

## Slightly softer dollar, marginal gains for euro

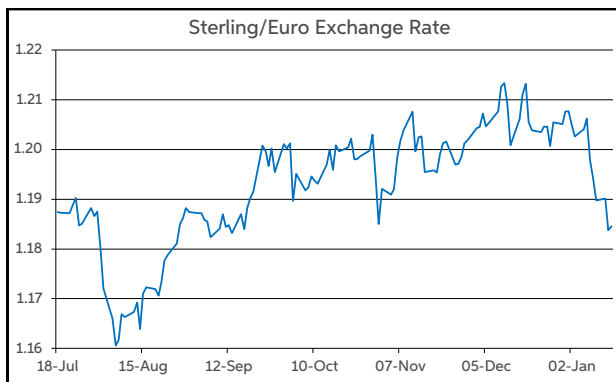
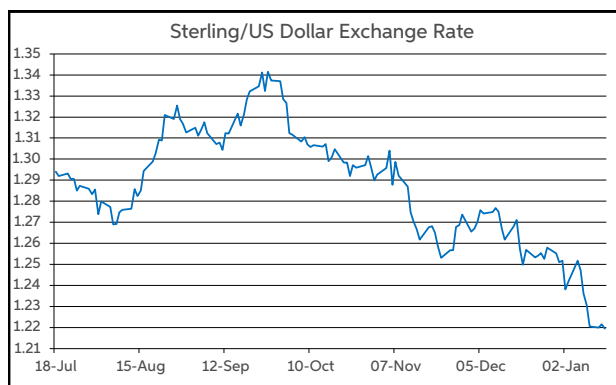
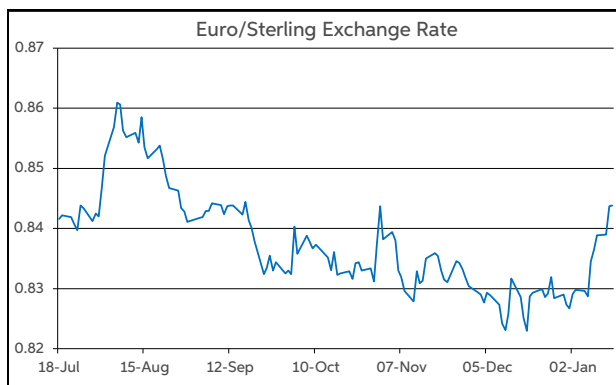
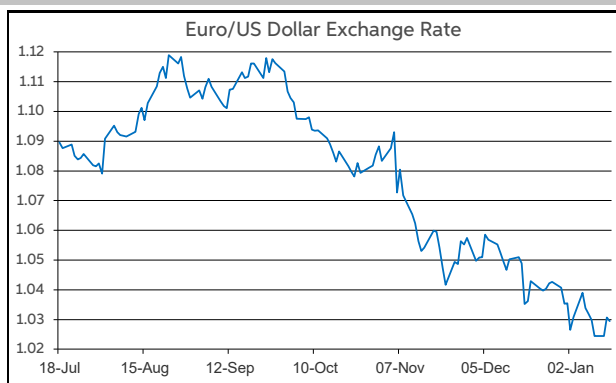
Investor sentiment was holding a mildly positive tone yesterday after Monday's risk averse start to the week. In Europe, the Euro Stoxx 50 rose by 0.5%. Meanwhile, at the closing bell on Wall Street last night, the S&P 500 was 0.1% higher on the day. Yesterday's macro data calendar was relatively sparse. Indeed, there were no European releases of note. In the US, small business optimism for December came in ahead of expectations. Meanwhile, both the headline and core rates of US producer price inflation were below consensus forecasts. There was no significant market impact from the data.

On bond markets, the upward move in yields continued for some sovereigns. The 10-year German Bund yield rose by 3bps to above 2.6%. Meanwhile, after grabbing headlines over recent weeks, the action in UK gilts was less eventful yesterday. The 10-year UK yield was unchanged. In the US, the 10-year Treasury yield eased back by 2bps to just below 4.8%.

Currency-wise, the action was generally confined to narrow ranges. Of the modest moves to register, the dollar was slightly softer, taking a breather from its recent rally. At the same time, the euro posted some marginal gains. In level terms, EUR/USD has traded up to, in and around, the \$1.03 mark, while EUR/GBP has regained the 84p threshold.

Today's macro diary has an inflation theme to it. Indeed already this morning we have had the release of the UK CPI data for December. The headline and core rates have printed below forecasts at 2.5% (f'cast 2.6%) and 3.2% (f'cast 3.4%), respectively. Meantime, later this afternoon, we get the US CPI numbers for December which will pose some event risk for the dollar.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.0294	0.49	-0.57
EUR/GBP	0.8438	0.54	1.99
GBP/USD	1.2195	-0.05	-2.53
GBP/EUR	1.1846	-0.53	-1.96
USD/JPY	157.29	-0.18	0.07
EUR/JPY	161.92	0.30	-0.51

\* 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	4.51	4.56
EUR	3.15	2.85	2.79	2.51	2.43	2.50
GBP	4.75	4.65	4.58	4.51	4.68	4.56

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
---------	----------------------------	------------	------------	------------------	---------------------------	-----------------	-----------------------------------

# Opening Levels

Wednesday 15 January 2025  
07:03 am



## Euro

EUR/GBP	0.8438
EUR/USD	1.0294
EUR/JPY	161.92
EUR/SEK	11.5144
EUR/DKK	7.4605
EUR/NOK	11.7114
EUR/CHF	0.9393
EUR/AUD	1.6623
EUR/HKD	8.0188
EUR/CAD	1.4779

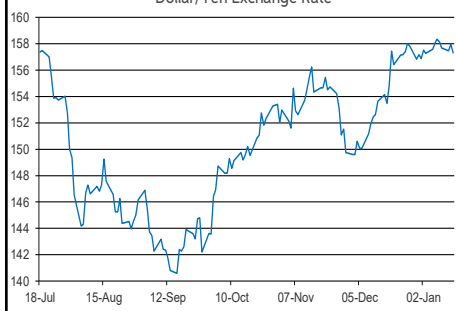
## Sterling

GBP/EUR	1.1846
GBP/USD	1.2195
GBP/CAD	1.7505
GBP/NZD	2.1762
GBP/JPY	191.79
GBP/SEK	13.638
GBP/DKK	8.8341
GBP/NOK	13.8524
GBP/CHF	1.1124
GBP/AUD	1.9688

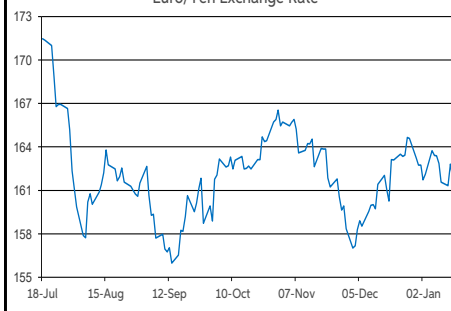
## Dollar

USD/JPY	157.29
USD/CAD	1.4355
USD/CHF	0.9123
USD/CNY	7.3317
USD/BRL	6.0559
USD/RUB	103.05
USD/INR	86.463
AUD/USD	0.6192
NZD/USD	0.5599

Dollar/Yen Exchange Rate

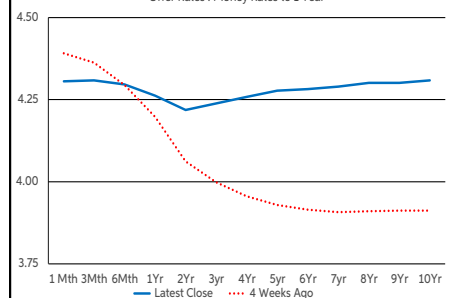


Euro/Yen Exchange Rate



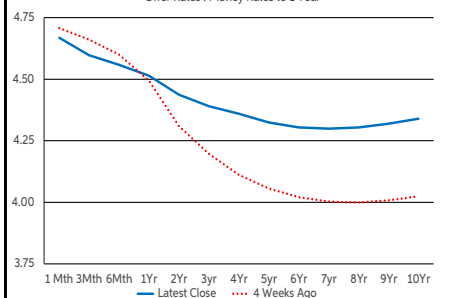
US Swap Curve

Offer Rates : Money Rates to 1 Year



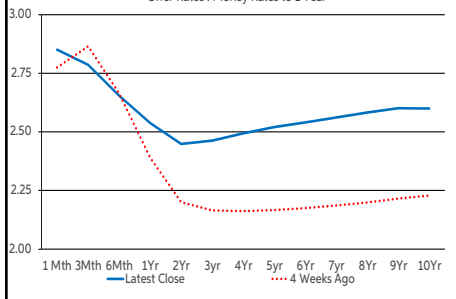
UK Swap Curve

Offer Rates : Money Rates to 1 Year

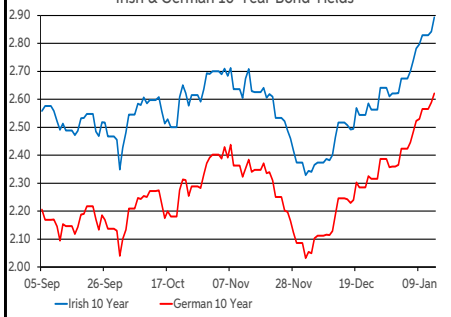


Eurozone Swap Curve

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	4.79	-2	+40	+21
Germany	2.62	+3	+39	+26
UK	4.89	+0	+36	+32
Ireland	2.92	+4	+40	+27
Belgium	3.24	+3	+40	+25
France	3.47	+2	+44	+28
Italy	3.84	+2	+45	+32
Spain	3.33	+2	+40	+26
Portugal	3.10	+2	+36	+25
Greece	3.48	+0	+38	+23
5 Year Swap %				
US	4.54	-0	+36	+25
Eurozone	2.52	+4	+36	+28
UK	4.56	+4	+26	+27
2 Year Swap %				
US	4.48	-2	+17	+14
Eurozone	2.45	+3	+25	+26
UK	4.67	+4	+14	+19
10 Year Government Bond Spreads to Benchmark bps				
Ireland	30	+1	+1	+1
Belgium	61	-0	+1	-0
France	85	-1	+5	+2
Italy	122	-1	+6	+6
Spain	70	-1	+1	+0
Portugal	48	-1	-3	-1
Greece	86	-3	-1	-3

## Commodities

	% Change			
	Close	Day	4 Weeks	End 24
Brent Oil	79.92	-1.35	+9.20	+7.07
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2677.2	+0.56	+1.20	+2.03

This publication is for information purposes and is not an invitation to deal. The information is believed to be reliable but is not guaranteed. Any expressions of opinions are subject to change without notice. This publication is not to be reproduced in whole or in part without prior permission. In the Republic of Ireland it is distributed by Allied Irish Banks, p.l.c. In the UK it is distributed by Allied Irish Banks, p.l.c. and Allied Irish Bank (GB). In Northern Ireland it is distributed by Allied Irish Bank (NI). In the United States of America it is distributed by Allied Irish Banks, p.l.c. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland. Allied Irish Bank (GB) and AIB (NI) are trade marks used under licence by AIB Group (UK) p.l.c. (a wholly owned subsidiary of Allied Irish Banks, p.l.c.), incorporated in Northern Ireland. Registered Office 92 Ann Street, Belfast BT1 3HH. Registered Number NI018800. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In the United States of America, Allied Irish Banks, p.l.c., New York Branch, is a branch licensed by the New York State Department of Financial Services. Deposits and other investment products are not FDIC insured, they are not guaranteed by any bank and they may lose value. Please note that telephone calls may be recorded in line with market practice.