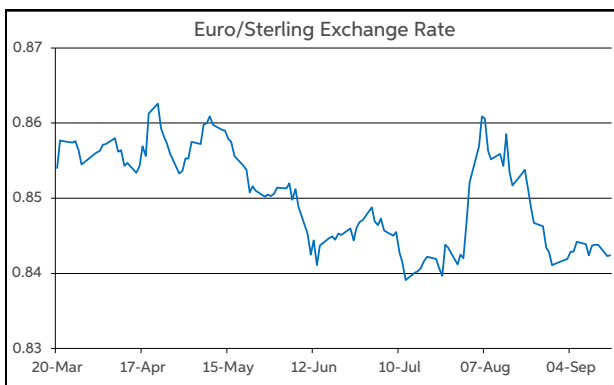
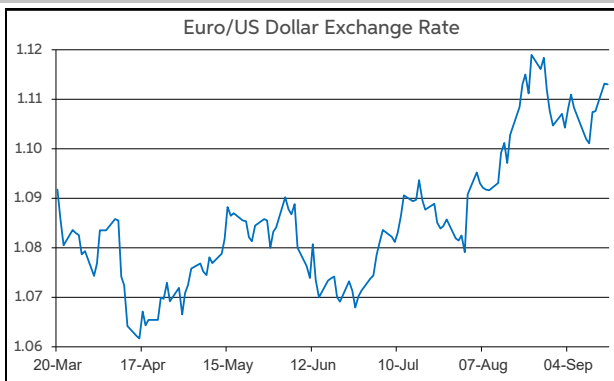
A packed week of central bank meetings got off to an uneventful start yesterday. This was not surprising given the lack on any top tier data on either side of the Atlantic. It was also likely a case of investors/market participants keeping their powder dry with the aforementioned raft of monetary policy decisions looming on the horizon.

This muted backdrop was evident in a generally cautious tone to investor sentiment. After registering strong gains of between 2-4% last week, the main equity indices, for the most part, traded sideways yesterday. At the closing bell on Wall Street last night, the S&P 500 was a modest 0.1% higher on the day. Meanwhile, on bond markets, the main benchmark sovereigns saw yields decline marginally, by between 1-3bps.

On the currency front, it was a similar picture of subdued trading amongst the majors. However, within this limited price action, the dollar retained the softer tone that re-emerged towards the end of last week on renewed speculation of a 50bps (rather than a 25bps) rate cut from the Fed this week. In level terms, the softer dollar was reflected in EUR/USD edging higher within the lower half of the \$1.11-1.12 band and GBP/USD trading above the \$1.32 threshold. Meanwhile, EUR/GBP continued to change hands within the bottom half of the 84-85p corridor.

Today's macro diary is US centric. It features retail sales and industrial production (both Aug) as well as homebuilder sentiment (Sept) for the world's largest economy. However, with tomorrow evening's Fed rate announcement very much front and centre of investor's minds, unless today's data surprises significantly versus expectations, market impact may be limited.

John Fahey, Senior Economist, AIB



| Today's Opening FX Rates | | | |
|--------------------------|--------|----------|----------|
| | | % Change | |
| | | Day * | End 2023 |
| EUR/USD | 1.113 | 0.30 | 0.85 |
| EUR/GBP | 0.8424 | -0.14 | -2.81 |
| GBP/USD | 1.3212 | 0.45 | 3.79 |
| GBP/EUR | 1.187 | 0.14 | 2.90 |
| USD/JPY | 140.53 | 0.23 | -0.38 |
| EUR/JPY | 156.41 | 0.53 | 0.50 |

* 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 | 5.13 | 5.12 | 4.11 | 3.65 | 3.41 |
| EUR | 3.65 | 3.41 | 3.47 | 2.85 | 2.44 | 2.28 |
| GBP | 5.00 | 4.89 | 4.78 | 4.16 | 3.97 | 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 |
|---------|----------------------------|------------|------------|------------------|---------------------------|-----------------|-----------------------------------|

Opening Levels

Tuesday 17 September 2024
07:27 am



Euro

| | |
|---------|---------|
| EUR/GBP | 0.8424 |
| EUR/USD | 1.113 |
| EUR/JPY | 156.41 |
| EUR/SEK | 11.317 |
| EUR/DKK | 7.4622 |
| EUR/NOK | 11.7702 |
| EUR/CHF | 0.9393 |
| EUR/AUD | 1.6474 |
| EUR/HKD | 8.672 |
| EUR/CAD | 1.5121 |

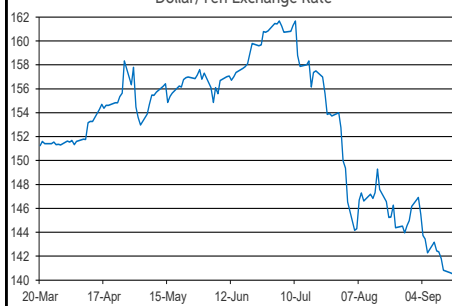
Sterling

| | |
|---------|---------|
| GBP/EUR | 1.187 |
| GBP/USD | 1.3212 |
| GBP/CAD | 1.7949 |
| GBP/NZD | 2.1334 |
| GBP/JPY | 185.67 |
| GBP/SEK | 13.4297 |
| GBP/DKK | 8.857 |
| GBP/NOK | 13.972 |
| GBP/CHF | 1.115 |
| GBP/AUD | 1.9554 |

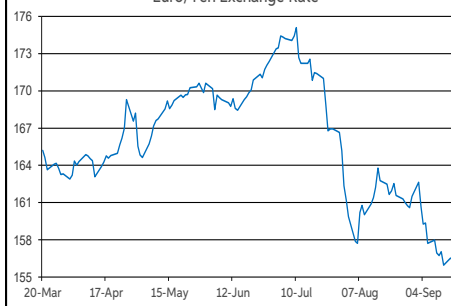
Dollar

| | |
|---------|---------|
| USD/JPY | 140.53 |
| USD/CAD | 1.3586 |
| USD/CHF | 0.8439 |
| USD/CNY | 7.093 |
| USD/BRL | 5.5038 |
| USD/RUB | 91.3 |
| USD/INR | 83.8225 |
| AUD/USD | 0.6754 |
| NZD/USD | 0.619 |

Dollar/Yen Exchange Rate

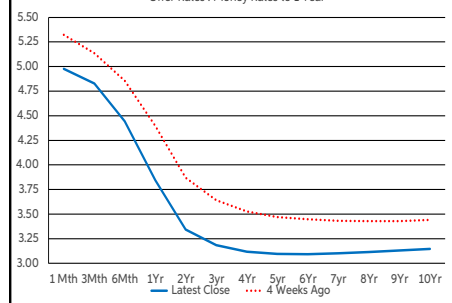


Euro/Yen Exchange Rate



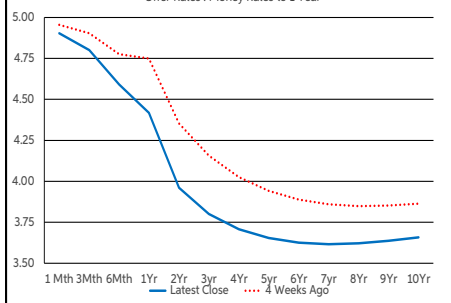
US Swap Curve

Offer Rates : Money Rates to 1 Year



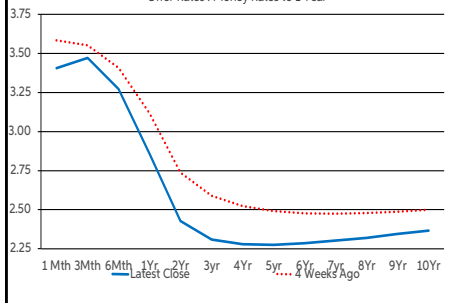
UK Swap Curve

Offer Rates : Money Rates to 1 Year

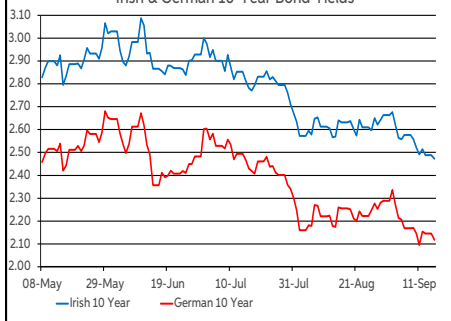


Eurozone Swap Curve

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 | 3.62 | -3 | -25 | -24 |
| Germany | 2.12 | -3 | -13 | +9 |
| UK | 3.76 | -1 | -17 | +22 |
| | | | | |
| Ireland | 2.51 | -2 | -16 | +14 |
| Belgium | 2.71 | -2 | -13 | +2 |
| France | 2.83 | -1 | -15 | +27 |
| Italy | 3.48 | -4 | -15 | -22 |
| Spain | 2.92 | -3 | -17 | -7 |
| | | | | |
| Portugal | 2.71 | -3 | -16 | -8 |
| Greece | 3.13 | -1 | -20 | +5 |
| | | | | |
| 5 Year Swap % | | | | |
| US | 3.35 | -3 | -36 | -44 |
| Eurozone | 2.28 | -4 | -21 | -15 |
| UK | 3.65 | -1 | -28 | +0 |
| | | | | |
| 2 Year Swap % | | | | |
| US | 3.59 | -6 | -53 | -75 |
| Eurozone | 2.43 | -3 | -30 | -37 |
| UK | 3.96 | -3 | -39 | -30 |
| | | | | |
| 10 Year Government Bond Spreads to Benchmark bps | | | | |
| Ireland | 39 | +1 | -2 | +5 |
| | | | | |
| Belgium | 59 | +0 | +0 | -7 |
| France | 71 | +2 | -1 | +18 |
| Italy | 136 | -1 | -1 | -31 |
| Spain | 80 | +0 | -3 | -17 |
| | | | | |
| Portugal | 59 | +0 | -3 | -17 |
| Greece | 101 | +2 | -7 | -4 |

Commodities

| | % Change | | | |
|----------------|----------|-------|---------|--------|
| | Close | Day | 4 Weeks | End 23 |
| Brent Oil | 72.75 | +1.59 | -6.32 | -5.57 |
| West Texas Oil | 71.65 | -0.17 | -1.90 | -1.27 |
| Gold \$ | 2582.6 | +0.24 | +3.14 | +25.21 |

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