

Dollar edges slightly higher

There was a cautious tone to risk sentiment yesterday on both sides of the Atlantic. On equity markets, the Euro Stoxx 50 shed 1.3% amid some disappointing corporate earnings reports and further tariff related newsflow. Meantime, the S&P 500 rallied late on to finish 0.2% higher on the day.

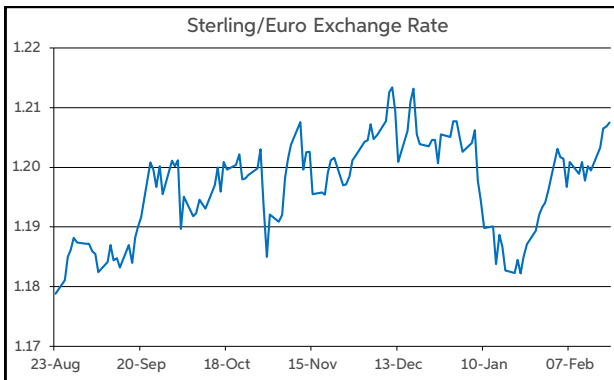
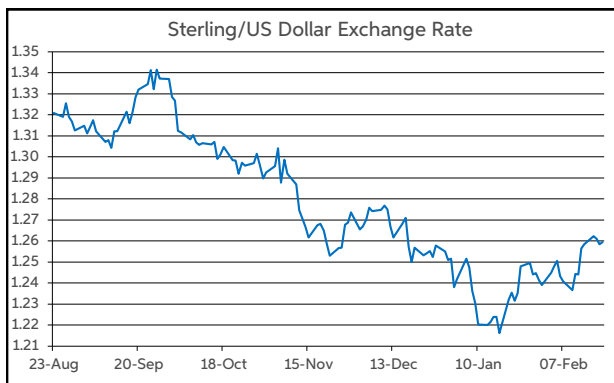
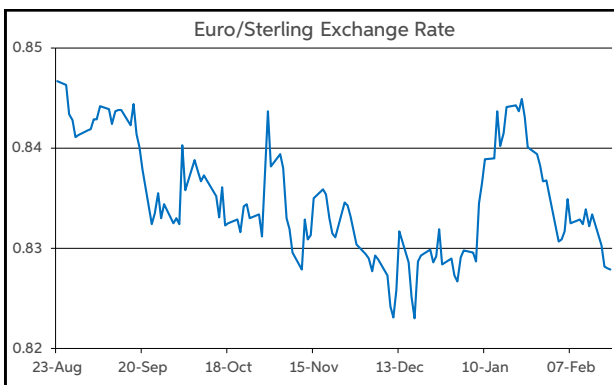
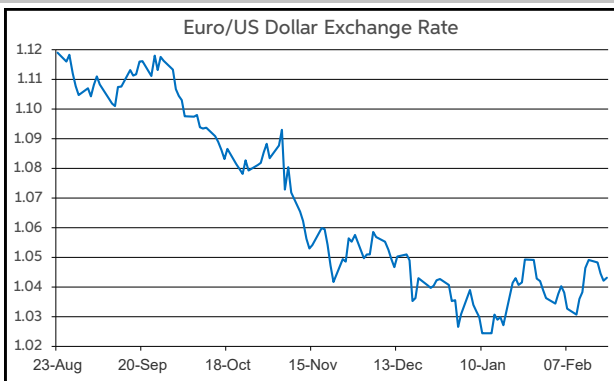
Data-wise, the calendar was relatively sparse following the early morning release of UK CPI data for January, which showed both the headline and core rates jumped to 3.0% and 3.7%, respectively. On the monetary policy front, ECB official Schnabel struck a hawkish tone yesterday. Schnabel noted that the risks to the inflation outlook were skewed to the upside and suggested the ECB is moving closer to halting its cutting cycle. Elsewhere, the Fed FOMC meeting minutes provided little new insight on the outlook for US rates.

Against this backdrop, there was a modest firming in Eurozone market rate expectations of circa 5bps yesterday. UK futures contracts also hardened, with markets now pricing in just 50bps of policy easing this year (compared to 60bps earlier in the week). In contrast, US futures contracts were little changed.

On forex markets, the dollar was in the ascendancy amid the weaker tone to risk appetite. Overall, the dollar gained a modest 0.2% versus the euro and sterling. This is reflected by EUR/USD opening this morning back near \$1.04. GBP/USD is down below the \$1.26 threshold. EUR/GBP remains in the top half of 82-83p.

Turning to the day ahead, the main release of note will be the flash reading of Eurozone consumer confidence for February. In the US, the latest weekly initial jobless claims figures are due.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.0431	-0.23	0.75
EUR/GBP	0.8279	-0.02	0.07
GBP/USD	1.2594	-0.22	0.66
GBP/EUR	1.2072	0.02	-0.07
USD/JPY	150.07	-1.11	-4.52
EUR/JPY	156.58	-1.32	-3.79

* 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	4.31	4.32	4.22	4.40	4.37
EUR	2.90	2.62	2.52	2.36	2.30	2.36
GBP	4.50	4.45	4.44	4.22	4.33	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
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Opening Levels

Thursday 20 February 2025
07:51 am



Euro

EUR/GBP	0.8279
EUR/USD	1.0431
EUR/JPY	156.58
EUR/SEK	11.1633
EUR/DKK	7.4585
EUR/NOK	11.5805
EUR/CHF	0.9415
EUR/AUD	1.6385
EUR/HKD	8.1138
EUR/CAD	1.4838

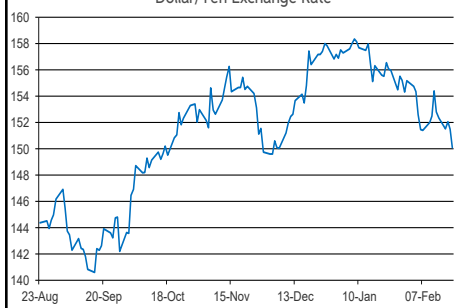
Sterling

GBP/EUR	1.2072
GBP/USD	1.2594
GBP/CAD	1.7916
GBP/NZD	2.2007
GBP/JPY	189
GBP/SEK	13.479
GBP/DKK	9.0062
GBP/NOK	13.9837
GBP/CHF	1.137
GBP/AUD	1.9784

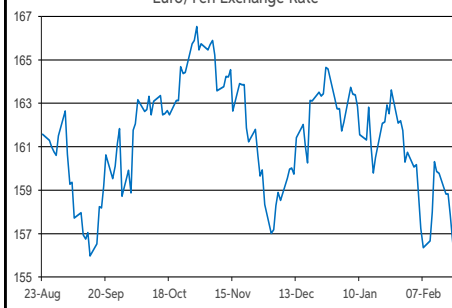
Dollar

USD/JPY	150.07
USD/CAD	1.4227
USD/CHF	0.9025
USD/CNY	7.269
USD/BRL	5.7214
USD/RUB	88.45
USD/INR	86.6225
AUD/USD	0.6363
NZD/USD	0.572

Dollar/Yen Exchange Rate

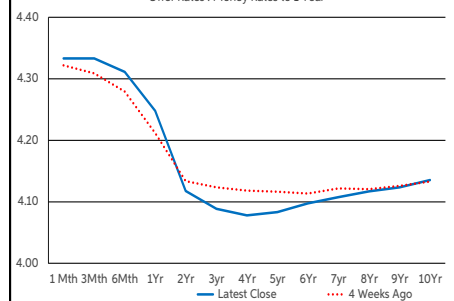


Euro/Yen Exchange Rate



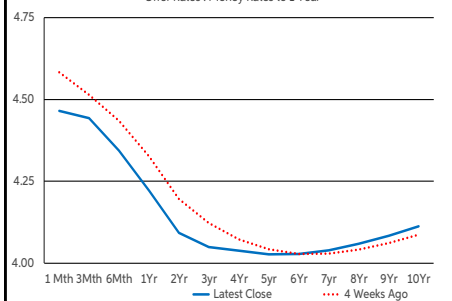
US Swap Curve

Offer Rates : Money Rates to 1 Year



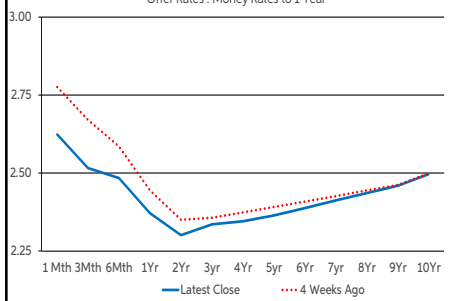
UK Swap Curve

Offer Rates : Money Rates to 1 Year

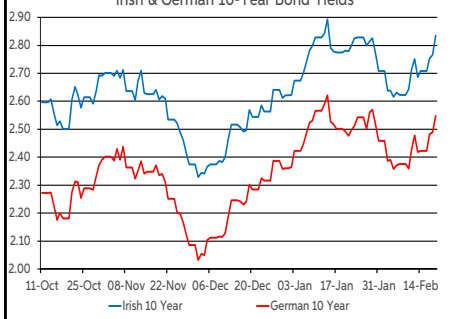


Eurozone Swap Curve

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	4.54	-1	-6	-4
Germany	2.55	+6	+5	+19
UK	4.61	+5	-2	+4
Ireland	2.86	+7	+4	+21
Belgium	3.12	+7	-1	+14
France	3.24	+8	-3	+4
Italy	3.64	+9	+4	+12
Spain	3.22	+7	+7	+15
Portugal	3.07	+7	+13	+22
Greece	3.44	+8	+17	+19
5 Year Swap %				
US	4.34	-3	-4	+5
Eurozone	2.35	+2	-3	+12
UK	4.26	+4	-4	-2
2 Year Swap %				
US	4.38	-3	-1	+4
Eurozone	2.30	+3	-5	+10
UK	4.33	+2	-10	-15
10 Year Government Bond Spreads to Benchmark bps				
Ireland	31	+1	-1	+2
Belgium	57	+1	-6	-5
France	69	+2	-8	-14
Italy	109	+3	-1	-7
Spain	67	+1	+2	-3
Portugal	52	+1	+8	+3
Greece	89	+2	+12	+0

Commodities

	% Change			
	Close	Day	4 Weeks	End 24
Brent Oil	76.04	+0.26	-3.75	+1.88
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2932.6	-0.10	+6.45	+11.77

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