

ECB meeting in focus today

Risk appetite was holding a firmer tone during the European session yesterday, supported by stronger than expected corporate earnings, and better than anticipated PMI data. The Euro Stoxx 50 rose by 2.2%, its largest daily gain since November 2022. However, having initially been higher, the S&P 500 closed up by just 0.1%, as risk appetite faded during the US session.

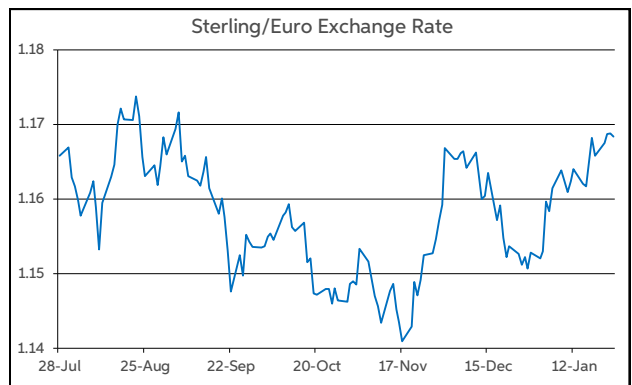
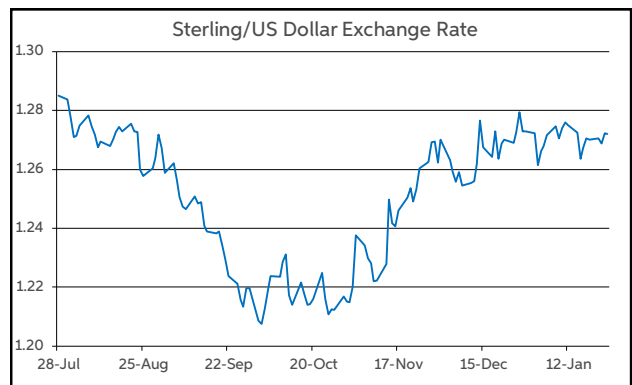
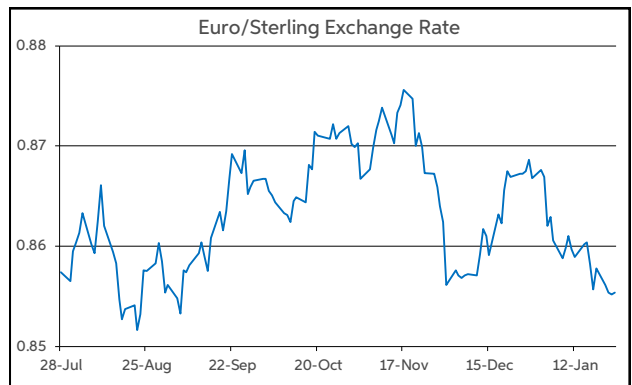
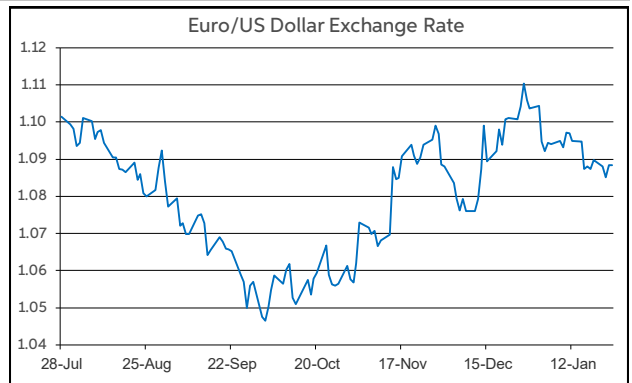
Data-wise, the flash PMIs broadly improved and printed above the consensus in January in the US, UK and Eurozone. In the US, both sectors were in expansion mode. Likewise, in the UK, the services PMI was above the key 50 mark, although, the manufacturing sector stayed below 50. Meantime, both Eurozone PMIs remained in contraction territory in January.

Amid the more positive mood on markets yesterday, the dollar was under some downward pressure. This was reflected in EUR/USD rising to a weekly high of \$1.093 during the European session. However, the dollar recouped some of its losses late on, following the release of the US PMI data.

In level terms, EUR/USD opens this morning in the top half of \$1.08-1.09. GBP/USD is operating in the lower half of the \$1.27-1.28 range. Elsewhere, EUR/GBP remains at the midpoint of 85-86p.

Turning to the day ahead, the ECB monetary policy meeting outcome will be in the market spotlight. The Governing Council is widely expected to leave policy unaltered. However, the post-meeting statement and press conference will garner close attention. In the US, the first reading of Q4 GDP is projected to show the economy expanded by 2% annualised in the quarter. The first reading of Q4 core-PCE inflation will also be released.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0885	0.23	-1.37
EUR/GBP	0.8553	0.05	-1.33
GBP/USD	1.2721	0.17	-0.06
GBP/EUR	1.1682	-0.05	1.34
USD/JPY	147.61	-0.18	4.64
EUR/JPY	160.7	0.06	3.26

* 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	5.45	5.59	5.08	4.50	4.08
EUR	4.50	3.87	3.95	3.60	3.04	2.70
GBP	5.25	5.19	5.19	4.93	4.63	4.13

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

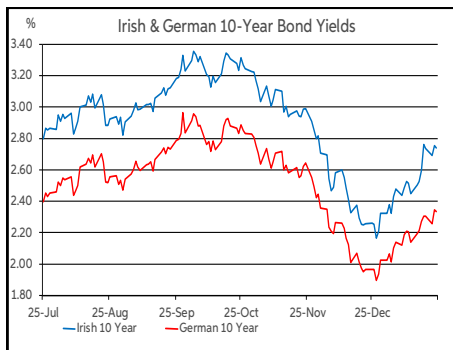
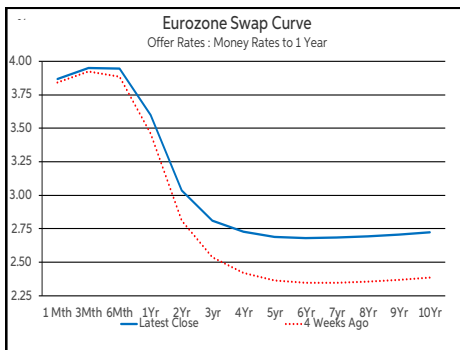
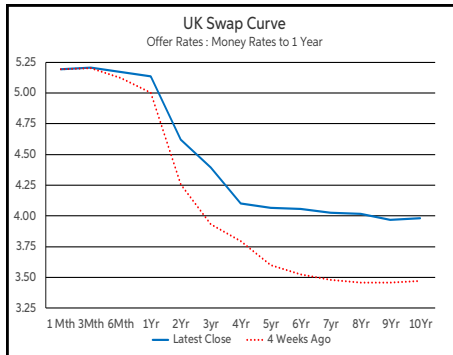
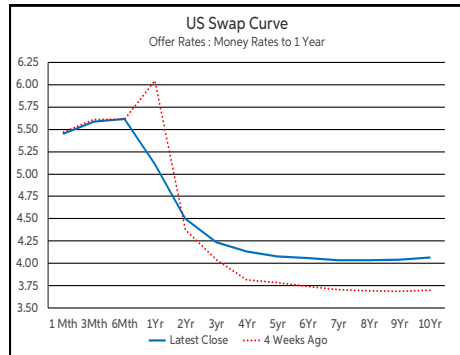
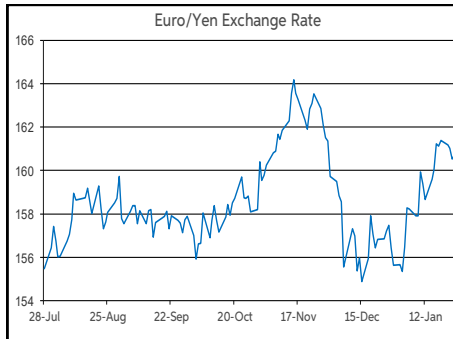
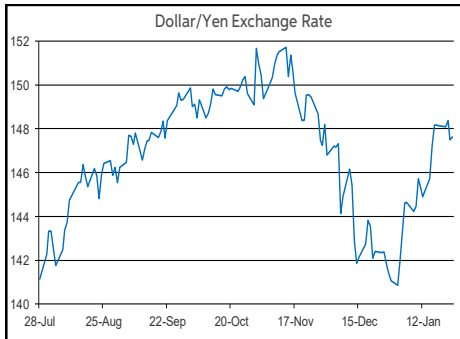
FX Spot	Karl Cooke Shane Gargan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

Thursday 25 January 2024
07:49 am



Euro		Sterling		Dollar	
EUR/GBP	0.8553	GBP/EUR	1.1682	USD/JPY	147.61
EUR/USD	1.0885	GBP/USD	1.2721	USD/CAD	1.3519
EUR/JPY	160.7	GBP/CAD	1.7204	USD/CHF	0.8633
EUR/SEK	11.361	GBP/NZD	2.0806	USD/CNY	7.1637
EUR/DKK	7.4568	GBP/JPY	187.77	USD/BRL	4.9335
EUR/NOK	11.3857	GBP/SEK	13.2752	USD/RUB	88.5175
EUR/CHF	0.9398	GBP/DKK	8.7127	USD/INR	83.098
EUR/AUD	1.6535	GBP/NOK	13.3071	AUD/USD	0.6581
EUR/HKD	8.5083	GBP/CHF	1.0984	NZD/USD	0.6113
EUR/CAD	1.4721	GBP/AUD	1.9328		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 23
10 Year Yield %				
US	4.18	+5	+39	+31
Germany	2.33	-2	+43	+31
UK	4.01	+2	+58	+47
Ireland				
Ireland	2.78	-3	+55	+39
Belgium	2.95	-0	+41	+27
France	2.84	-0	+43	+28
Italy	3.91	-1	+42	+21
Spain	3.27	-0	+44	+28
Portugal	3.06	-1	+46	+27
Greece	3.34	-5	+35	+27
5 Year Swap %				
US	4.08	+4	+33	+29
Eurozone	2.69	-1	+34	+26
UK	4.07	+2	+47	+41
2 Year Swap %				
US	4.50	+3	+16	+16
Eurozone	3.04	-1	+24	+24
UK	4.62	+2	+37	+35
10 Year Government Bond Spreads to Benchmark bps				
Ireland	44	-1	+12	+9
Belgium	61	+1	-2	-4
France	51	+1	-0	-2
Italy	157	+0	-1	-10
Spain	93	+1	+1	-3
Portugal	73	+0	+2	-3
Greece	101	-3	-9	-4

Commodities				
	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	80.04	+0.62	+0.49	+3.89
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2012.6	-0.79	-3.11	-2.42

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