

Fed in focus after the European close

The quiet start to the week on financial markets carried over into yesterday's European session. Amid a light data schedule, investors continued to digest a first rate hike from the BoJ since 2007. Despite raising rates, the BoJ remained cautious on the outlook, guiding that monetary policy will stay accommodative.

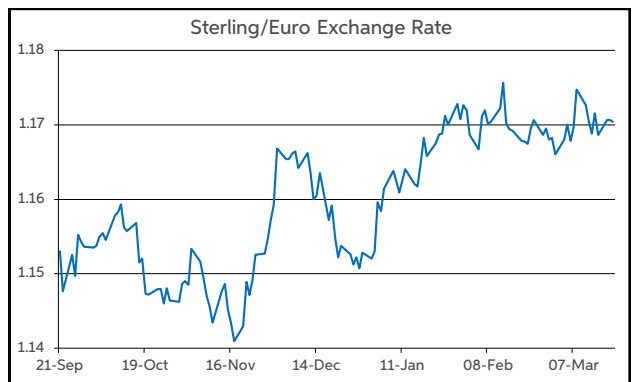
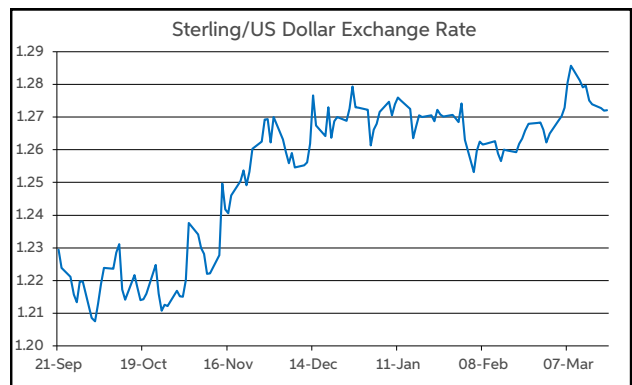
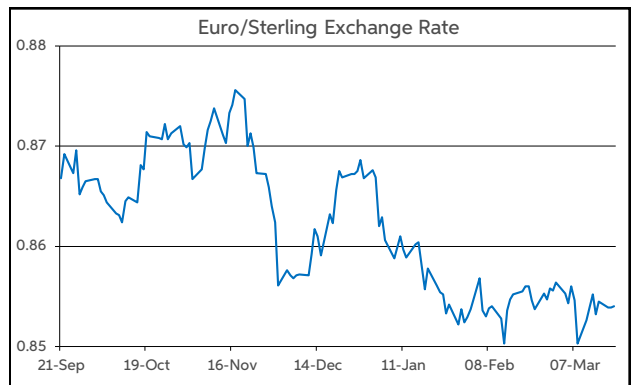
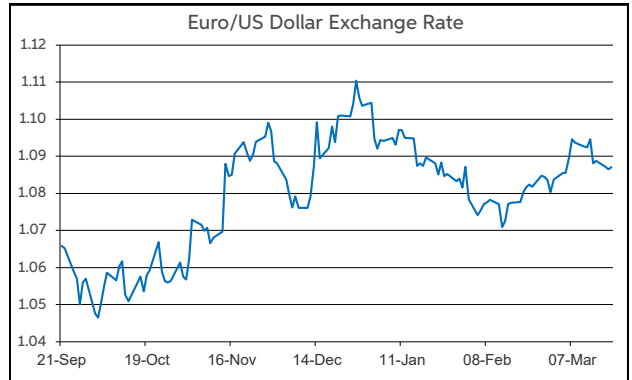
Against this backdrop, the yen was under some downward pressure. Elsewhere, the main FX pairs were confined to narrow trading ranges. Of the limited moves to note, the euro was holding a slightly softer tone, following some dovish remarks from ECB officials. Overnight though, the single currency recouped its losses.

Elsewhere on markets, the Euro Stoxx 50 and the S&P 500 rose by circa 0.5%. In terms of fixed income, yields moved 1-8bps lower on both sides of the Atlantic. At the same time, oil prices maintained their recent upward momentum, with Brent crude rising above \$87 per barrel.

As trading gets underway this morning, EUR/USD is in the top half of \$1.08-1.09. GBP/USD is changing hands in the lower half of the \$1.27-1.28 corridor. Meanwhile, EUR/GBP continues to operate near the midpoint of 85-86p. USD/JPY is up above the ¥151 mark.

Already today, UK CPI data for February have printed slightly below the consensus. The headline and core rates fell to 3.4% (vs. 3.5% f'cast) and 4.5% (vs. 4.6% f'cast), respectively. The main highlight though, will be the US Fed monetary policy meeting outcome after the close in Europe. The FOMC is widely expected to leave policy on hold. Thus, the focus will be on remarks from Chair Powell at the press conference, and the updated economic projections, including the interest rate dotplot.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0869	0.06	-1.51
EUR/GBP	0.854	-0.08	-1.48
GBP/USD	1.2723	0.13	-0.05
GBP/EUR	1.1701	0.08	1.50
USD/JPY	151.44	0.76	7.36
EUR/JPY	164.63	0.83	5.78

* 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	5.44	5.59	5.32	4.86	4.33
EUR	4.50	3.86	3.93	3.68	3.22	2.79
GBP	5.25	5.18	5.19	4.94	4.75	4.20

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

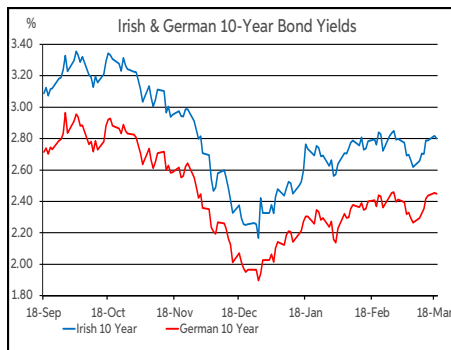
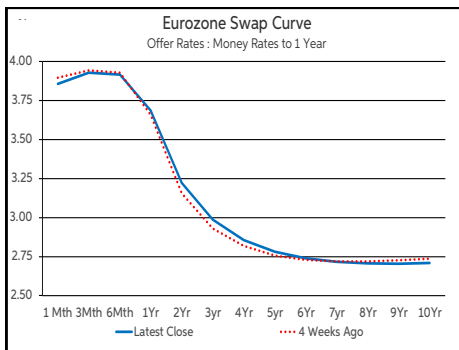
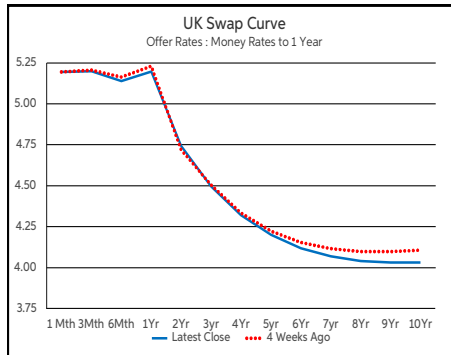
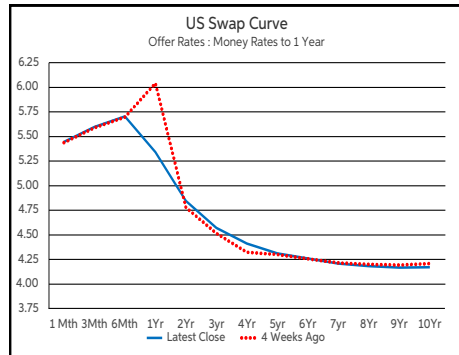
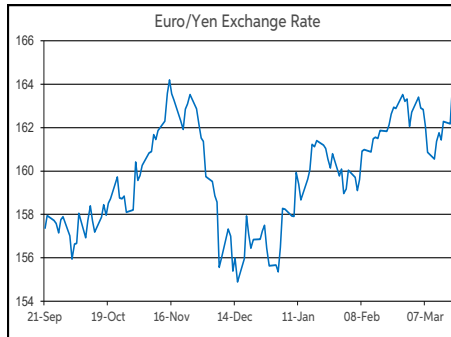
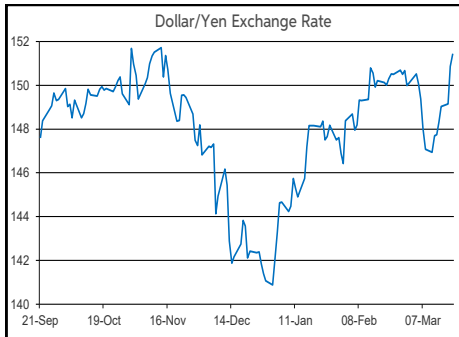
EUR/GBP	0.854
EUR/USD	1.0869
EUR/JPY	164.63
EUR/SEK	11.3371
EUR/DKK	7.4572
EUR/NOK	11.5579
EUR/CHF	0.9658
EUR/AUD	1.6635
EUR/HKD	8.5015
EUR/CAD	1.4755

Sterling

GBP/EUR	1.1701
GBP/USD	1.2723
GBP/CAD	1.7274
GBP/NZD	2.1032
GBP/JPY	192.68
GBP/SEK	13.2687
GBP/DKK	8.7285
GBP/NOK	13.53
GBP/CHF	1.1308
GBP/AUD	1.9474

Dollar

USD/JPY	151.44
USD/CAD	1.3573
USD/CHF	0.8885
USD/CNY	7.1993
USD/BRL	5.0306
USD/RUB	92.6225
USD/INR	83.074
AUD/USD	0.6534
NZD/USD	0.6048



Debt Markets				
	Close	Day	Change bps	
			4 Weeks	End 23
10 Year Yield %				
US	4.29	-4	+2	+43
Germany	2.45	-1	+8	+42
UK	4.06	-3	+2	+52
5 Year Swap %				
US	4.31	-4	+5	+52
Eurozone	2.78	-2	+4	+35
UK	4.20	-4	-2	+55
2 Year Swap %				
US	4.85	-4	+11	+51
Eurozone	3.22	-2	+8	+43
UK	4.74	-4	+3	+48
10 Year Government Bond Spreads to Benchmark bps				
Ireland	39	+0	-4	+4
Belgium	53	+1	-5	-12
France	44	+1	-4	-9
Italy	127	+4	-23	-41
Spain	81	+2	-10	-16
Portugal	63	-0	-4	-13
Greece	90	+3	-9	-15

Commodities				
	Close	Day	% Change	
			4 Weeks	End 23
Brent Oil	87.38	+0.56	+6.12	+13.42
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2157.2	-0.13	+6.61	+4.59

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