

Flash PMIs in focus this week

Last week, the focus was very much on monetary policy. The Fed cut rates by 50bps, bringing the funds target range down to 4.75-5.00%. However, Chair Powell indicated that the Fed is unlikely to continue to cut rates at that pace. Meantime, the BoE and the BoJ both opted to leave policy on hold, in-line with expectations. Likewise, both central banks suggested that they will proceed cautiously with their respective policy trajectories.

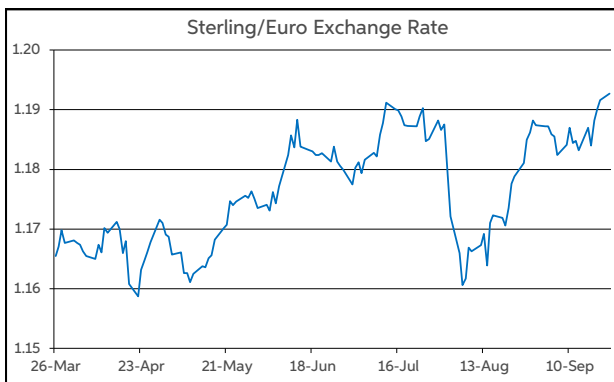
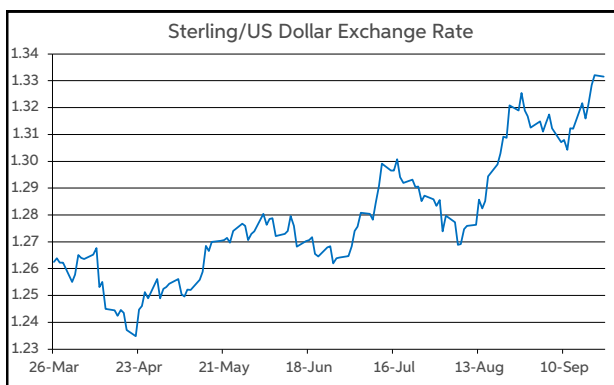
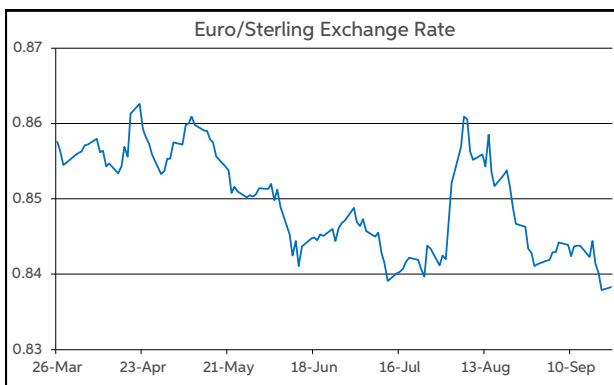
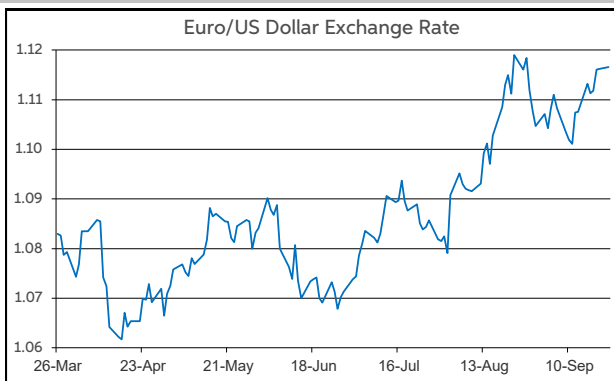
The Fed decision to cut rates by a bumper 50bps contributed to a positive tone to investor sentiment last week. Overall, the S&P 500 rose by 1.4%, while the Euro Stoxx 50 gained 0.6%. Elsewhere, oil prices rebounded by circa 4%, with Brent crude currently up above \$74 per barrel.

On the currency front, the dollar was under some downward pressure last week following the Fed policy announcement. At the same time, there was a firmer tone to sterling amid some good retail sales data for August, and sticky inflation readings for the month, which led to a modest firming in UK rate expectations.

As trading gets underway this morning, the firmer tone to sterling and the softer dollar sees GBP/USD open above the \$1.33 threshold. EUR/GBP is changing hands just below 84p. Meanwhile, EUR/USD is in the top half of the \$1.11-1.12 range.

Turning to the week ahead, the flash PMI readings for September in the main advanced economies will be the highlight. In the US, the August print of core-PCE will also garner significant interest. Flash HICP inflation readings for September in France and Spain are also due. Meanwhile, a busy week of central bank speeches (incl. Powell and Lagarde) will be of keen interest for investors.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.1166	0.01	1.18
EUR/GBP	0.8383	-0.19	-3.29
GBP/USD	1.3319	0.20	4.64
GBP/EUR	1.1927	0.19	3.40
USD/JPY	144.18	1.41	2.21
EUR/JPY	161	1.41	3.45

* 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	4.97	4.95	4.08	3.69	3.48
EUR	3.65	3.37	3.44	2.78	2.46	2.34
GBP	5.00	4.94	4.83	4.27	4.12	3.82

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 23 September 2024
06:46 am



Euro

EUR/GBP	0.8383
EUR/USD	1.1166
EUR/JPY	161
EUR/SEK	11.349
EUR/DKK	7.4594
EUR/NOK	11.6895
EUR/CHF	0.9499
EUR/AUD	1.6343
EUR/HKD	8.6935
EUR/CAD	1.5137

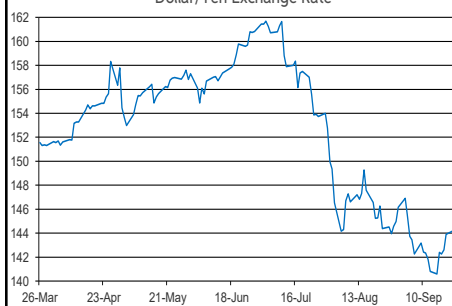
Sterling

GBP/EUR	1.1927
GBP/USD	1.3319
GBP/CAD	1.8054
GBP/NZD	2.1314
GBP/JPY	192.03
GBP/SEK	13.5383
GBP/DKK	8.8975
GBP/NOK	13.9399
GBP/CHF	1.1327
GBP/AUD	1.9493

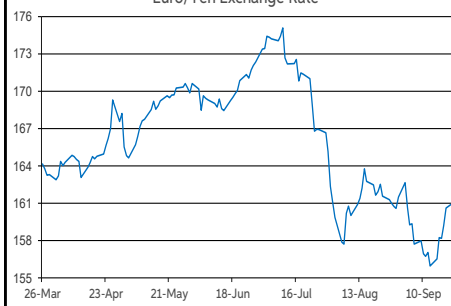
Dollar

USD/JPY	144.18
USD/CAD	1.3556
USD/CHF	0.8506
USD/CNY	7.0455
USD/BRL	5.5098
USD/RUB	92.65
USD/INR	83.515
AUD/USD	0.6832
NZD/USD	0.6246

Dollar/Yen Exchange Rate

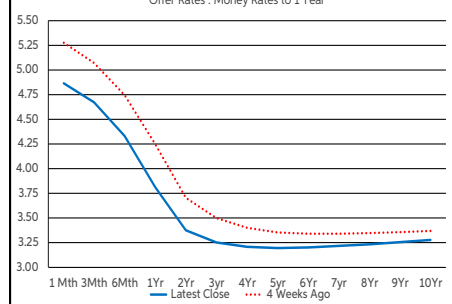


Euro/Yen Exchange Rate



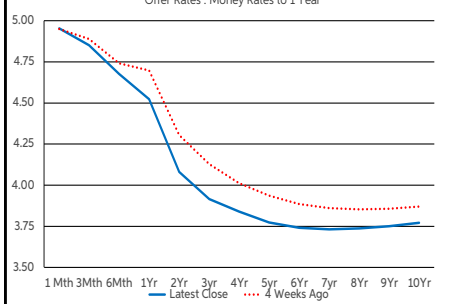
US Swap Curve

Offer Rates : Money Rates to 1 Year



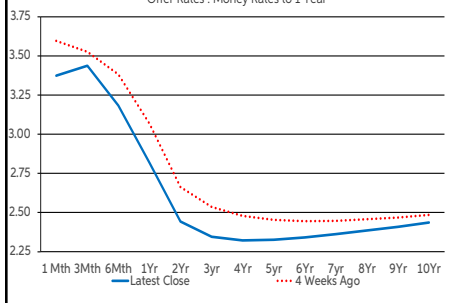
UK Swap Curve

Offer Rates : Money Rates to 1 Year

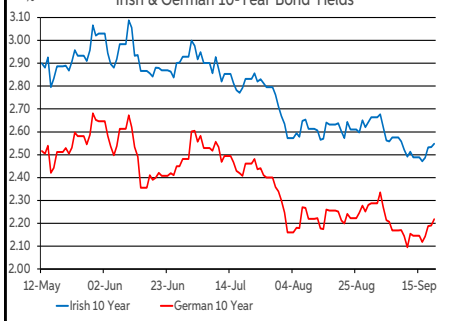


Eurozone Swap Curve

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	3.73	-1	-8	-13
Germany	2.22	+3	-0	+19
UK	3.90	+1	-1	+37
Ireland	2.58	+2	-5	+22
Belgium	2.83	+3	+0	+14
France	2.96	+3	+3	+41
Italy	3.56	+0	-1	-14
Spain	3.00	+1	-2	+1
Portugal	2.79	+1	-1	+0
Greece	3.21	+1	-9	+14

5 Year Swap %				
US	3.47	+3	-13	-32
Eurozone	2.33	-1	-12	-10
UK	3.77	-2	-16	+12

2 Year Swap %				
US	3.63	+1	-31	-71
Eurozone	2.44	-2	-22	-35
UK	4.08	-2	-22	-18

10 Year Government Bond Spreads to Benchmark bps				
Ireland	36	-1	-5	+2
Belgium	61	+0	+0	-5
France	74	+0	+4	+21
Italy	134	-2	-0	-33
Spain	78	-2	-1	-18
Portugal	57	-2	-1	-19
Greece	99	-2	-8	-6

Commodities

	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	74.49	-0.52	-5.73	-3.31
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2622.0	+1.37	+4.37	+27.12

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