

EUR/USD north of \$1.04

The mixed mood on markets persisted yesterday, amid choppy trading conditions. A hotter than anticipated US CPI report and newsflow in relation to the Russia/Ukraine War affected sentiment. On equity markets, the Euro Stoxx 50 continued to outperform, nudging 0.3% higher, supported by some strong corporate earnings reports. In contrast, the S&P 500 edged 0.3% lower.

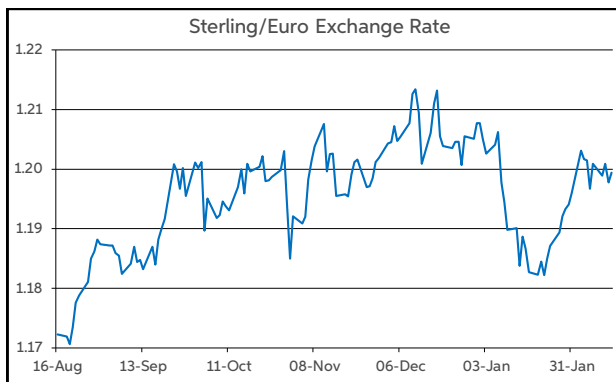
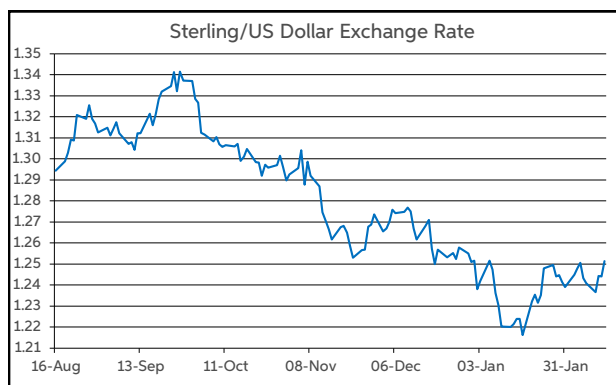
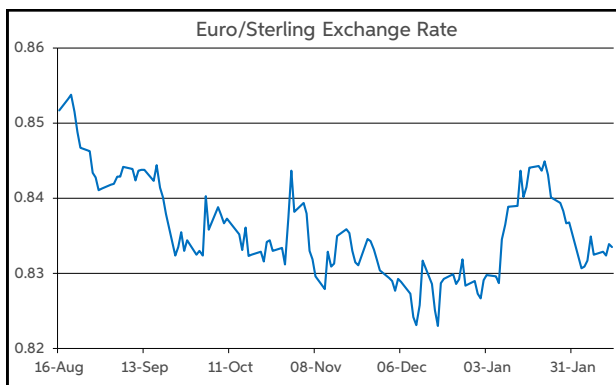
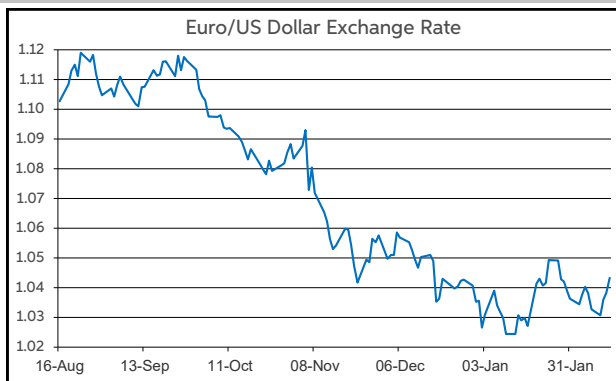
Data-wise, US headline CPI inflation rose to 3.0% in January (vs. +2.9% f'cast), while the core rate jumped to 3.3% (vs. 3.1% f'cast). Although the January CPI release can often be impacted by one-off price increases, the data indicate that underlying inflationary pressures remain elevated. Against this backdrop, US futures contracts hardened. The market is now pricing in just 30bps of policy easing from Fed this year.

The CPI data also sparked some volatility on currency markets. Having initially moved lower, the dollar regained some momentum in the aftermath of the release. Meantime, the euro firmed late during the European session amid reports President Trump had discussed the Russia-Ukraine War with President Putin. Overall, the single currency rose by circa 0.7% versus the dollar.

Already this morning, the first reading of UK GDP for Q4 has been released. The economy expanded by 0.1% in the quarter, beating the consensus for a 0.1% contraction. Sterling has been holding a slightly firmer tone following the release. Meanwhile, there is a relatively quiet look to the remainder of today's macro calendar.

In level terms, the firmer tone to the euro is reflected by EUR/USD opening up above \$1.04. Elsewhere, GBP/USD is operating north of \$1.25. EUR/GBP is changing hands in the lower half of 83-84p.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.0432	0.71	0.76
EUR/GBP	0.8335	0.17	0.75
GBP/USD	1.2514	0.57	0.02
GBP/EUR	1.1995	-0.17	-0.74
USD/JPY	154.11	0.38	-1.95
EUR/JPY	160.78	1.09	-1.21

* v Previous Day's European Open

See Next Page for More Rates

Opening Interest Rates						
	Money Market			Swap Rates		
	Base Rate	1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	4.38	4.31	4.32	4.27	4.49	4.47
EUR	2.90	2.62	2.54	2.36	2.27	2.32
GBP	4.50	4.45	4.44	4.18	4.31	4.21

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
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Opening Levels

Thursday 13 February 2025
07:47 am



Euro

EUR/GBP	0.8335
EUR/USD	1.0432
EUR/JPY	160.78
EUR/SEK	11.2922
EUR/DKK	7.4587
EUR/NOK	11.7259
EUR/CHF	0.949
EUR/AUD	1.6595
EUR/HKD	8.1259
EUR/CAD	1.4884

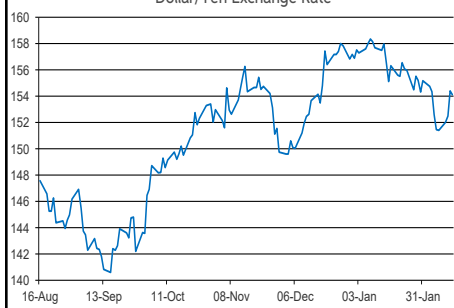
Sterling

GBP/EUR	1.1995
GBP/USD	1.2514
GBP/CAD	1.7849
GBP/NZD	2.2135
GBP/JPY	192.85
GBP/SEK	13.545
GBP/DKK	8.9447
GBP/NOK	14.0552
GBP/CHF	1.138
GBP/AUD	1.9904

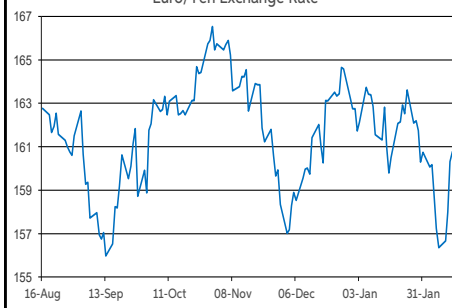
Dollar

USD/JPY	154.11
USD/CAD	1.4268
USD/CHF	0.9095
USD/CNY	7.2919
USD/BRL	5.7649
USD/RUB	91
USD/INR	86.83
AUD/USD	0.6284
NZD/USD	0.565

Dollar/Yen Exchange Rate

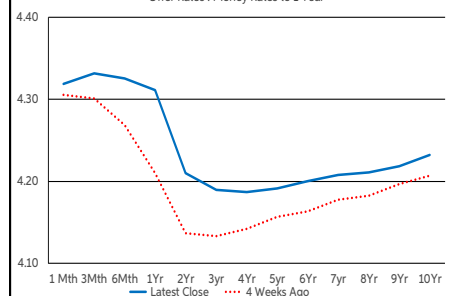


Euro/Yen Exchange Rate



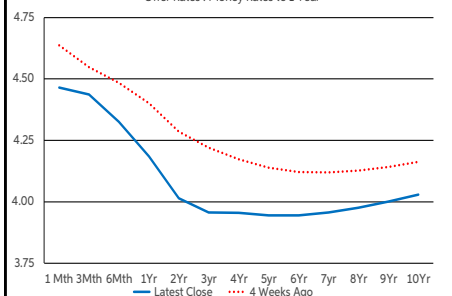
US Swap Curve

Offer Rates : Money Rates to 1 Year



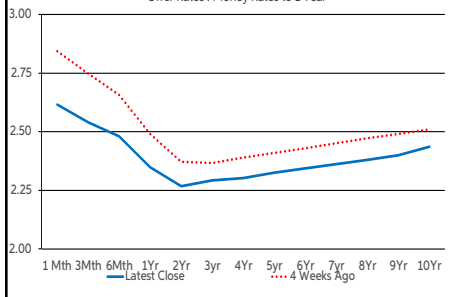
UK Swap Curve

Offer Rates : Money Rates to 1 Year

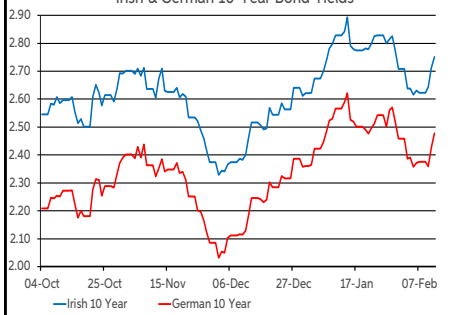


Eurozone Swap Curve

Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



Debt Markets

	Close	Change bps		
		Day	4 Weeks	End 24
10 Year Yield %				
US	4.64	+10	-2	+6
Germany	2.48	+5	-5	+12
UK	4.55	+4	-19	-3
Ireland	2.78	+4	-6	+13
Belgium	3.06	+4	-6	+7
France	3.20	+4	-15	+0
Italy	3.57	+3	-13	+4
Spain	3.15	+4	-6	+8
Portugal	3.00	+4	+1	+15
Greece	3.36	+4	-1	+11
5 Year Swap %				
US	4.45	+12	+6	+16
Eurozone	2.32	+5	-9	+8
UK	4.18	+3	-21	-10
2 Year Swap %				
US	4.46	+8	+9	+13
Eurozone	2.26	+5	-11	+7
UK	4.27	+1	-24	-22
10 Year Government Bond Spreads to Benchmark bps				
Ireland	30	-1	-1	+1
Belgium	58	-1	-2	-4
France	72	-1	-10	-12
Italy	109	-2	-8	-7
Spain	67	-1	-1	-3
Portugal	52	-1	+6	+4
Greece	88	-1	+4	-0

Commodities

	% Change			
	Close	Day	4 Weeks	End 24
Brent Oil	75.18	-2.36	-8.35	+0.72
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2903.7	+0.18	+7.71	+10.67

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