

First Fed FOMC meeting of 2025 today

It was a relatively quiet day on financial markets yesterday. A sparse data schedule likely contributed to the muted action. Of the limited releases to note, US consumer confidence printed below the consensus, falling to 104.1 in January (vs. 105.6 f'cast) from a revised 109.5 in December. Elsewhere in the US, durable goods orders declined by 2.2% in December (vs. +0.6% f'cast), although this was largely due to a drop in the erratic aircraft component.

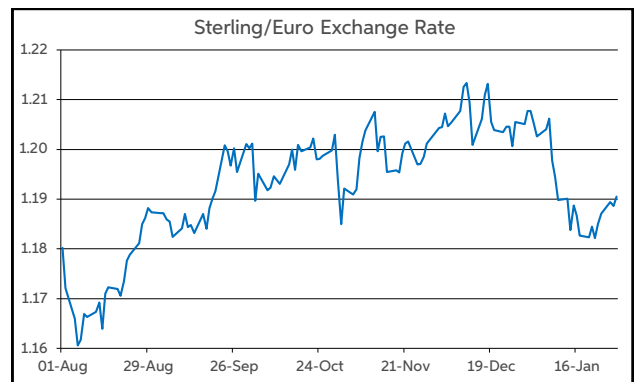
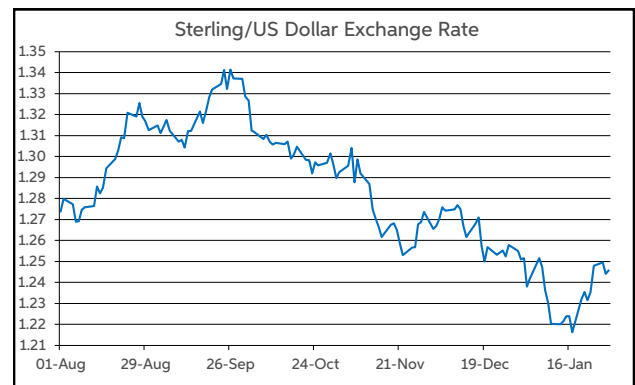
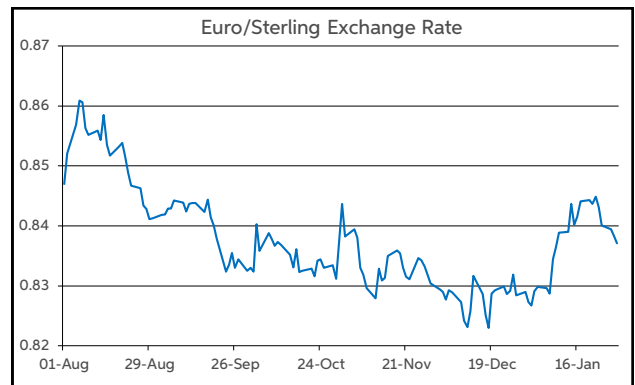
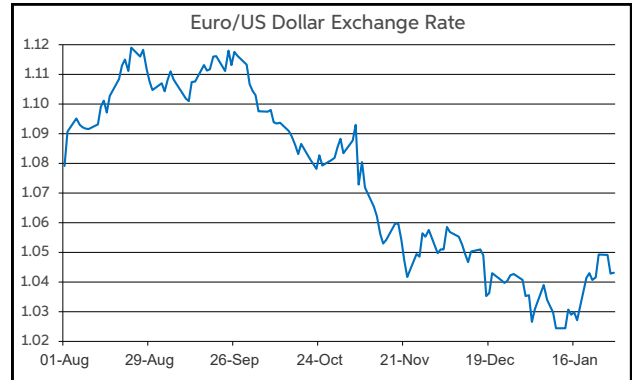
Against that backdrop, equity markets rebounded somewhat, with a number of the worst performing tech-stocks from Monday recouping part of their losses. Overall, this saw the S&P 500 rise by 0.9% yesterday. Meantime, the Euro Stoxx 50 edged marginally higher by just 0.1%.

On the currency front, the main pairs have operated in very tight ranges over the past 24 hours. The euro inched marginally lower across the board yesterday. At the same time, there was a slightly firmer tone to the yen overnight.

As trading gets underway this morning, the slightly weaker euro sees EUR/USD open nearer to the \$1.04 threshold. Meanwhile, EUR/GBP is changing hands in the top half of the 83-84p band. GBP/USD remains in and around the midpoint of the \$1.24-1.25 band. USD/JPY is operating down in the lower half of ¥155-156.

Turning to the day ahead, the main focus will be the first US Fed FOMC meeting of the year. The Fed is widely expected to leave rates unchanged but the post meeting press conference will garner significant attention. Elsewhere on the monetary policy front, remarks from BoE Governor Bailey to the Treasury Select Committee will also be of interest to market participants.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.0431	-0.05	0.75
EUR/GBP	0.8371	-0.13	1.18
GBP/USD	1.2454	0.10	-0.46
GBP/EUR	1.1936	0.13	-1.17
USD/JPY	155.21	-0.31	-1.25
EUR/JPY	161.89	-0.38	-0.53

* 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	4.38	4.30	4.28	4.13	4.31	4.30
EUR	3.15	2.74	2.64	2.46	2.38	2.41
GBP	4.75	4.52	4.47	4.28	4.39	4.27

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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Euro

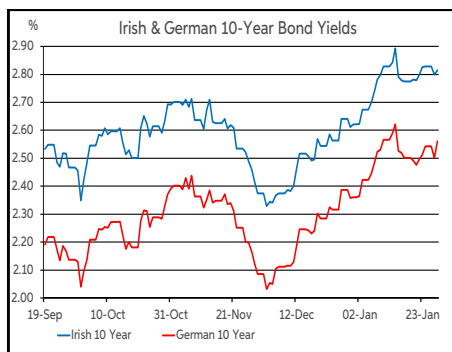
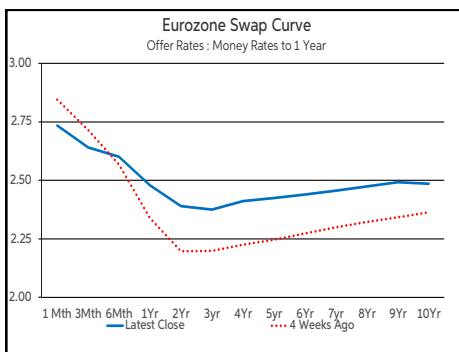
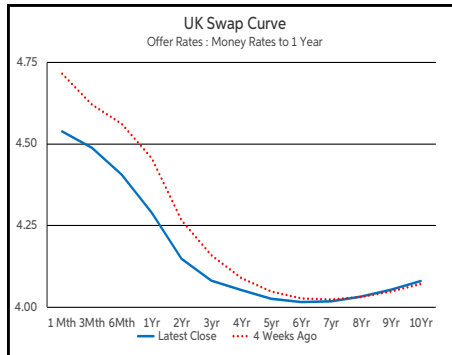
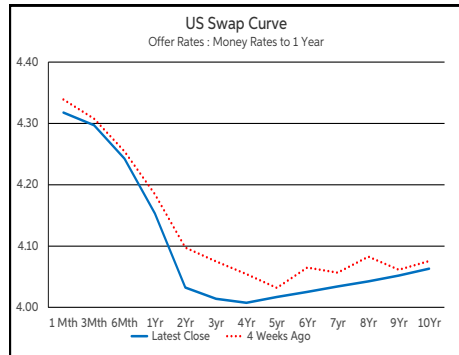
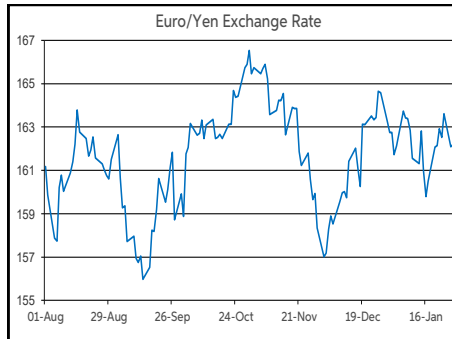
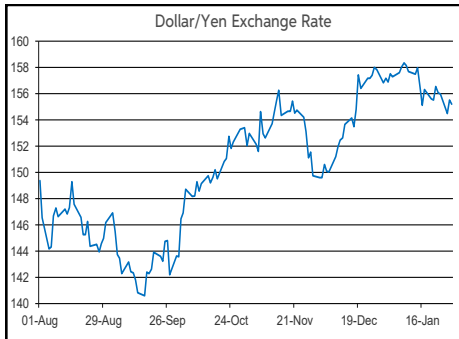
EUR/GBP	0.8371
EUR/USD	1.0431
EUR/JPY	161.89
EUR/SEK	11.4684
EUR/DKK	7.4621
EUR/NOK	11.7619
EUR/CHF	0.9435
EUR/AUD	1.6715
EUR/HKD	8.1272
EUR/CAD	1.5021

Sterling

GBP/EUR	1.1936
GBP/USD	1.2454
GBP/CAD	1.7933
GBP/NZD	2.1981
GBP/JPY	193.3
GBP/SEK	13.6899
GBP/DKK	8.905
GBP/NOK	14.0223
GBP/CHF	1.1258
GBP/AUD	1.9947

Dollar

USD/JPY	155.21
USD/CAD	1.4402
USD/CHF	0.904
USD/CNY	7.2507
USD/BRL	5.8571
USD/RUB	98.1
USD/INR	86.5725
AUD/USD	0.6239
NZD/USD	0.566



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 24
10 Year Yield %				
US	4.55	+2	-3	-3
Germany	2.56	+6	+20	+20
UK	4.62	+3	+4	+4
5 Year Swap %				
US	4.28	+0	-1	-1
Eurozone	2.42	+1	+19	+19
UK	4.26	+2	-2	-2
2 Year Swap %				
US	4.29	+1	-5	-5
Eurozone	2.39	+1	+20	+20
UK	4.39	+2	-10	-10
10 Year Government Bond Spreads to Benchmark bps				
Ireland	28	-3	-1	-1
Belgium	60	-3	-2	-2
France	73	-4	-10	-10
Italy	110	-3	-6	-6
Spain	61	-4	-9	-9
Portugal	40	-4	-9	-9
Greece	87	-6	-2	-2

Commodities				
	% Change			
	Close	Day	4 Weeks	End 24
Brent Oil	77.49	+0.53	+3.82	+3.82
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2763.1	+0.80	+5.31	+5.31

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