

First Fed FOMC meeting of 2025 today

It was a relatively quiet day on financial markets yesterday. A sparse data schedule likely contributed to the muted action. Of the limited releases to note, US consumer confidence printed below the consensus, falling to 104.1 in January (vs. 105.6 f'cast) from a revised 109.5 in December. Elsewhere in the US, durable goods orders declined by 2.2% in December (vs. +0.6% f'cast), although this was largely due to a drop in the erratic aircraft component.

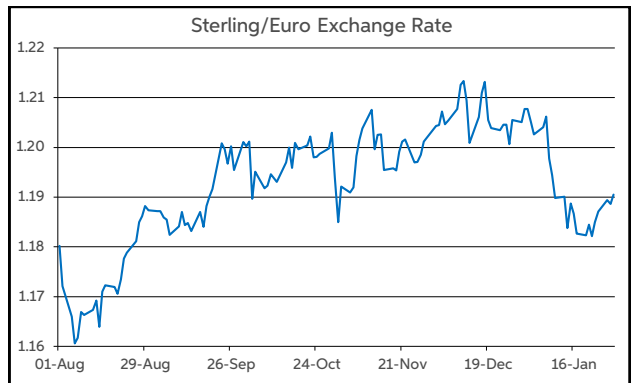
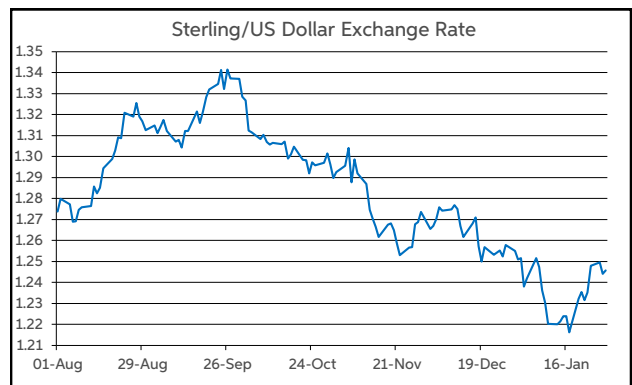
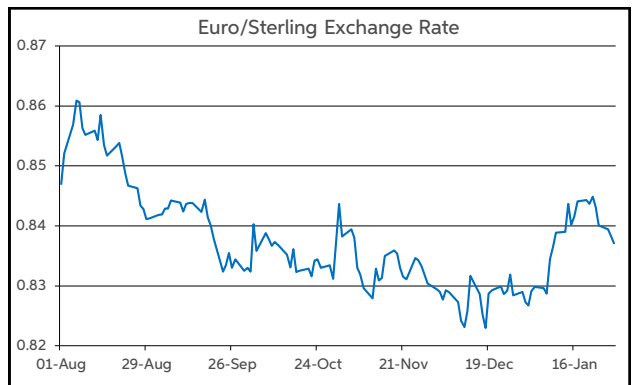
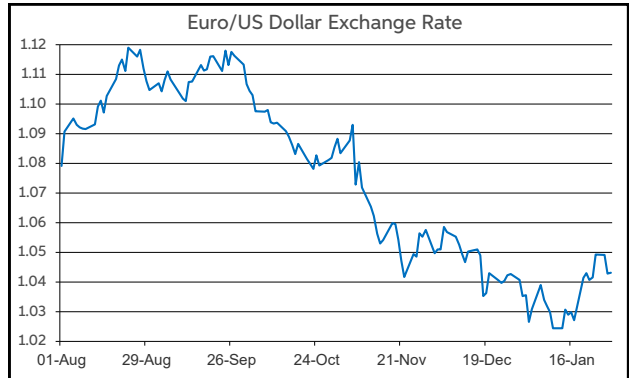
Against that backdrop, equity markets rebounded somewhat, with a number of the worst performing tech-stocks from Monday recouping part of their losses. Overall, this saw the S&P 500 rise by 0.9% yesterday. Meantime, the Euro Stoxx 50 edged marginally higher by just 0.1%.

On the currency front, the main pairs have operated in very tight ranges over the past 24 hours. The euro inched marginally lower across the board yesterday. At the same time, there was a slightly firmer tone to the yen overnight.

As trading gets underway this morning, the slightly weaker euro sees EUR/USD open nearer to the \$1.04 threshold. Meanwhile, EUR/GBP is changing hands in the top half of the 83-84p band. GBP/USD remains in and around the midpoint of the \$1.24-1.25 band. USD/JPY is operating down in the lower half of ¥155-156.

Turning to the day ahead, the main focus will be the first US Fed FOMC meeting of the year. The Fed is widely expected to leave rates unchanged but the post meeting press conference will garner significant attention. Elsewhere on the monetary policy front, remarks from BoE Governor Bailey to the Treasury Select Committee will also be of interest to market participants.

Daniel Noonan, Economist, AIB



| Today's Opening FX Rates | | | |
|--------------------------|--------|----------|----------|
| | | % Change | |
| | | Day * | End 2024 |
| EUR/USD | 1.0431 | -0.05 | 0.75 |
| EUR/GBP | 0.8371 | -0.13 | 1.18 |
| GBP/USD | 1.2454 | 0.10 | -0.46 |
| GBP/EUR | 1.1936 | 0.13 | -1.17 |
| USD/JPY | 155.21 | -0.31 | -1.25 |
| EUR/JPY | 161.89 | -0.38 | -0.53 |

* 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 | 4.30 | 4.28 | 4.13 | 4.31 | 4.30 |
| EUR | 3.15 | 2.74 | 2.64 | 2.46 | 2.38 | 2.41 |
| GBP | 4.75 | 4.52 | 4.47 | 4.28 | 4.39 | 4.27 |

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



Euro

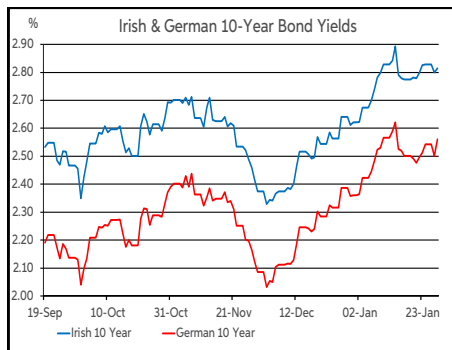
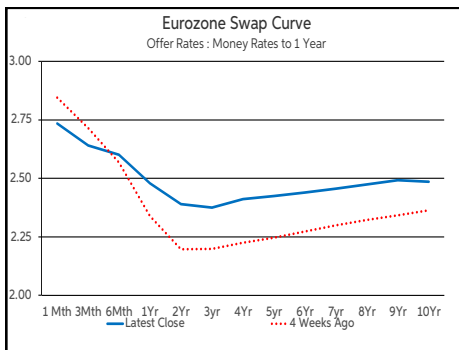
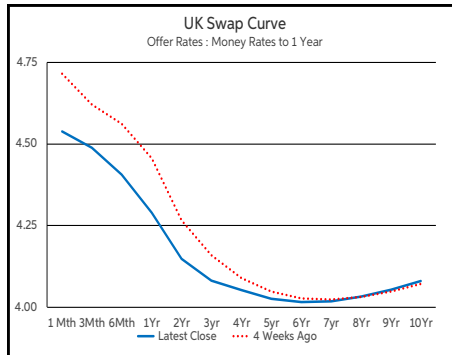
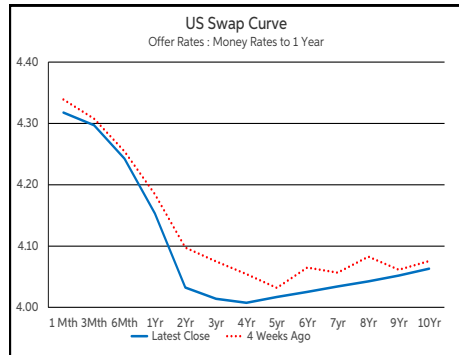
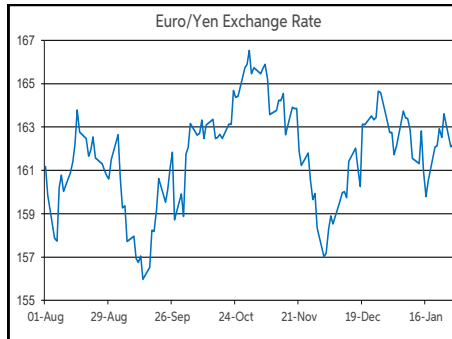
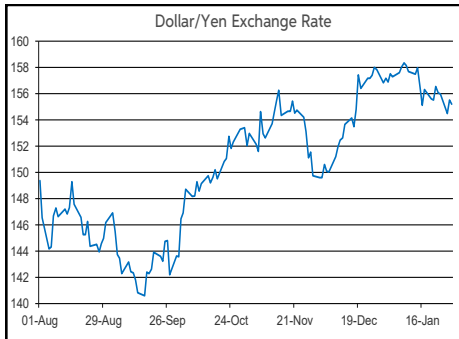
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|---------|---------|
| EUR/GBP | 0.8371 |
| EUR/USD | 1.0431 |
| EUR/JPY | 161.89 |
| EUR/SEK | 11.4684 |
| EUR/DKK | 7.4621 |
| EUR/NOK | 11.7619 |
| EUR/CHF | 0.9435 |
| EUR/AUD | 1.6715 |
| EUR/HKD | 8.1272 |
| EUR/CAD | 1.5021 |

Sterling

| | |
|---------|---------|
| GBP/EUR | 1.1936 |
| GBP/USD | 1.2454 |
| GBP/CAD | 1.7933 |
| GBP/NZD | 2.1981 |
| GBP/JPY | 193.3 |
| GBP/SEK | 13.6899 |
| GBP/DKK | 8.905 |
| GBP/NOK | 14.0223 |
| GBP/CHF | 1.1258 |
| GBP/AUD | 1.9947 |

Dollar

| | |
|---------|---------|
| USD/JPY | 155.21 |
| USD/CAD | 1.4402 |
| USD/CHF | 0.904 |
| USD/CNY | 7.2507 |
| USD/BRL | 5.8571 |
| USD/RUB | 98.1 |
| USD/INR | 86.5725 |
| AUD/USD | 0.6239 |
| NZD/USD | 0.566 |



| Debt Markets | | | | |
|---|-------|-----|------------|--------|
| | Close | Day | Change bps | |
| | | | 4 Weeks | End 24 |
| 10 Year Yield % | | | | |
| US | 4.55 | +2 | -3 | -3 |
| Germany | 2.56 | +6 | +20 | +20 |
| UK | 4.62 | +3 | +4 | +4 |
| 5 Year Swap % | | | | |
| US | 4.28 | +0 | -1 | -1 |
| Eurozone | 2.42 | +1 | +19 | +19 |
| UK | 4.26 | +2 | -2 | -2 |
| 2 Year Swap % | | | | |
| US | 4.29 | +1 | -5 | -5 |
| Eurozone | 2.39 | +1 | +20 | +20 |
| UK | 4.39 | +2 | -10 | -10 |
| 10 Year Government Bond Spreads to Benchmark bps | | | | |
| Ireland | 28 | -3 | -1 | -1 |
| Belgium | 60 | -3 | -2 | -2 |
| France | 73 | -4 | -10 | -10 |
| Italy | 110 | -3 | -6 | -6 |
| Spain | 61 | -4 | -9 | -9 |
| Portugal | 40 | -4 | -9 | -9 |
| Greece | 87 | -6 | -2 | -2 |

| Commodities | | | | |
|----------------|--------|-------|----------|--------|
| | Close | Day | % Change | |
| | | | 4 Weeks | End 24 |
| Brent Oil | 77.49 | +0.53 | +3.82 | +3.82 |
| West Texas Oil | 71.65 | -0.17 | -1.90 | -1.27 |
| Gold \$ | 2763.1 | +0.80 | +5.31 | +5.31 |

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