

EUR/GBP just below 84p

The risk averse mood from Friday persisted at the start of this week. A quiet data schedule meant there was no new data to influence markets. Against this backdrop, the Euro Stoxx 50 fell by 0.5%. On Wall Street, the S&P 500 initially declined, moving to its lowest level since before the US elections, before rebounding after the European close to register a modest 0.2% gain.

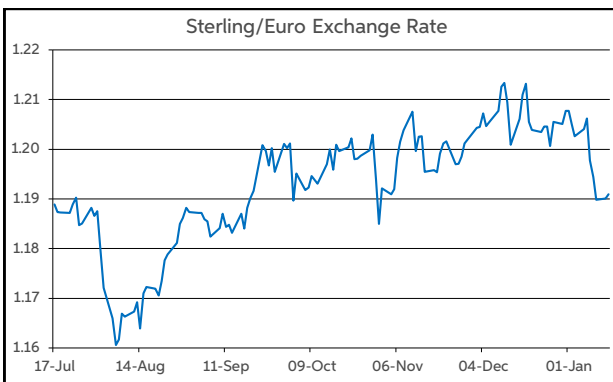
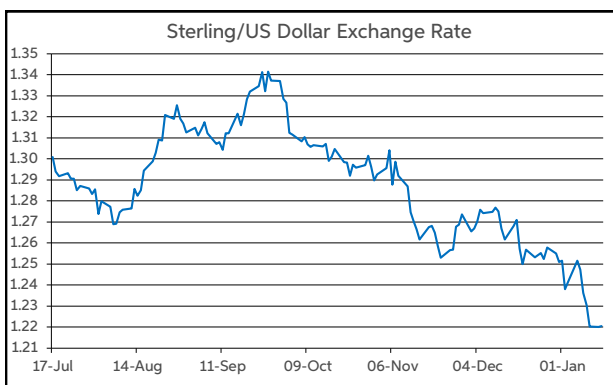
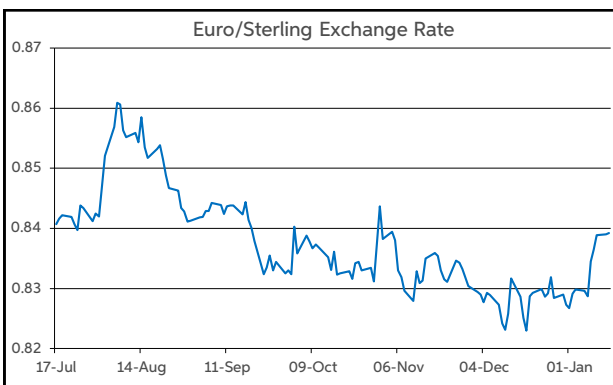
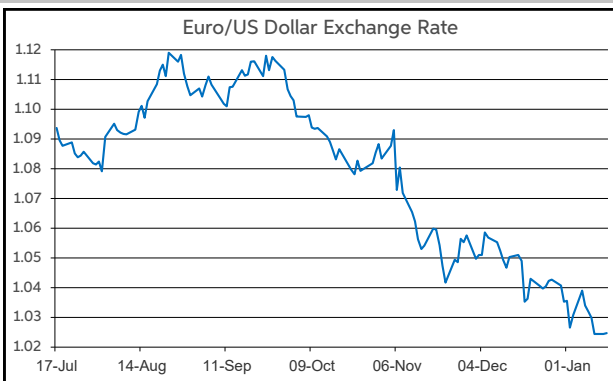
On bond markets, yields continued to move higher across the board. In a similar pattern to last week, UK Gilt yields led the way, rising by 2-5bps. US Treasury yields increased by 2-4bps. Meantime, German Bund yields rose by a more modest 1-2bps.

Currency-wise, there was some volatility yesterday. The dollar remained in the ascendancy during the early part of the European session. This saw EUR/USD fall to a low of \$1.0178, while GBP/USD troughed at the \$1.21 handle. However, the dollar handed back its gains in the afternoon, and lost further ground overnight amid a report sighting a gradual approach to tariffs by the incoming Trump administration. Meanwhile, sterling rebounded late on to end the day up slightly versus the euro and the dollar.

As trading gets underway this morning, the firmer tone to sterling sees EUR/GBP open back below the 84p threshold. Meantime, GBP/USD is changing hands just above the \$1.22 mark. EUR/USD is operating at the midpoint of the \$1.02-1.03 corridor.

Turning to the day ahead, the macro data calendar remains sparse on both sides of the Atlantic. The main releases of note in the US are PPI inflation and NFIB Small Business Optimism (both December). However, remarks from a number of officials from the ECB, BoE and the Fed will garner attention.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.0247	0.27	-1.02
EUR/GBP	0.8392	-0.23	1.44
GBP/USD	1.2206	0.51	-2.44
GBP/EUR	1.1909	0.23	-1.42
USD/JPY	157.64	0.15	0.29
EUR/JPY	161.56	0.44	-0.73

* 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	4.30	4.26	4.52	4.55
EUR	3.15	2.84	2.77	2.50	2.41	2.48
GBP	4.75	4.64	4.57	4.49	4.64	4.52

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

Tuesday 14 January 2025
06:15 am



Euro

EUR/GBP	0.8392
EUR/USD	1.0247
EUR/JPY	161.56
EUR/SEK	11.513
EUR/DKK	7.4594
EUR/NOK	11.698
EUR/CHF	0.9384
EUR/AUD	1.6557
EUR/HKD	7.9765
EUR/CAD	1.4734

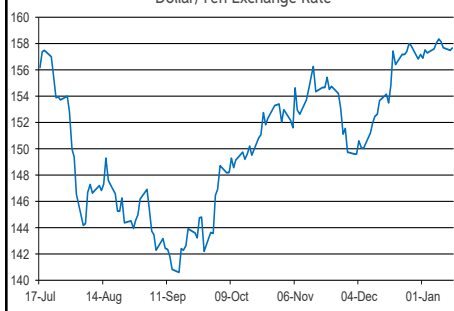
Sterling

GBP/EUR	1.1909
GBP/USD	1.2206
GBP/CAD	1.7547
GBP/NZD	2.1755
GBP/JPY	192.42
GBP/SEK	13.7139
GBP/DKK	8.8857
GBP/NOK	13.9343
GBP/CHF	1.1179
GBP/AUD	1.9722

Dollar

USD/JPY	157.64
USD/CAD	1.4375
USD/CHF	0.9159
USD/CNY	7.3308
USD/BRL	6.0944
USD/RUB	103
USD/INR	86.522
AUD/USD	0.6185
NZD/USD	0.5607

Dollar/Yen Exchange Rate

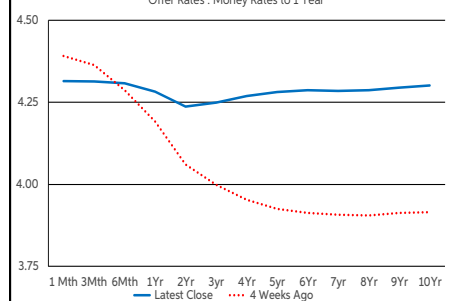


Euro/Yen Exchange Rate



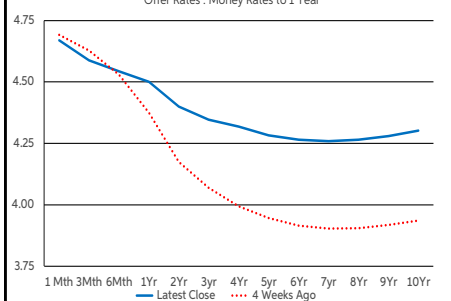
US Swap Curve

Offer Rates : Money Rates to 1 Year



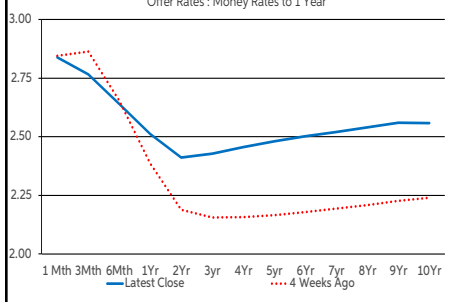
UK Swap Curve

Offer Rates : Money Rates to 1 Year

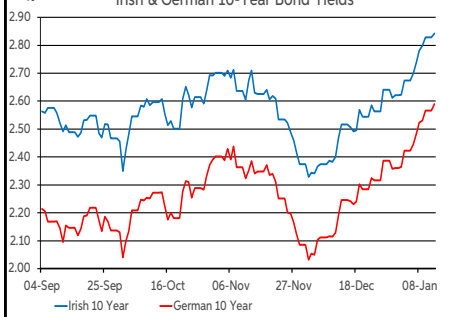


Eurozone Swap Curve

Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



Debt Markets

	Close	Day	4 Weeks	End 24
10 Year Yield %				
US	4.81	+3	+41	+23
Germany	2.59	+2	+35	+23
UK	4.89	+5	+45	+32
Ireland	2.88	+3	+35	+23
Belgium	3.21	+3	+37	+23
France	3.45	+3	+41	+26
Italy	3.82	+5	+42	+30
Spain	3.30	+4	+37	+24
Portugal	3.08	+4	+34	+23
Greece	3.48	+8	+39	+23
5 Year Swap %				
US	4.54	+4	+37	+25
Eurozone	2.48	+0	+32	+24
UK	4.52	+3	+31	+23
2 Year Swap %				
US	4.49	+1	+18	+16
Eurozone	2.41	+1	+23	+22
UK	4.63	+3	+22	+15
10 Year Government Bond Spreads to Benchmark bps				
Ireland	29	+1	+0	+0
Belgium	62	+0	+2	-0
France	86	+0	+6	+3
Italy	123	+3	+7	+7
Spain	71	+1	+2	+1
Portugal	49	+2	-0	+0
Greece	89	+5	+4	+0

Commodities

	Close	Day	4 Weeks	End 24
Brent Oil				
Brent Oil	81.01	+1.57	+9.61	+8.53
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2662.1	-1.02	+0.36	+1.46

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