

Dollar remains on the back-foot

There was a somewhat mixed tone to sentiment yesterday, as US markets returned from a long weekend and investors continued to digest a slew of executive orders from President Trump. Having edged higher on Monday, the Euro Stoxx 50 finished flat yesterday. Meantime on Wall Street, the mood was more upbeat, with the S&P 500 gaining 0.9%.

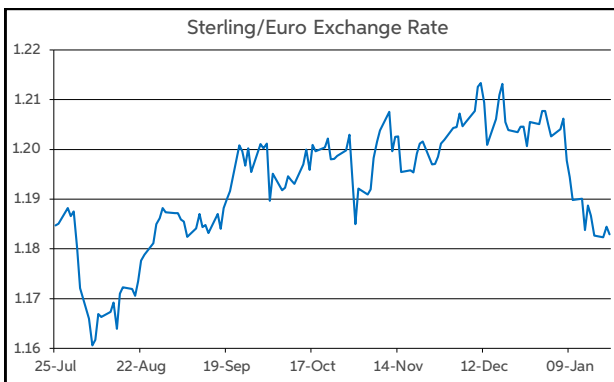
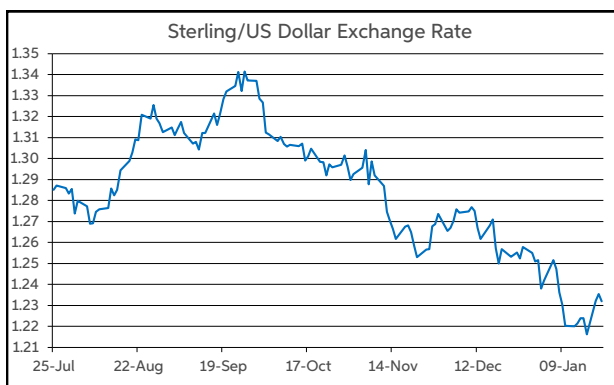
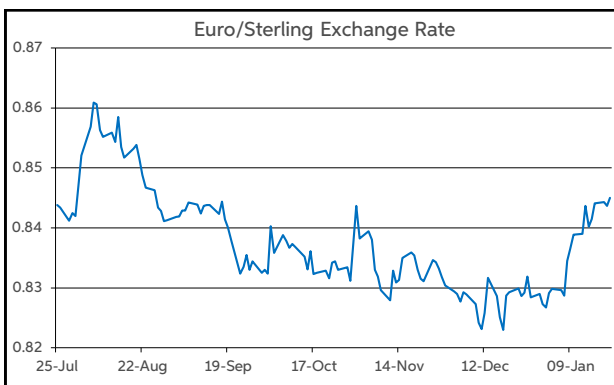
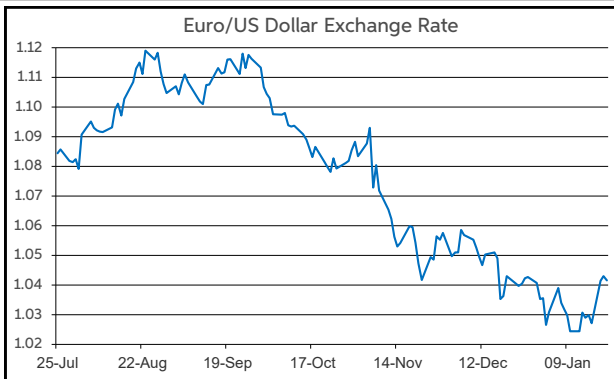
On the currency front, the price action was limited throughout the European session. Of the scant developments to note yesterday, the dollar remained under some downward pressure. A relatively quiet data calendar likely contributed to the muted moves. Indeed, although the main release of note, the German ZEW for January printed well below the consensus (10.3 vs. 15.3 f'cast), it had no major impact on the euro.

Overnight the greenback remained on the back-foot. Overall the dollar has declined by around 0.4% versus the euro and sterling in the past 24 hours. Meanwhile, EUR/GBP has been very tightly range bound, while the yen has edged slightly lower across the board.

In level terms, the softer tone to the dollar sees EUR/USD open this morning up above the \$1.04 threshold. Meantime, GBP/USD is changing hands in the \$1.23-1.24 trading band. EUR/GBP remains in and around the midpoint of the 84-85p corridor. Elsewhere, USD/JPY is in the upper half of ¥155-156.

Turning to the day ahead, the macro calendar is rather sparse once again. However, remarks from ECB President Lagarde may garner some interest later today. At the same time, investors will keep one eye on potential developments from Washington.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.0415	0.36	0.60
EUR/GBP	0.845	-0.02	2.14
GBP/USD	1.232	0.38	-1.53
GBP/EUR	1.1828	0.02	-2.09
USD/JPY	155.87	0.36	-0.83
EUR/JPY	162.36	0.73	-0.24

* 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	4.30	4.29	4.20	4.42	4.40
EUR	3.15	2.79	2.68	2.44	2.35	2.39
GBP	4.75	4.57	4.51	4.34	4.44	4.29

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

Wednesday 22 January 2025
07:41 am



Euro

EUR/GBP	0.845
EUR/USD	1.0415
EUR/JPY	162.36
EUR/SEK	11.4526
EUR/DKK	7.4606
EUR/NOK	11.779
EUR/CHF	0.9439
EUR/AUD	1.663
EUR/HKD	8.1127
EUR/CAD	1.493

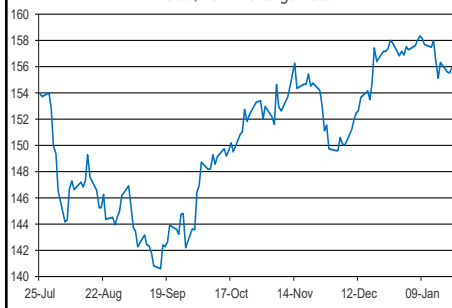
Sterling

GBP/EUR	1.1828
GBP/USD	1.232
GBP/CAD	1.766
GBP/NZD	2.1774
GBP/JPY	192.03
GBP/SEK	13.5441
GBP/DKK	8.8259
GBP/NOK	13.934
GBP/CHF	1.1166
GBP/AUD	1.9674

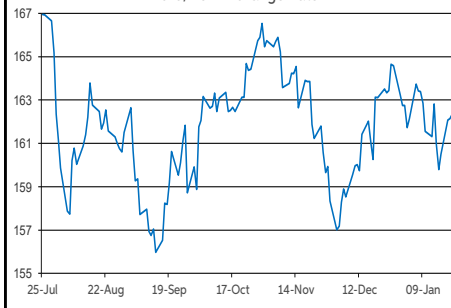
Dollar

USD/JPY	155.87
USD/CAD	1.4334
USD/CHF	0.9062
USD/CNY	7.2818
USD/BRL	6.022
USD/RUB	98.8
USD/INR	86.535
AUD/USD	0.626
NZD/USD	0.5656

Dollar/Yen Exchange Rate

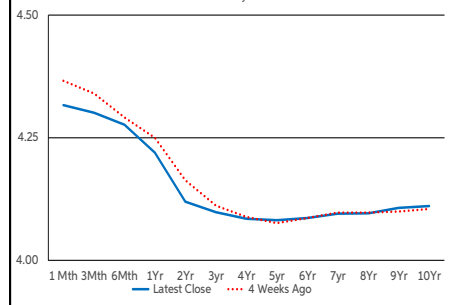


Euro/Yen Exchange Rate



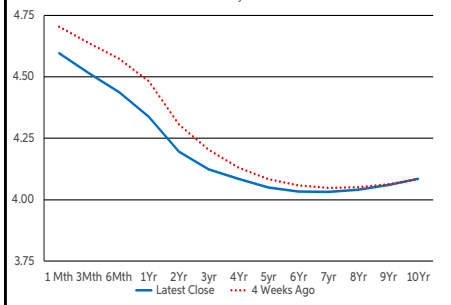
US Swap Curve

Offer Rates : Money Rates to 1 Year



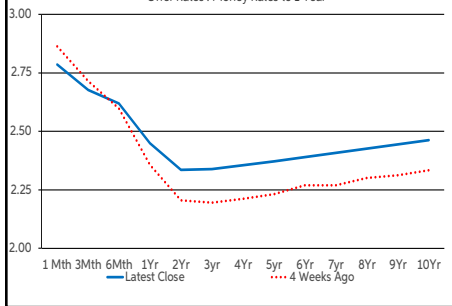
UK Swap Curve

Offer Rates : Money Rates to 1 Year

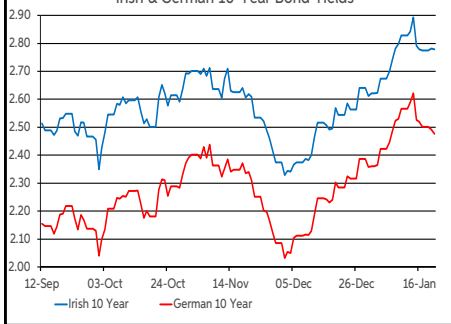


Eurozone Swap Curve

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	4.57	-4	-1	-0
Germany	2.48	-1	+15	+11
UK	4.59	-7	-1	+2
Ireland	2.80	-0	+16	+15
Belgium	3.06	-3	+13	+7
France	3.27	-2	+13	+8
Italy	3.59	-2	+10	+7
Spain	3.14	-2	+11	+8
Portugal	2.93	-2	+12	+8
Greece	3.29	-2	+5	+4
5 Year Swap %				
US	4.35	-4	-0	+6
Eurozone	2.37	-1	+15	+14
UK	4.29	-5	-3	+0
2 Year Swap %				
US	4.38	-2	-3	+4
Eurozone	2.34	-1	+14	+15
UK	4.44	-2	-9	-5
10 Year Government Bond Spreads to Benchmark bps				
Ireland	32	+1	+0	+4
Belgium	58	-1	-2	-4
France	79	-1	-2	-4
Italy	111	-1	-6	-4
Spain	66	-0	-4	-4
Portugal	45	-0	-3	-4
Greece	81	-0	-10	-8

Commodities

	% Change			
	Close	Day	4 Weeks	End 24
Brent Oil	79.29	-1.07	+7.76	+6.23
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2744.4	+1.34	+5.02	+4.60

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