

Central bank meetings await this week

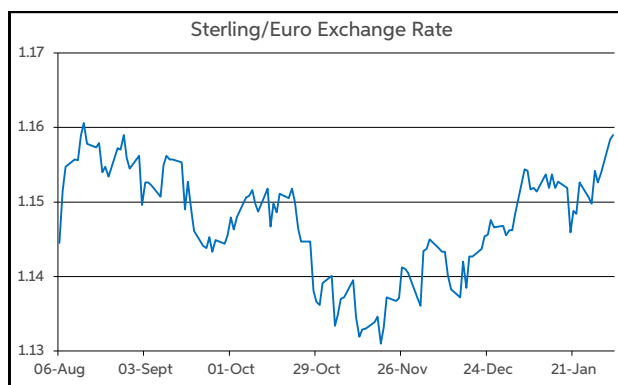
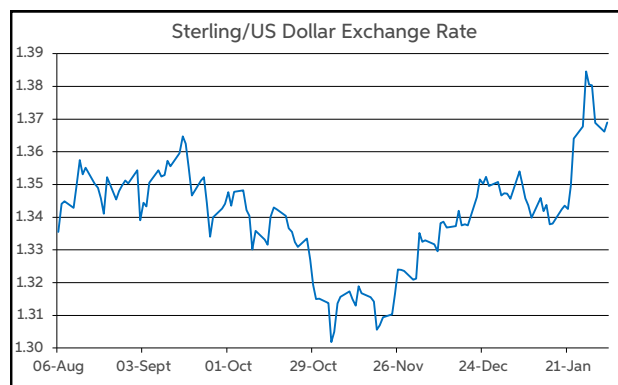
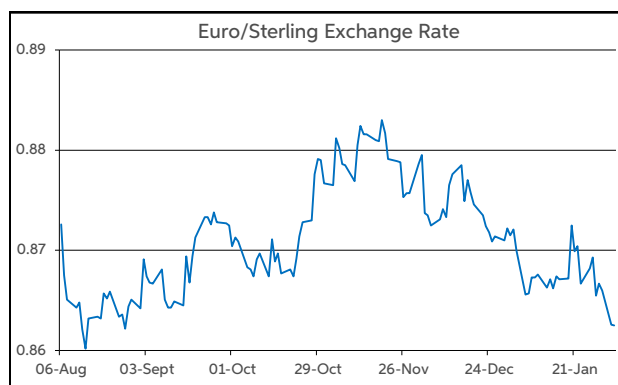
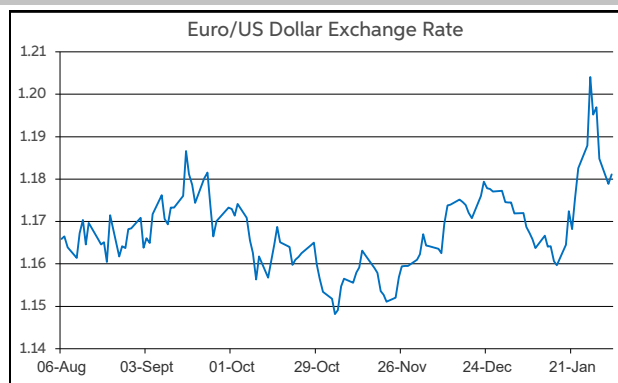
The action amongst most of the FX majors was somewhat subdued on the first trading day of February. This contrasted to last week, when the dollar was making headlines, falling to four and a half year lows on the exchanges before recovering ground in the latter part of the week. Of the moves to register amongst the main FX pairs over the past 24 hours, the euro has been holding a modestly softer tone. EUR/USD opens this morning trading near to \$1.18. The GBP/USD pair is changing hands just below \$1.37. Meanwhile, the softer euro sees EUR/GBP operating in the lower end of 86-87p. Elsewhere on the currency front, in overnight action, the Aussie dollar has strengthened after the RBA unexpectedly hiked interest rates.

Looking ahead to the remainder of this week, from a monetary policy perspective, both the ECB and BoE are scheduled to hold their first meetings of the year (Thurs). The ECB is expected to maintain the Depo rate at 2%. President Lagarde is likely to emphasise that the Governing Council is satisfied that its current rates setting is well positioned. Futures contracts suggest the market is not contemplating any rate changes from the ECB this year.

The BoE is also expected to leave rates on hold. The market will be assessing the meeting statement, minutes, updated macro forecasts and Governor Bailey's press conference for indications on when the central bank may ease policy again. The market is not fully pricing in another 25bps rate cut until June.

Data-wise, the key focus this week was set to be Friday's raft of US labour market data for January, including the always closely followed non-farm payrolls. However, there have been reports that this may be delayed due to the partial US government shutdown that came into effect over the weekend. Therefore, markets will be keeping a watchful eye on developments in the US Congress.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2025
EUR/USD	1.1811	-0.34	0.56
EUR/GBP	0.8625	-0.47	-1.03
GBP/USD	1.3687	0.10	1.59
GBP/EUR	1.1588	0.48	1.04
USD/JPY	155.5	0.42	-0.73
EUR/JPY	183.7	0.09	-0.16

* 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	3.63	3.66	3.66	3.49	3.68	3.84
EUR	2.00	1.97	2.03	2.19	2.26	2.56
GBP	3.75	3.71	3.70	3.53	3.79	4.00

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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Euro

EUR/GBP	0.8625
EUR/USD	1.1811
EUR/JPY	183.7
EUR/SEK	10.55
EUR/DKK	7.4685
EUR/NOK	11.4169
EUR/CHF	0.9188
EUR/AUD	1.6818
EUR/HKD	9.2259
EUR/CAD	1.6135

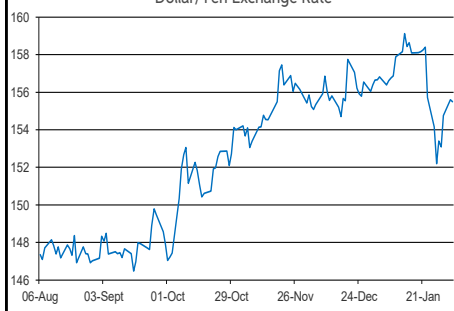
Sterling

GBP/EUR	1.1588
GBP/USD	1.3687
GBP/CAD	1.8698
GBP/NZD	2.2648
GBP/JPY	212.85
GBP/SEK	12.2265
GBP/DKK	8.6542
GBP/NOK	13.217
GBP/CHF	1.0648
GBP/AUD	1.9493

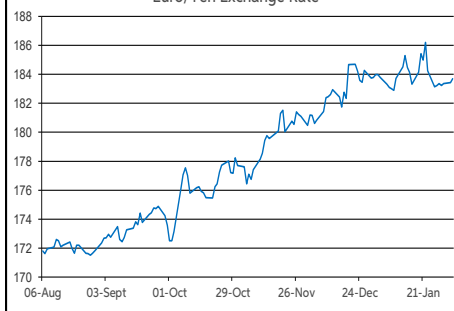
Dollar

USD/JPY	155.5
USD/CAD	1.366
USD/CHF	0.7778
USD/CNY	6.9373
USD/BRL	5.2604
USD/RUB	76.8
USD/INR	90.389
AUD/USD	0.7021
NZD/USD	0.6042

Dollar/Yen Exchange Rate

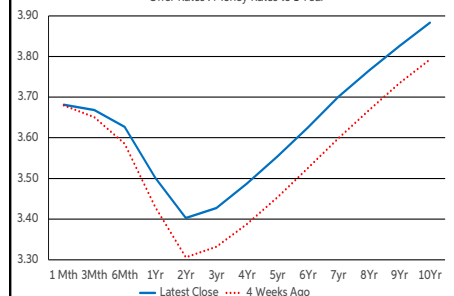


Euro/Yen Exchange Rate



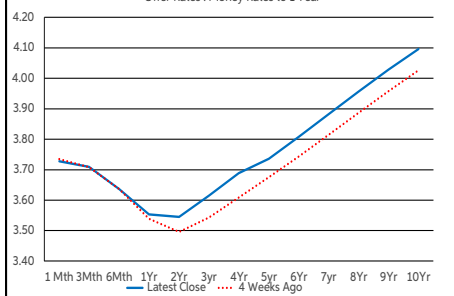
US Swap Curve

Offer Rates : Money Rates to 1 Year



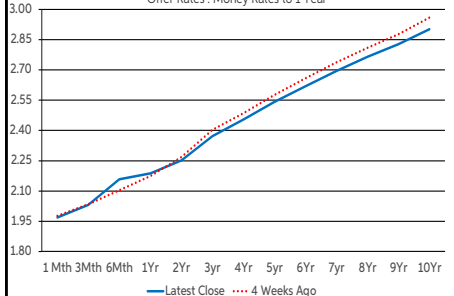
UK Swap Curve

Offer Rates : Money Rates to 1 Year

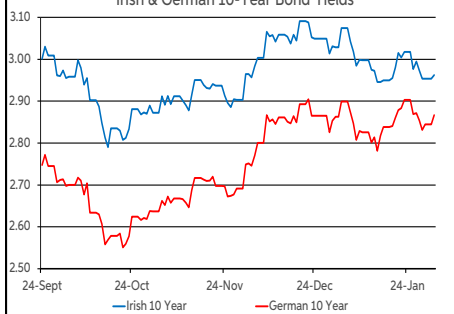


Eurozone Swap Curve

Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



Debt Markets

	Close	Change bps		
		Day	4 Weeks	End 25
10 Year Yield %				
US	4.28	+4	+11	+12
Germany	2.87	+2	-1	+0
UK	4.51	-2	+0	+3
Ireland	2.96	+1	-8	-7
Belgium	3.27	+2	-10	-8
France	3.45	+2	-12	-11
Italy	3.49	+2	-4	-3
Spain	3.23	+2	-7	-6
Portugal	3.22	+2	+4	+6
Greece	3.38	+3	-10	-10

5 Year Swap %				
US	3.82	+4	+17	+9
Eurozone	2.53	+2	-3	-4
UK	3.99	-1	+7	+10

2 Year Swap %				
US	3.67	+5	+12	+10
Eurozone	2.25	+2	-2	-1
UK	3.77	-1	+3	+4

10 Year Government Bond Spreads to Benchmark bps				
Ireland	10	-1	-7	-7
Belgium	40	-0	-9	-8
France	58	+0	-12	-11
Italy	62	+0	-4	-3
Spain	36	-0	-6	-7
Portugal	35	-1	+5	+6
Greece	51	+1	-9	-10

Commodities

	Close	% Change		
		Day	4 Weeks	End 25
Brent Oil	66.3	-6.21	+7.35	+8.96
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	4665.3	-4.09	+4.88	+8.14

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