

FX majors range bound

After the previous day's inflation data inspired moves, the market action yesterday was less eventful. This was despite a relatively busy calendar of macro data. The pre-open release of UK GDP for November, indicated a very modest pace of growth in the month, of +0.1% (f'cast for +0.2%). Overall the data suggests the UK economy continues to lack momentum.

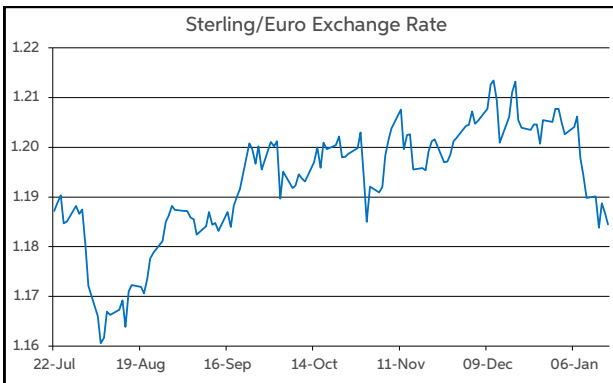
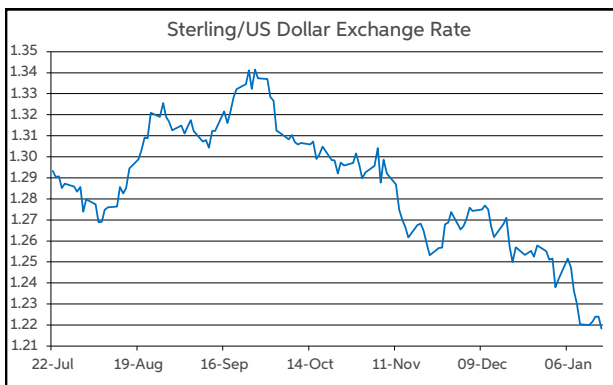
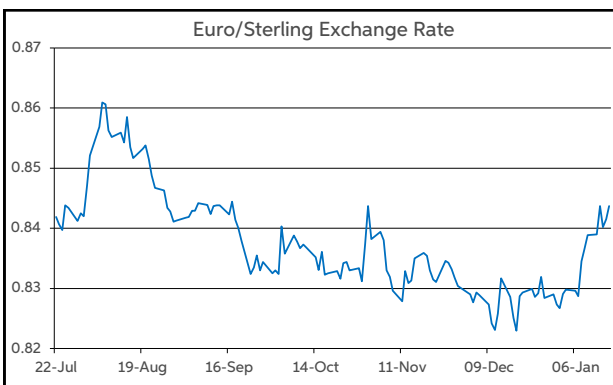
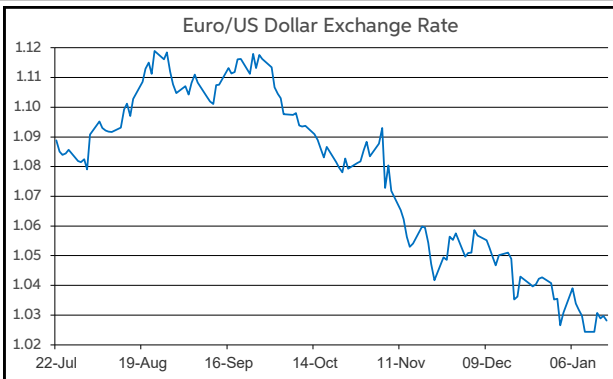
In the US, headline retail sales for December missed to the downside of expectations, printing at +0.4% m/m (f'cast for 0.6%). However, underlying sales were stronger than forecast, indicating a solid end to the year for the key consumer spending side of the US economy. In other US data, the regional Philly Fed index (Jan) and homebuilder sentiment (Jan) both surprised to the upside.

In terms of market moves, bond yields continued to move lower, but not to the same extent as Wednesday. The main benchmark sovereign 10-year yields were 1-5bps lower on the day. There was some 'dovish' Fed comments for the market to digest.

On the currency front, the majors operated within narrow ranges yesterday. The EUR/USD pair was trading in a tight corridor just below the \$1.03 mark. Meanwhile, EUR/GBP retained its position in the lower half of the 84-85p band. Elsewhere, GBP/USD was trading near to the \$1.22 level.

Today's macro schedule has already seen the release of UK retail sales for December. Headline sales were reported at -0.3% m/m, which was much weaker than the consensus (f'cast for +0.4%). The UK macro newsflow has put sterling on the defensive in early trading this morning. The other main data highlight today is from the US diary, with industrial production (Dec) due this afternoon.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.0281	0.01	-0.70
EUR/GBP	0.8437	0.20	1.98
GBP/USD	1.2182	-0.22	-2.63
GBP/EUR	1.1848	-0.20	-1.94
USD/JPY	155.58	-0.33	-1.02
EUR/JPY	159.96	-0.35	-1.71

* 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	4.29	4.28	4.18	4.36	4.38
EUR	3.15	2.84	2.75	2.46	2.34	2.39
GBP	4.75	4.61	4.52	4.36	4.48	4.35

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

Friday 17 January 2025
07:17 am



Euro

EUR/GBP	0.8437
EUR/USD	1.0281
EUR/JPY	159.96
EUR/SEK	11.486
EUR/DKK	7.4602
EUR/NOK	11.6961
EUR/CHF	0.9382
EUR/AUD	1.657
EUR/HKD	8.0054
EUR/CAD	1.4812

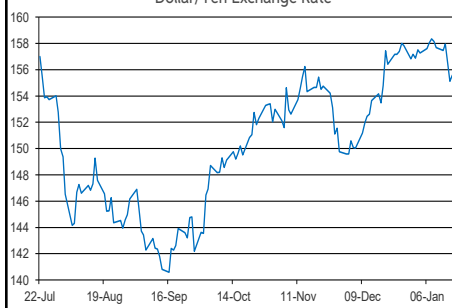
Sterling

GBP/EUR	1.1848
GBP/USD	1.2182
GBP/CAD	1.7544
GBP/NZD	2.1791
GBP/JPY	189.53
GBP/SEK	13.606
GBP/DKK	8.8367
GBP/NOK	13.8379
GBP/CHF	1.1117
GBP/AUD	1.9632

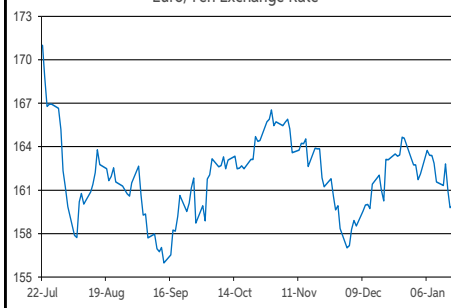
Dollar

USD/JPY	155.58
USD/CAD	1.4405
USD/CHF	0.9124
USD/CNY	7.328
USD/BRL	6.0499
USD/RUB	102.6
USD/INR	86.5975
AUD/USD	0.6202
NZD/USD	0.5586

Dollar/Yen Exchange Rate

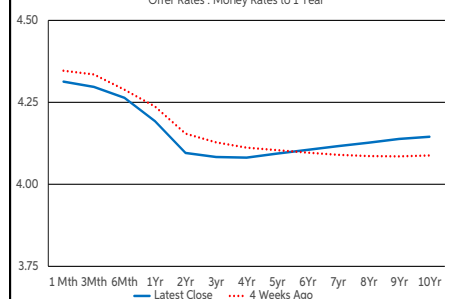


Euro/Yen Exchange Rate



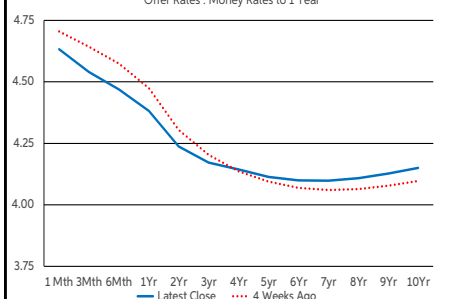
US Swap Curve

Offer Rates : Money Rates to 1 Year



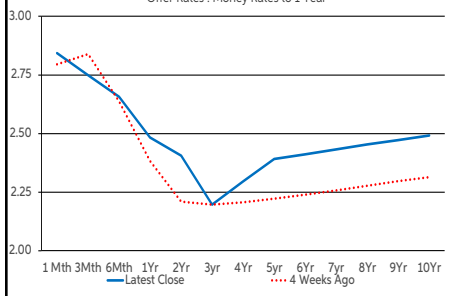
UK Swap Curve

Offer Rates : Money Rates to 1 Year

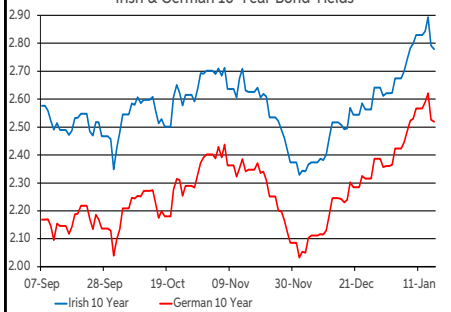


Eurozone Swap Curve

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	4.61	-5	+4	+3
Germany	2.52	-1	+22	+16
UK	4.68	-5	+10	+11
Ireland	2.81	-3	+21	+16
Belgium	3.12	-0	+21	+13
France	3.33	-2	+22	+13
Italy	3.65	-4	+18	+13
Spain	3.18	-2	+18	+12
Portugal	2.99	-0	+20	+14
Greece	3.38	+1	+20	+13
5 Year Swap %				
US	4.36	-4	+1	+6
Eurozone	2.39	-1	+17	+16
UK	4.35	-5	+3	+7
2 Year Swap %				
US	4.35	-3	-5	+2
Eurozone	2.41	+4	+20	+22
UK	4.48	-3	-3	-1
10 Year Government Bond Spreads to Benchmark bps				
Ireland	28	-2	-0	-0
Belgium	59	+0	-1	-3
France	81	-1	+0	-2
Italy	113	-4	-4	-3
Spain	66	-2	-4	-4
Portugal	47	+0	-2	-2
Greece	86	+2	-2	-3

Commodities

	% Change			
	Close	Day	4 Weeks	End 24
Brent Oil	81.29	-0.90	+11.54	+8.91
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2713.8	+0.67	+4.62	+3.43

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