

## Firmer tone to the dollar

In-line with market expectations, the BoE left monetary policy on hold yesterday. The Bank rate remains at 4.50%. However, the MPC was once again split on the decision. Eight members voted in favour of leaving rates on hold, while one (Dhingra) was in favour of cutting rates by 25bps. Meantime, the meeting statement provided little in the way of guidance on the policy outlook, amid signs of sticky inflation in the UK and high levels of uncertainty.

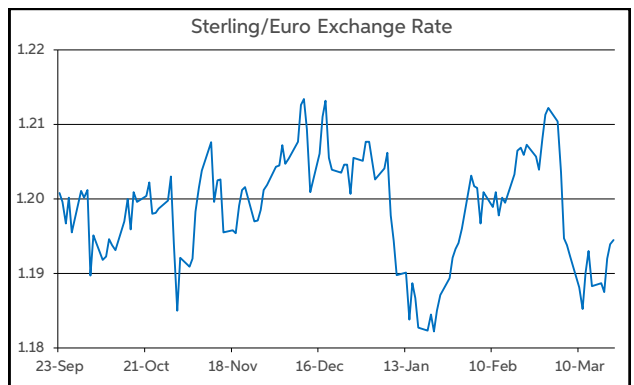
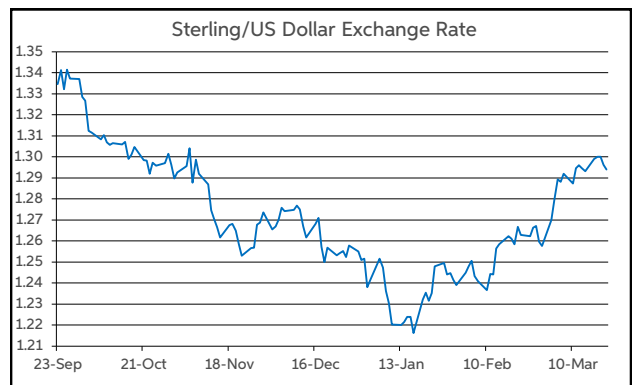
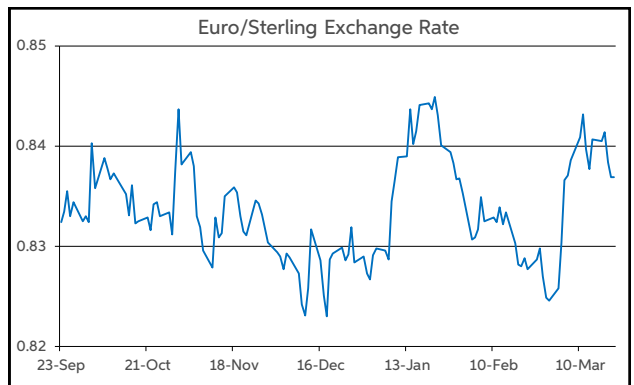
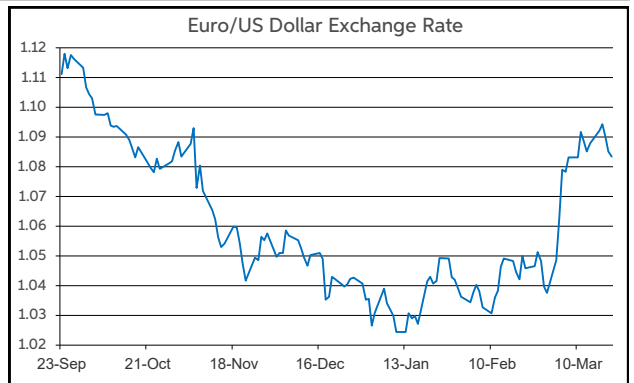
Unsurprisingly then, the market reaction to the BoE policy decision was muted. Futures contracts remain consistent with two rate cuts from the BoE this year, starting in June. Meantime, UK Gilt yields moved circa 2-4bps higher.

Elsewhere, there was a risk-off tone to investor sentiment yesterday. The Euro Stoxx 50 lost 1.0%, while the S&P 500 fell by a more modest 0.2%. Meantime, US Treasury and German Bund yields declined by 2-3bps. Against this backdrop, there was a firmer tone to the dollar. At the same time, the euro was under some downward pressure.

In level terms, EUR/USD opens this morning down in the lower half of \$1.08-1.09. GBP/USD is operating back below the midpoint of the \$1.29-1.30 band. EUR/GBP is changing hands in the upper regions of the 83-84p corridor. USD/JPY is above ¥149.

Already this morning, UK consumer confidence has beat the consensus, improving to -19.0 in March from -20 in February (vs. -21.0 f'cast). Later today, the only release of note will be Eurozone consumer confidence for March. A slight improvement is pencilled in for the month. Meantime, remarks from NY Fed President Williams will also garner some interest.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.0834	-0.56	4.65
EUR/GBP	0.8369	-0.16	1.16
GBP/USD	1.2941	-0.40	3.44
GBP/EUR	1.1943	0.16	-1.15
USD/JPY	149.35	0.67	-4.98
EUR/JPY	161.84	0.12	-0.56

\* 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	4.31	4.29	4.03	4.09	4.02
EUR	2.65	2.39	2.41	2.32	2.29	2.47
GBP	4.50	4.45	4.38	4.22	4.34	4.28

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

Friday 21 March 2025  
07:18 am



## Euro

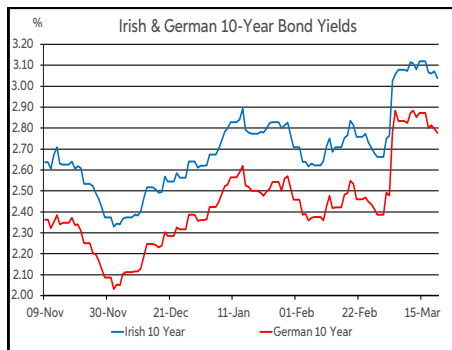
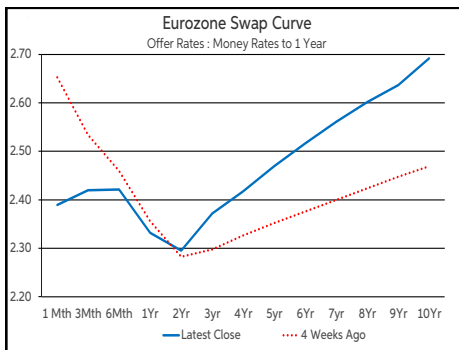
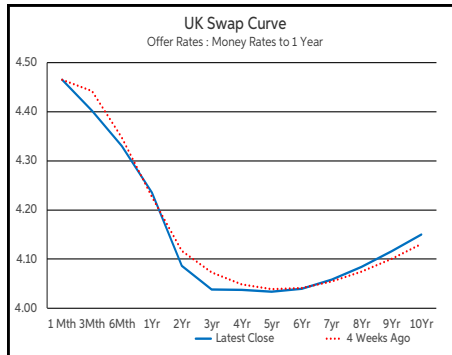
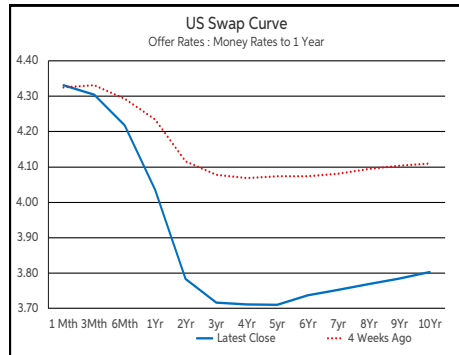
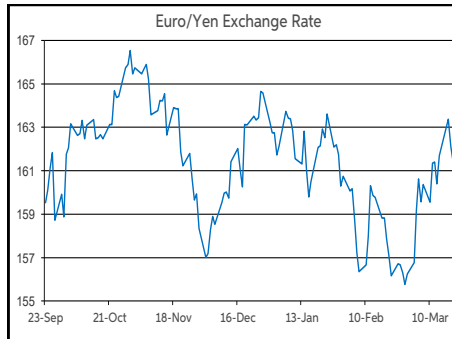
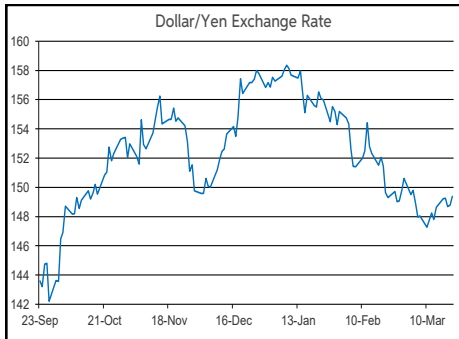
EUR/GBP	0.8369
EUR/USD	1.0834
EUR/JPY	161.84
EUR/SEK	11.0005
EUR/DKK	7.459
EUR/NOK	11.4258
EUR/CHF	0.9568
EUR/AUD	1.7209
EUR/HKD	8.4209
EUR/CAD	1.5511

## Sterling

GBP/EUR	1.1943
GBP/USD	1.2941
GBP/CAD	1.853
GBP/NZD	2.2466
GBP/JPY	193.27
GBP/SEK	13.1396
GBP/DKK	8.9077
GBP/NOK	13.648
GBP/CHF	1.143
GBP/AUD	2.0548

## Dollar

USD/JPY	149.35
USD/CAD	1.4317
USD/CHF	0.8832
USD/CNY	7.2476
USD/BRL	5.6752
USD/RUB	84.9205
USD/INR	86.112
AUD/USD	0.6295
NZD/USD	0.5757



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 24
<b>10 Year Yield %</b>				
US	4.23	-2	-27	-34
Germany	2.78	-2	+25	+42
UK	4.65	+2	+4	+8
<b>5 Year Swap %</b>				
US	3.98	-1	-35	-31
Eurozone	2.46	-2	+12	+22
UK	4.27	+4	-0	-1
<b>2 Year Swap %</b>				
US	4.05	-1	-32	-29
Eurozone	2.29	+1	+2	+10
UK	4.33	+4	-0	-16
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	28	-2	-2	-0
Belgium	56	+1	-2	-6
France	70	+3	-3	-13
Italy	107	+2	-1	-9
Spain	65	+2	-2	-5
Portugal	52	+1	-0	+3
Greece	83	-1	-5	-5

Commodities				
	% Change			
	Close	Day	4 Weeks	End 24
Brent Oil	72	+1.72	-5.86	-3.54
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3044.4	-0.09	+3.60	+16.03

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