

US core-PCE inflation in focus

The risk averse mood on markets remained in place yesterday, as investors continued to digest the announcement of US tariffs on all imported cars, and braced for new US levies, expected next week. The Euro Stoxx 50 fell by 0.6% yesterday, led lower by European car manufacturers. Meantime, the S&P 500 declined by 0.3%.

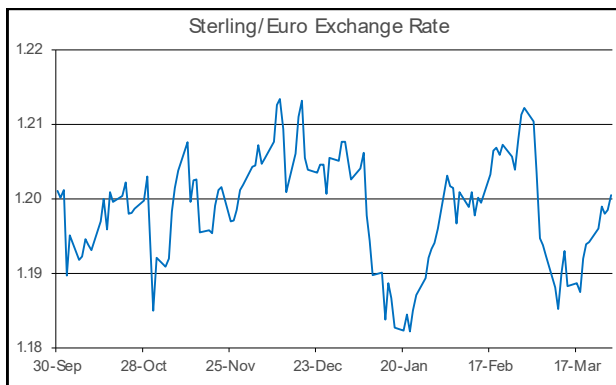
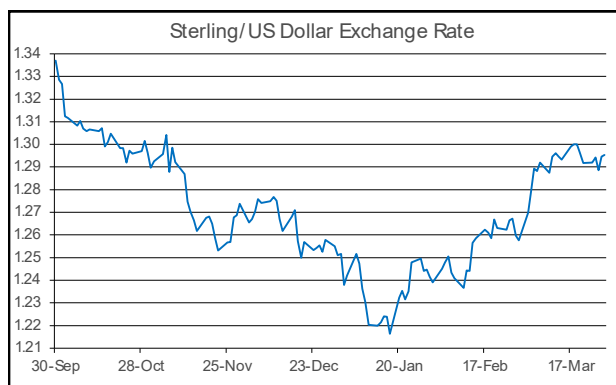
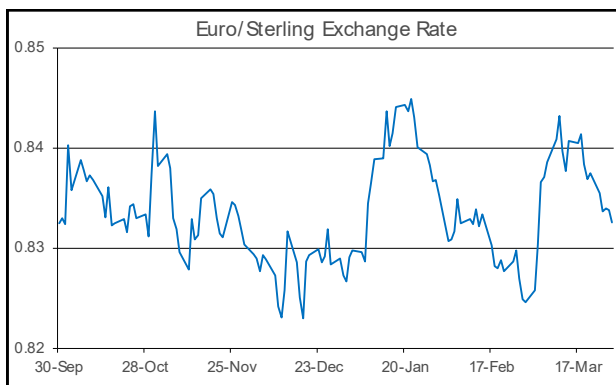
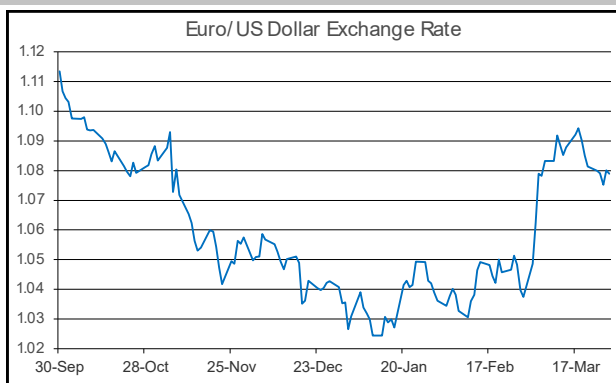
On the data front, there was little new information for market participants to absorb. Eurozone monetary statistics indicate that loans to both the household and non-financial sectors accelerated in February. Meantime, in the US, GDP growth was revised slightly higher to 2.4% annualised in Q4 from 2.3% previously. At the same time, the latest initial jobless claims figures printed broadly in-line with expectations, at 225k.

Currency-wise, the dollar started the European session in the ascendancy, before losing momentum as the day progressed. Indeed, overall, the greenback lost circa 0.2-0.3% against the euro and sterling. Elsewhere, the yen was on the defensive yesterday.

As trading gets underway this morning, EUR/USD is operating just below \$1.08. GBP/USD is up at the midpoint of \$1.29-1.30. EUR/GBP remains in the lower half of the 83-84p range. Meanwhile, USD/JPY is changing hands near the halfway mark of ¥150-151.

Already today, UK retail sales have been released. The headline rate rose by 1.0% in February, well above the consensus for a 0.4% contraction. Sterling has been a touch firmer in early trading following the release. Later today the main highlight will be US core-PCE inflation for February. US personal income/consumption for the month are also due. In the Eurozone, the EC sentiment indices for March will feature.

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Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/ USD	1.0789	0.20	4.21
EUR/ GBP	0.8327	-0.13	0.65
GBP/ USD	1.2952	0.33	3.52
GBP/ EUR	1.2004	0.13	-0.65
USD/ JPY	150.43	0.13	-4.29
EUR/ JPY	162.31	0.32	-0.27

* 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	4.32	4.29	4.05	4.11	4.04
EUR	2.65	2.36	2.37	2.22	2.20	2.39
GBP	4.50	4.45	4.37	4.21	4.32	4.33

All rates quoted are indicative market rates

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Euro

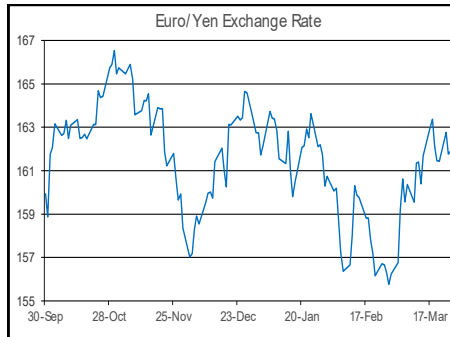
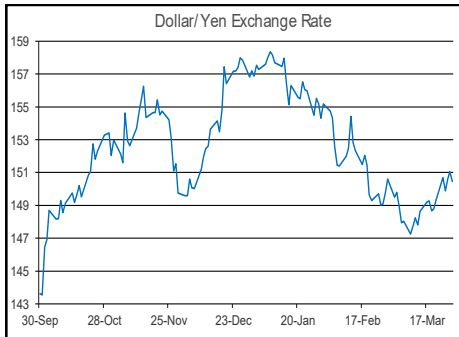
EUR/GBP	0.8326
EUR/USD	1.0789
EUR/JPY	162.32
EUR/SEK	10.8029
EUR/DKK	7.461
EUR/NOK	11.3136
EUR/CHF	0.9512
EUR/AUD	1.7142
EUR/HKD	8.3908
EUR/CAD	1.5453

Sterling

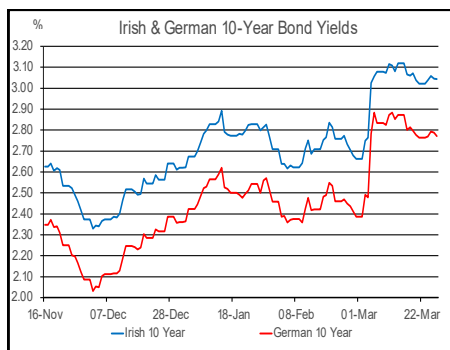
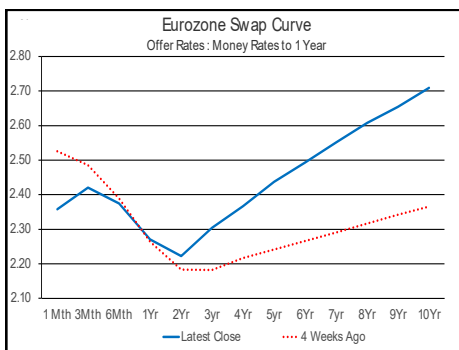
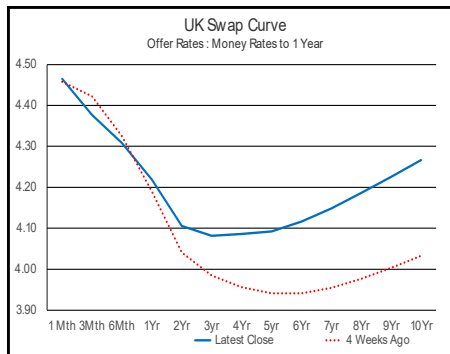
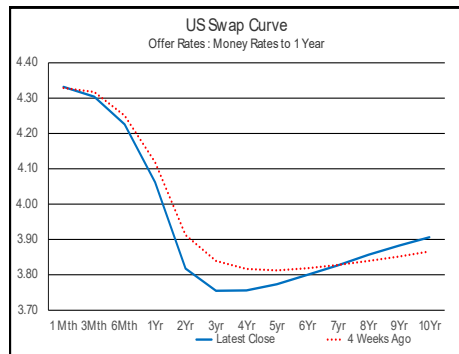
GBP/EUR	1.2005
GBP/USD	1.2952
GBP/CAD	1.8553
GBP/NZD	2.264
GBP/JPY	194.84
GBP/SEK	12.9692
GBP/DKK	8.9562
GBP/NOK	13.5811
GBP/CHF	1.1417
GBP/AUD	2.058

Dollar

USD/JPY	150.43
USD/CAD	1.4323
USD/CHF	0.8814
USD/CNY	7.2629
USD/BRL	5.7415
USD/RUB	83.75
USD/INR	85.495
AUD/USD	0.629
NZD/USD	0.5717



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 24
10 Year Yield %				
US	4.37	+3	+8	-21
Germany	2.78	-2	+36	+41
UK	4.79	+5	+27	+21
2 Year Swap %				
US	3.07	-2	+37	+42
Belgium	3.32	-1	+33	+34
France	3.47	-2	+33	+27
Italy	3.88	-1	+39	+36
Spain	3.39	-2	+31	+33
Portugal	3.29	-2	+34	+44
Greece	3.64	-0	+34	+39
5 Year Swap %				
US	4.03	-0	-1	-26
Eurozone	2.43	-0	+20	+19
UK	4.33	+2	+15	+4
10 Year Government Bond Spreads to Benchmark bps				
Ireland	29	-1	+1	+1
Belgium	55	+0	-3	-7
France	69	-0	-3	-14
Italy	111	+0	+3	-5
Spain	62	-0	-6	-8
Portugal	51	-0	-2	+3
Greece	87	+1	-2	-2



Commodities				
	% Change			
	Close	Day	4 Weeks	End 24
Brent Oil	74.03	+0.33	-0.01	-0.82
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3056.1	+1.22	+6.26	+16.48

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