

Range trading continues on currency markets

Investor sentiment soured yesterday, with equity markets falling on both sides of the Atlantic. The announcement of US tariffs on all imported cars overnight has done little to improve the mood. The Euro Stoxx 50 shed 1.2%, while the S&P 500 fell by 1.1%. In terms of fixed income, US Treasury yields rose by 2-3bps. In contrast, UK Gilt yields moved 3-6bps lower along the curve.

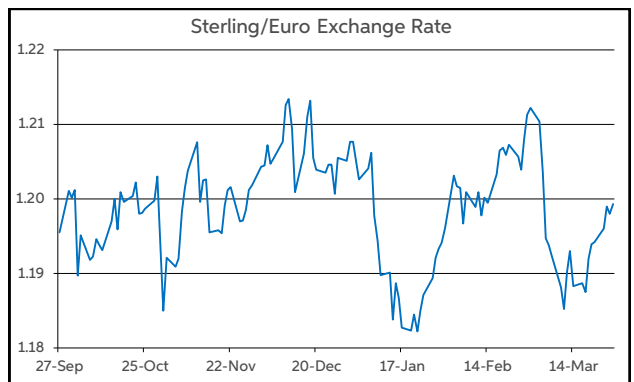
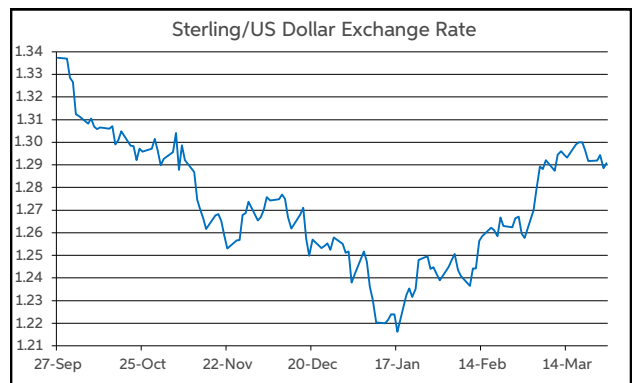
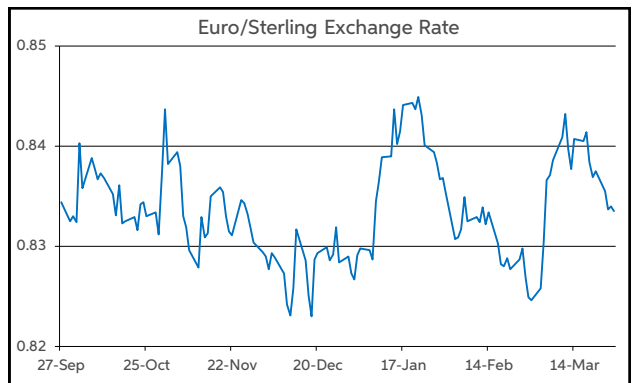
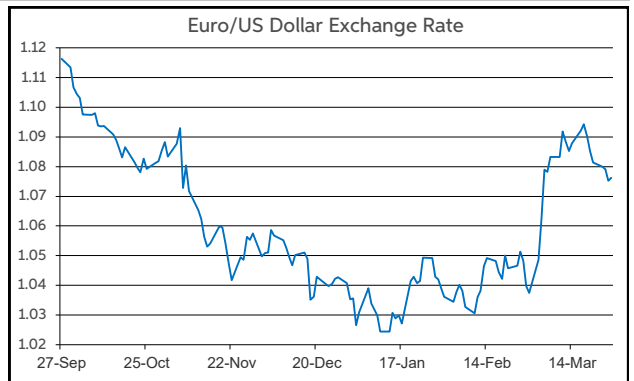
The fall in UK yields coincided with the UK spring statement. Chancellor Reeves announced plans to cut public spending and to raise some public service charges, in order to meet the self-imposed fiscal rules by the end of the OBR forecast horizon in 2029/30. However, it should be noted that the amount the UK is planning to borrow was revised higher for each year.

On the currency front, the main pairs continued to operate in narrow ranges yesterday. Of the limited action to note, the dollar was holding a slightly firmer tone. Elsewhere, sterling was under some downward pressure, albeit the pound recouped most of its losses overnight.

In level terms, the firmer tone to the dollar sees EUR/USD open this morning back nearer the midpoint of the \$1.07-1.08 corridor. EUR/GBP remains in the lower half of the 83-84p range. GBP/USD is changing hands just above the \$1.29 threshold.

Turning to the day ahead, the macro calendar is somewhat light. The Eurozone monetary statistics for February will be released. Meantime, in the US, the final reading of GDP is set to confirm that the economy expanded by 2.3% annualised in Q4. In terms of more timely updates, the latest weekly US initial jobless claims figures are due.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.0763	-0.20	3.96
EUR/GBP	0.8335	-0.04	0.75
GBP/USD	1.2908	-0.17	3.17
GBP/EUR	1.1992	0.04	-0.74
USD/JPY	150.56	0.06	-4.21
EUR/JPY	162.03	-0.15	-0.44

* v Previous Day's European Open

See Next Page for More Rates

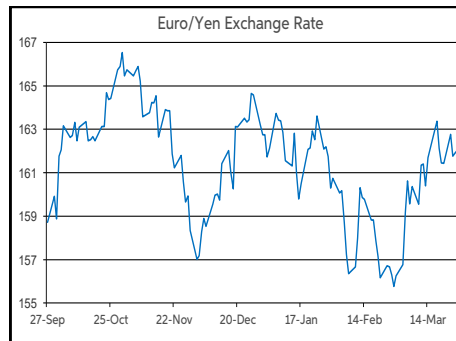
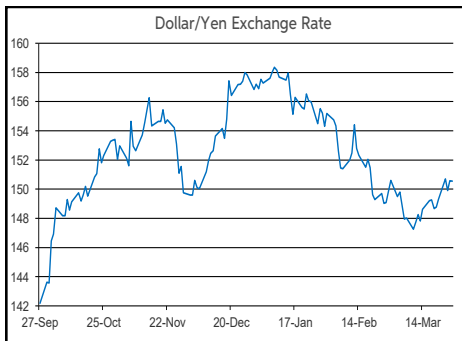
Opening Interest Rates						
Base Rate	Money Market			Swap Rates		
	1-Mth	3-Mth	1-Yr	2-Yr	5-Yr	
USD	4.38	4.32	4.29	4.05	4.15	4.09
EUR	2.65	2.35	2.37	2.27	2.23	2.45
GBP	4.50	4.45	4.37	4.20	4.33	4.31

All rates quoted are indicative market rates

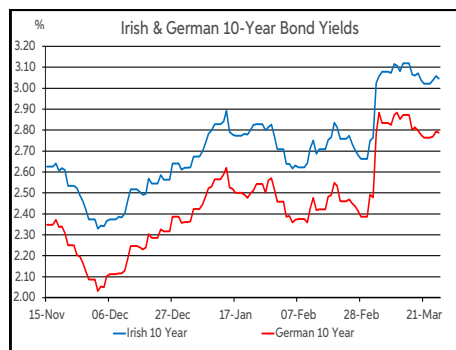
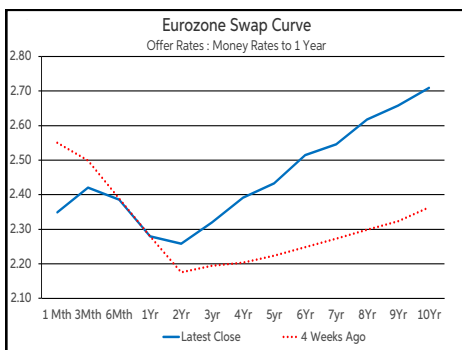
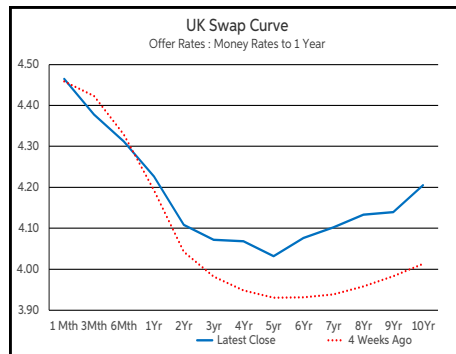
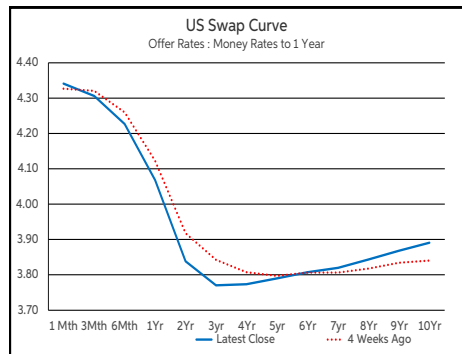
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Euro		Sterling		Dollar	
EUR/GBP	0.8335	GBP/EUR	1.1992	USD/JPY	150.56
EUR/USD	1.0763	GBP/USD	1.2908	USD/CAD	1.4293
EUR/JPY	162.03	GBP/CAD	1.8444	USD/CHF	0.8839
EUR/SEK	10.8258	GBP/NZD	2.2479	USD/CNY	7.2646
EUR/DKK	7.4603	GBP/JPY	194.34	USD/BRL	5.7347
EUR/NOK	11.3657	GBP/SEK	12.9739	USD/RUB	83.65
EUR/CHF	0.9512	GBP/DKK	8.9447	USD/INR	85.782
EUR/AUD	1.7063	GBP/NOK	13.6236	AUD/USD	0.6306
EUR/HKD	8.3687	GBP/CHF	1.1405	NZD/USD	0.5738
EUR/CAD	1.5381	GBP/AUD	2.0456		



Debt Markets				
	Close	Day	4 Weeks	End 24
10 Year Yield %				
US	4.34	+3	+9	-24
Germany	2.79	-0	+35	+43
UK	4.73	-3	+23	+16
5 Year Swap %				
US	4.04	+1	-0	-25
Eurozone	2.43	-4	+22	+19
UK	4.31	-4	+13	+2
2 Year Swap %				
US	4.10	+0	-6	-24
Eurozone	2.25	-2	+8	+6
UK	4.32	-6	+6	-16
10 Year Government Bond Spreads to Benchmark bps				
Ireland	30	+0	+1	+1
Belgium	54	+0	-3	-8
France	70	+1	-2	-13
Italy	110	+1	+6	-5
Spain	62	+0	-3	-8
Portugal	52	+0	+1	+3
Greece	85	-0	-1	-3



Commodities				
	Close	Day	4 Weeks	End 24
Brent Oil	73.79	+1.05	+1.74	-1.14
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	3019.3	-0.02	+3.54	+15.07

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