

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.

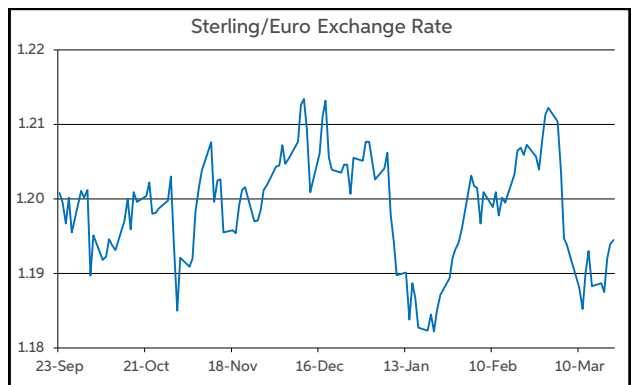
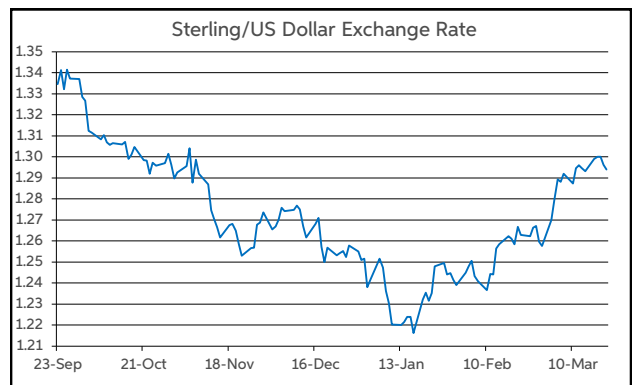
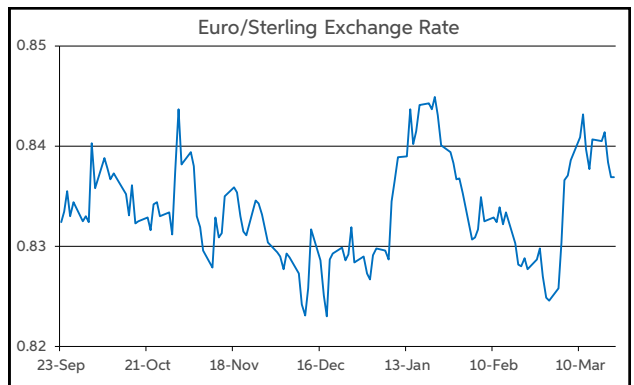
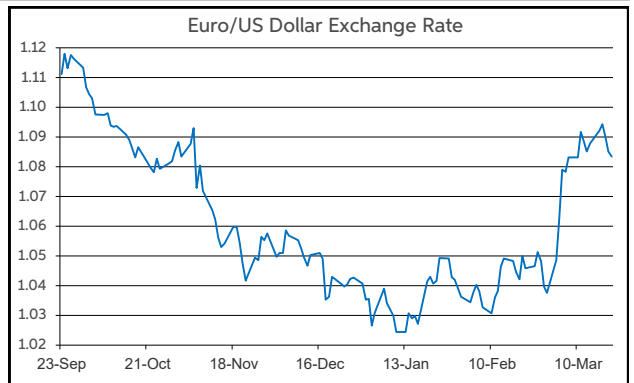
Unsurprisingly then, the market reaction to the BoE policy decision was muted. Futures contracts remain consistent with two rate cuts from the BoE this year, starting in June. Meantime, UK Gilt yields moved circa 2-4bps higher.

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 |
|---------|----------------------------|------------|------------|------------------|---------------------------|-----------------|-----------------------------------|

Opening Levels

Friday 21 March 2025
07:18 am



Euro

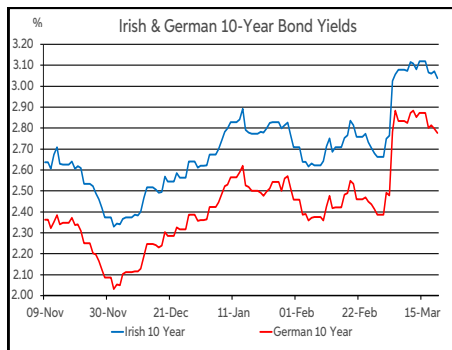
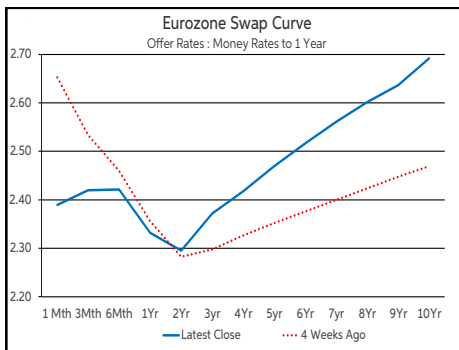
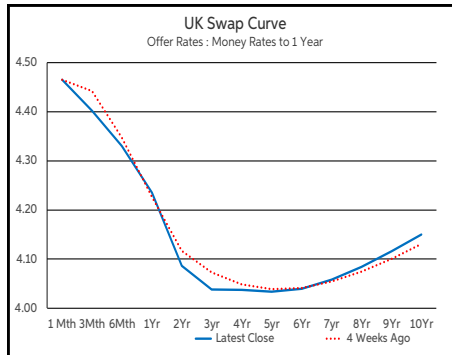
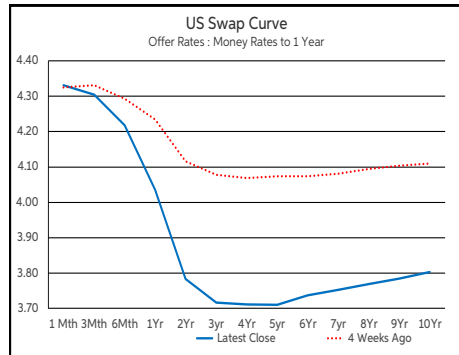
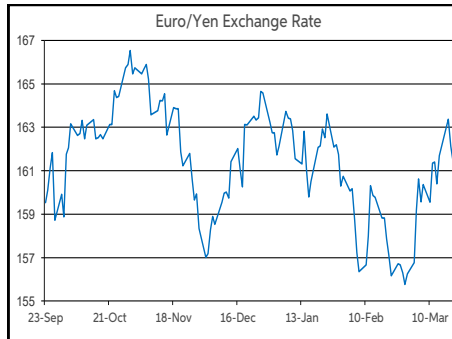
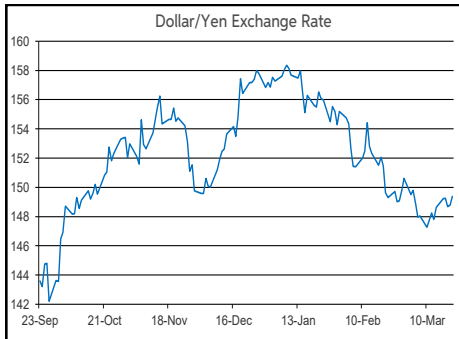
| | |
|---------|---------|
| EUR/GBP | 0.8369 |
| EUR/USD | 1.0834 |
| EUR/JPY | 161.84 |
| EUR/SEK | 11.0005 |
| EUR/DKK | 7.459 |
| EUR/NOK | 11.4258 |
| EUR/CHF | 0.9568 |
| EUR/AUD | 1.7209 |
| EUR/HKD | 8.4209 |
| EUR/CAD | 1.5511 |

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 |
| 10 Year Yield % | | | | |
| US | 4.23 | -2 | -27 | -34 |
| Germany | 2.78 | -2 | +25 | +42 |
| UK | 4.65 | +2 | +4 | +8 |
| 5 Year Swap % | | | | |
| US | 3.98 | -1 | -35 | -31 |
| Eurozone | 2.46 | -2 | +12 | +22 |
| UK | 4.27 | +4 | -0 | -1 |
| 2 Year Swap % | | | | |
| US | 4.05 | -1 | -32 | -29 |
| Eurozone | 2.29 | +1 | +2 | +10 |
| UK | 4.33 | +4 | -0 | -16 |
| 10 Year Government Bond Spreads to Benchmark bps | | | | |
| 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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