

Chock-full of meetings

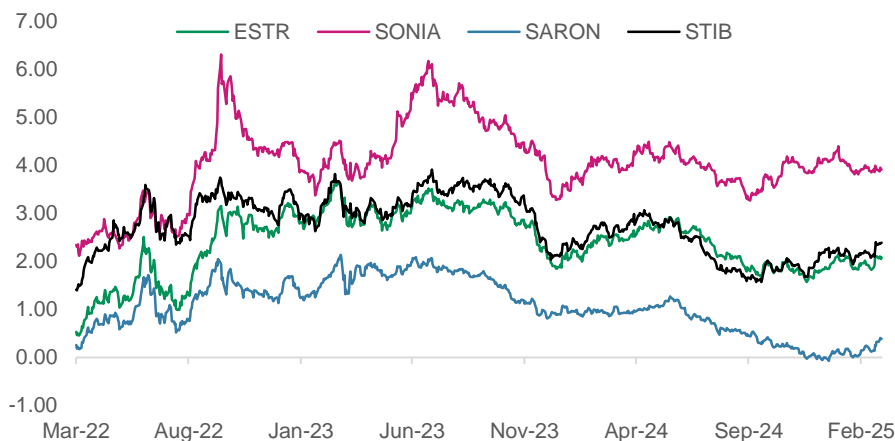
- The Fed, BoJ and BoE meet this week with no expectation of rate moves. For the Fed, dot plot distribution should matter most for markets.
- With low inflation we should get SNB's last rate cut in this cycle while the Riksbank has already signalled that no further easing lies ahead.
- Protracted periods of policy on hold would pressure money market volatility lower. The BoJ remains in a very slow tightening cycle.

While markets have been fairly dominated by the direct and indirect repercussions of Donald Trump's policymaking, this week will have a slew of central banks that could add some direction to markets. First and foremost, the Fed has its meeting Wednesday, when [no policy change](#) is expected. Possible signalling about QT but more likely the SEP forecasts and distribution of the dot plot have the greatest potential to move markets. In our view, attempts to dispel the soft patch of activity data could impact the front end of the USD curve most.

The BoJ also meets on Wednesday, and nothing is expected either in terms of policy change. Note however that 10Y and 40Y JGBs are at 1.5% and almost 3.0% respectively, which should attract domestic investors. While the BoJ is the only major central bank currently in a tightening cycle with headline inflation at 4%, the SNB should finish its easing cycle this week as Swiss CPI is only 0.3%. Based on pricing, the next SNB move should be a hike, which is a normal dynamic once policy rates are set at a loose level. This begs the question about what the EUR money market shape should be once it gets to a terminal 2.25%. While this depends on the macro outlook, our guess is that it should continue to steepen.

The Riksbank and BoE also meet this week, again at opposite ends of their policy cycles. The Riksbank has achieved 2.25%, a level that is modestly loose by historical standards, and may adopt a more hawkish tone. Core inflation has started to rise, and activity is perking up, hence SEK 1YF1Y is now above ESTR. Finally, the BoE also meets and, while no policy change is expected here either, the voting breakdown will be of interest, specifically of external members. With uncertainty about inflation, a very slow easing path is priced in. Sonia 1YF1Y around 3.9% seems a bit high, but only in contrast to SOFR which is 3.63%. This week may see some adjustment in these money market spreads.

Fig 1. Terminal rates (1YF1Y) edging higher in Europe (%)



Source: Crédit Agricole CIB, Bloomberg



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Upcoming supply

Date	Bond	Amt (bn)
n/a	n/a	n/a

Source: DMOs, Crédit Agricole CIB

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Upcoming data highlights

GMT	Country	Indicator/Event	Period	Consensus	Previous
09:00:00	IT	CPI FOI Index Ex Tobacco	Feb		120.9
09:00:00	IT	CPI EU Harmonized YoY	Feb F	1.70%	1.70%
00:00:00	US	Empire Manufacturing	Mar	-2	5.7
00:00:00	US	Retail Sales Advance MoM	Feb	0.70%	-0.90%
00:00:00	US	Retail Sales Ex Auto MoM	Feb	0.40%	-0.40%
00:00:00	US	Retail Sales Ex Auto and Gas	Feb	0.50%	-0.50%
00:00:00	US	Retail Sales Control Group	Feb	0.30%	-0.80%
00:00:00	US	Business Inventories	Jan	0.30%	-0.20%
00:00:00	US	NAHB Housing Market Index	Mar	42	42

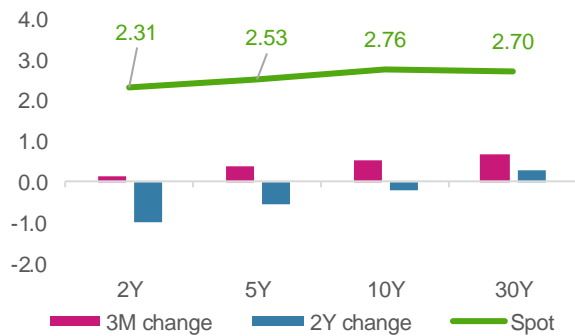
Source: Bloomberg

EUR Rates Dashboard

Spreads and their 3-month change vs Bunds (bp)

	2Y	3M ▲	5Y	3M ▲	10Y	3M ▲	30Y	3M ▲
Swap*	-12	2	-1	9	14	15	52	11
OAT	15	1	38	-16	69	-10	94	-17
BTP	27	-11	53	-16	112	-2	150	-3
Bono	18	-3	31	-13	62	-5	102	-7
UST	180	-38	154	-60	141	-72	141	-69
Gilt	200	-25	179	-36	180	-36	209	-40
JGB	-136	8	-140	-8	-139	-23	-63	-42

EUR Swap* (%)



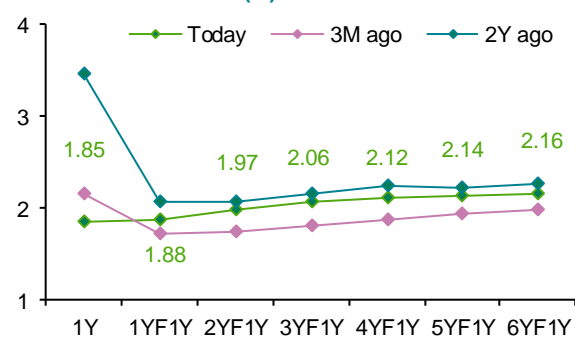
EUR Swap Curve (bp)

	Slope	Spot	3M ▲	2Y ▲
2-5Y		22	24	47
2-10Y		45	39	79
5-10Y		23	15	31
10-30Y		-7	12	49
5-30Y		16	26	80
2-30Y		38	51	128

EUR Swaption Normal Implied (bp)

Straddles	Spot	3M ▲	2Y ▲
3M10Y	88	23	-54
1Y1Y	77	-4	-59
2Y2Y	86	5	-37
5Y5Y	81	7	-19
10Y10Y	71	3	-6
20Y20Y	56	4	4

EUR 1Y ZC Inflation (%)



References (%)

ECB Depo	ESTR Fixing	3M Euribor	6M Euribor	ON Bund GC	RX1	EURUSD	HICP YoY
2.50	2.41	2.48	2.42	2.50	126.95	1.09	2.40

* Sw ap vs 6M Euribor

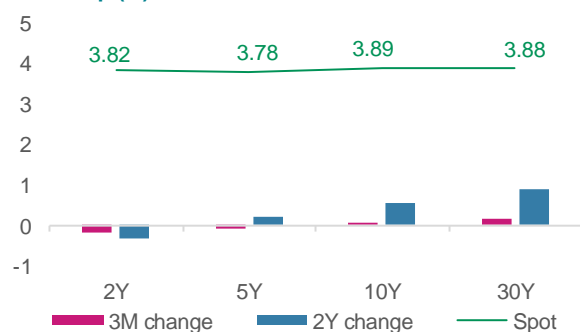
Source: Crédit Agricole CIB, Bloomberg

USD Rates Dashboard

Spreads and their 3-month change vs Treasuries (bp)

	2Y	3M ▲	5Y	3M ▲	10Y	3M ▲	30Y	3M ▲
Swap	17	-2	28	-5	41	-8	75	-8
DBR	180	-38	155	-60	141	-72	141	-69
OAT	165	-39	117	-45	72	-62	48	-53
Gilt	-20	-12	-24	-24	-39	-36	-68	-29
CAN	143	22	136	12	125	6	131	1
ACGB	24	-7	14	-15	-12	-18	-36	-17
JGB	316	-46	295	-52	279	-49	204	-40

USD Swap (%)



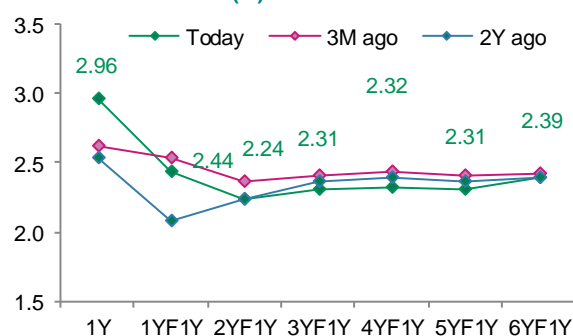
USD Swap Curve (bp)

Slope	Spot	3M ▲	2Y ▲
2-5Y	-4	11	55
2-10Y	7	23	88
5-10Y	11	12	33
5-30Y	9	23	66
10-30Y	-1	11	33
2-30Y	5	34	121

USD Swaption Normal Implied (bp)

Straddles	Spot	3M ▲	2Y ▲
3M10Y	108	18	-54
1Y1Y	114	3	-95
2Y2Y	111	4	-48
5Y5Y	98	4	-13
10Y10Y	85	2	4
20Y20Y	68	3	11

USD 1Y ZC Inflation (%)



References (%)

IOER	Fed Funds	SOFR	GCF Repo	CME Term SOFR 3M	TY1	DXY	CPI YoY	Core PCE YoY
4.40	4.33	4.30	4.34	4.30	110.59	103.72	2.80	2.65

Source: Crédit Agricole CIB, Bloomberg

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