

## ECB policy decision due today

Yesterday, equity markets on both sides of the Atlantic erased most of their losses from the day prior. Both the Euro Stoxx 50 and the S&P 500 rebounded by 0.5%. On bond markets, European yields were little changed. In the US, Treasury yields fell by 4-5bps, amid a marginal softening in US futures contracts.

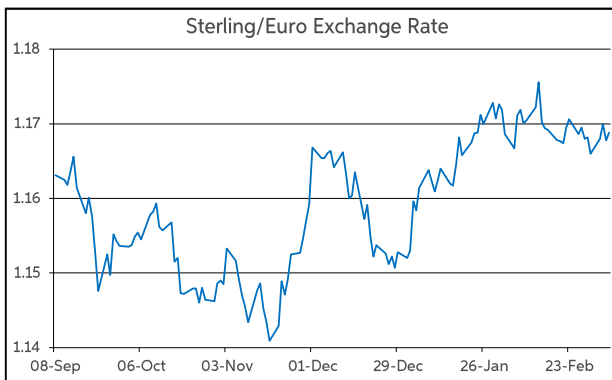
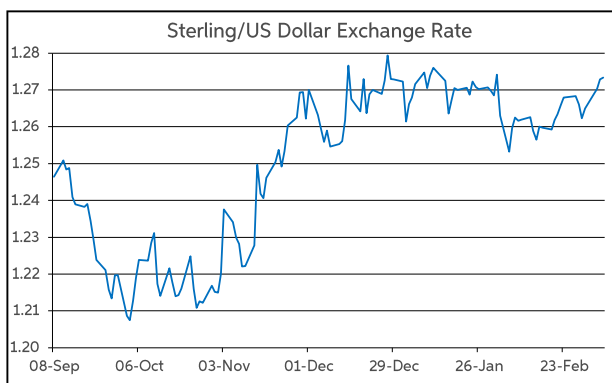
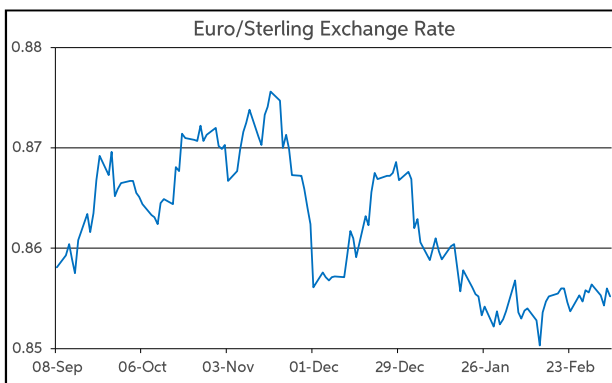
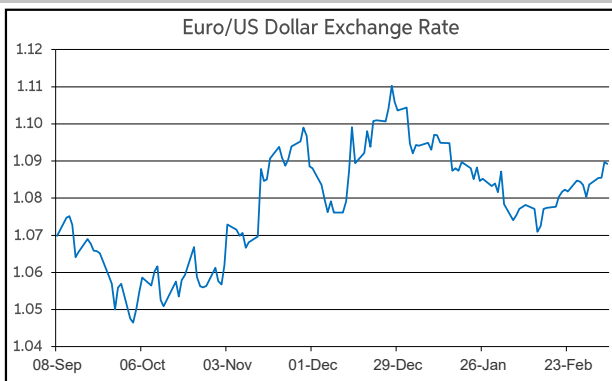
The slight softening in US market rate expectations coincided with remarks from Fed Chair Powell in testimony to Congress. In truth, Powell did not offer much in the way of fresh insights into the Fed's view on the outlook. He reiterated that it will probably be "appropriate to begin dialling back" interest rates later this year, but that further confidence that inflation will progress to 2% was needed before doing so.

Currency-wise, against this backdrop the dollar was under some downward pressure. The dollar-index (a measure of the currency's value versus a number of peers) fell to its lowest level since the start of February. From a sterling perspective, the currency was unmoved by the UK Spring Budget.

In level terms, the softer tone to the dollar sees EUR/USD open this morning near \$1.09, having traded above it yesterday. GBP/USD is changing hands in the lower half of the \$1.27-1.28 range. Meantime, EUR/GBP remains at the halfway mark of 85-86p.

Turning to the day ahead, the main focus will be on the ECB monetary policy meeting announcement. No changes to policy are anticipated, but updates to the ECB staff projections and the press conference with President Lagarde will garner attention. Thus, the meeting poses some event risk for the euro. In the US, further testimony from Chair Powell will also be of interest.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0893	0.37	-1.30
EUR/GBP	0.8554	0.12	-1.32
GBP/USD	1.2734	0.24	0.04
GBP/EUR	1.1688	-0.12	1.33
USD/JPY	147.96	-1.30	4.89
EUR/JPY	161.2	-0.93	3.58

\* 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	5.27	4.75	4.16
EUR	4.50	3.87	3.93	3.67	3.18	2.73
GBP	5.25	5.19	5.21	4.99	4.77	4.18

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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# Opening Levels

Thursday 07 March 2024  
08:01 am



## Euro

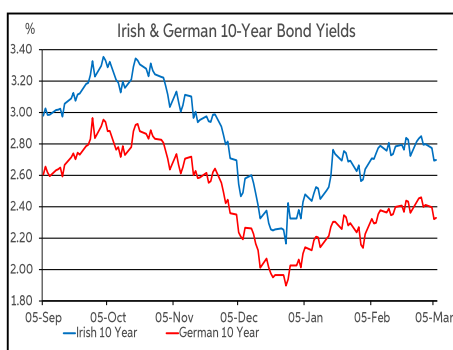
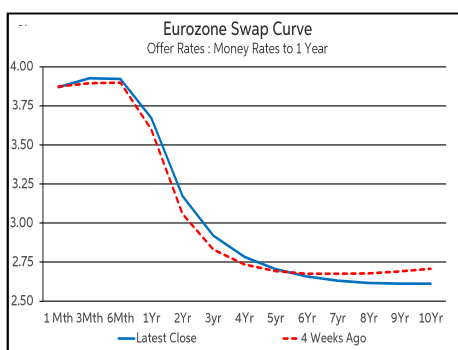
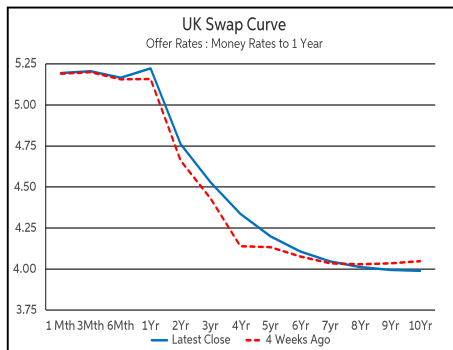
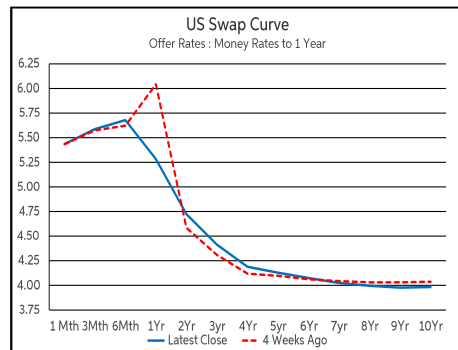
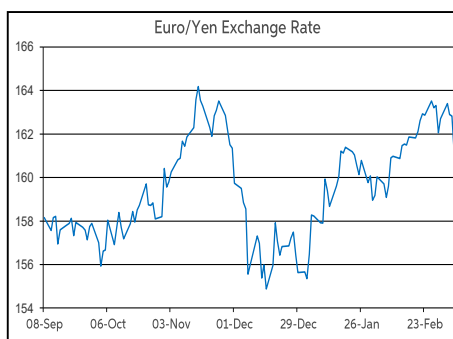
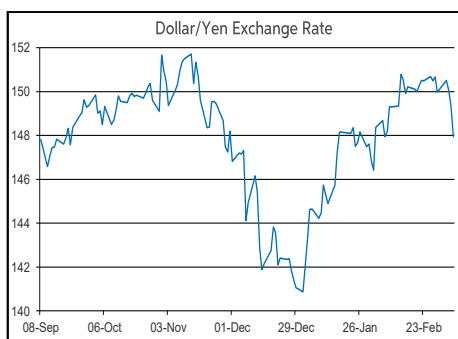
EUR/GBP	0.8552
EUR/USD	1.0892
EUR/JPY	161.2
EUR/SEK	11.2125
EUR/DKK	7.454
EUR/NOK	11.4133
EUR/CHF	0.9603
EUR/AUD	1.6532
EUR/HKD	8.516
EUR/CAD	1.4712

## Sterling

GBP/EUR	1.1687
GBP/USD	1.2734
GBP/CAD	1.7198
GBP/NZD	2.0701
GBP/JPY	188.42
GBP/SEK	13.1046
GBP/DKK	8.7111
GBP/NOK	13.3417
GBP/CHF	1.1223
GBP/AUD	1.9324

## Dollar

USD/JPY	147.97
USD/CAD	1.3505
USD/CHF	0.8815
USD/CNY	7.1983
USD/BRL	4.9446
USD/RUB	90.7125
USD/INR	82.79
AUD/USD	0.6589
NZD/USD	0.615



## Debt Markets

	Close	Change bps		
		Day	4 Weeks	End 23
<b>10 Year Yield %</b>				
US	4.11	-4	-1	+24
Germany	2.33	+1	+3	+30
UK	3.99	-2	+0	+45
Ireland	2.72	-0	-6	+33
Belgium	2.87	-0	-8	+19
France	2.79	-0	-4	+23
Italy	3.66	-5	-23	-4
Spain	3.16	-2	-8	+17
Portugal	2.99	+5	-3	+21
Greece	3.30	-2	-6	+22
<b>5 Year Swap %</b>				
US	4.13	-2	+7	+34
Eurozone	2.71	-0	+2	+28
UK	4.20	-2	+12	+55
<b>2 Year Swap %</b>				
US	4.72	+1	+18	+39
Eurozone	3.17	-1	+12	+38
UK	4.76	-1	+11	+50
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	39	-1	-9	+3
Belgium	54	-1	-11	-11
France	46	-1	-7	-7
Italy	133	-6	-27	-34
Spain	83	-3	-12	-14
Portugal	66	+4	-6	-10
Greece	97	-3	-9	-8

## Commodities

	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	82.96	+1.12	+4.73	+7.68
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2148.3	+0.98	+5.61	+4.15

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