

Dollar edges higher overnight

Equity markets moved higher on both sides of the Atlantic yesterday, amid an announcement for substantial plans to investment in AI infrastructure in the US and some strong Q4 earnings data. Against this backdrop, both the Euro Stoxx 50 gained 0.8%. On Wall Street, the S&P 500 rose by 0.6%, posting a new record high in the process. Meanwhile, benchmark sovereign bond yields drifted 2-4bps higher in the US, UK and Eurozone.

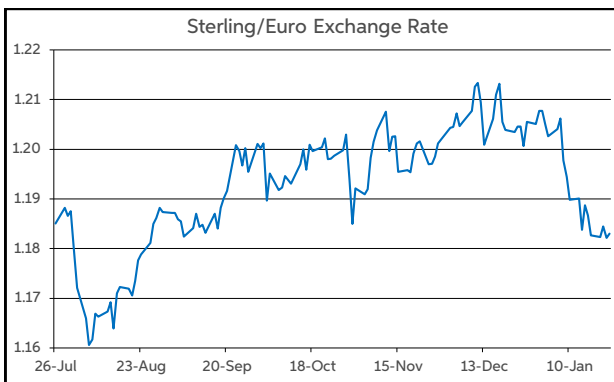
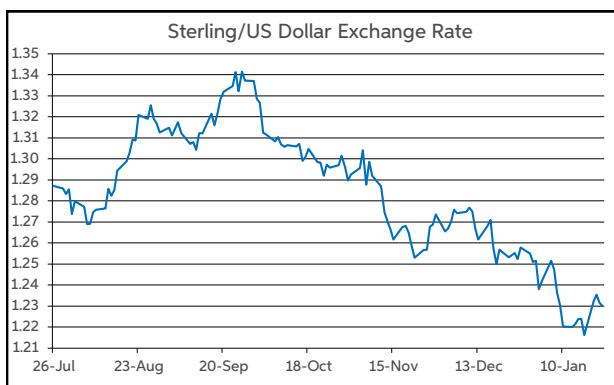
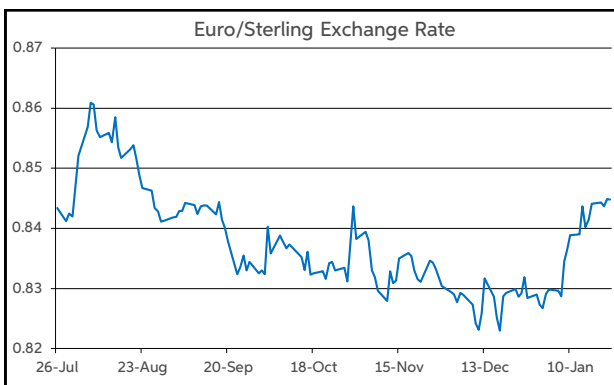
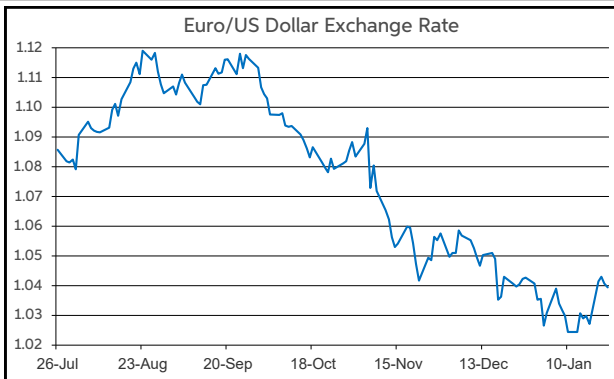
Currency-wise, the price action was limited once again. A sparse data schedule contributed to the lacklustre moves. Of the muted action to register, the dollar remained under some downward pressure. This saw EUR/USD register a fresh year-to-date high of \$1.045. However, the dollar recouped its losses before the European close.

Furthermore, overnight the dollar moved into the ascendancy. At the same time, the yen was on the back-foot yesterday. This saw the Japanese currency shed around 0.5% versus the dollar. However, there was no obvious catalyst for the weakness.

In level terms, EUR/USD opens this morning just below the \$1.04 threshold. Meantime, GBP/USD is changing hands down at the \$1.23 handle. EUR/GBP remains in and around the midpoint of the 84-85p corridor. Elsewhere, USD/JPY is up in the top half of the ¥156-157 corridor.

Today, the main release of note will be the flash reading of Eurozone consumer confidence for January. A marginal improvement is anticipated, but the release is unlikely to influence the euro. In the US, initial jobless claims figures are due. Tonight, the focus will be on the BoJ monetary policy meeting decision.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.0394	-0.20	0.40
EUR/GBP	0.8448	0.12	2.12
GBP/USD	1.2299	-0.35	-1.69
GBP/EUR	1.1832	-0.12	-2.07
USD/JPY	156.62	0.51	-0.36
EUR/JPY	162.81	0.31	0.04

* 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	4.31	4.29	4.20	4.42	4.40
EUR	3.15	2.77	2.68	2.43	2.35	2.38
GBP	4.75	4.57	4.51	4.30	4.43	4.30

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 23 January 2025
07:45 am



Euro

EUR/GBP	0.8448
EUR/USD	1.0394
EUR/JPY	162.81
EUR/SEK	11.4587
EUR/DKK	7.4597
EUR/NOK	11.7359
EUR/CHF	0.943
EUR/AUD	1.6582
EUR/HKD	8.0982
EUR/CAD	1.4959

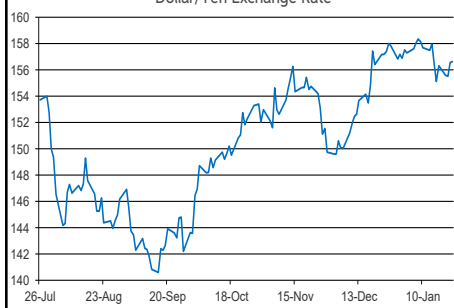
Sterling

GBP/EUR	1.1832
GBP/USD	1.2299
GBP/CAD	1.7701
GBP/NZD	2.1721
GBP/JPY	192.6
GBP/SEK	13.5573
GBP/DKK	8.8263
GBP/NOK	13.8849
GBP/CHF	1.1155
GBP/AUD	1.962

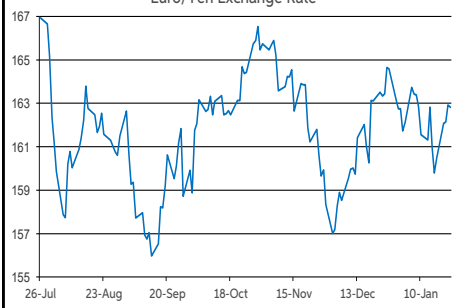
Dollar

USD/JPY	156.62
USD/CAD	1.4395
USD/CHF	0.9069
USD/CNY	7.2853
USD/BRL	5.9418
USD/RUB	99.5
USD/INR	86.478
AUD/USD	0.6265
NZD/USD	0.5659

Dollar/Yen Exchange Rate

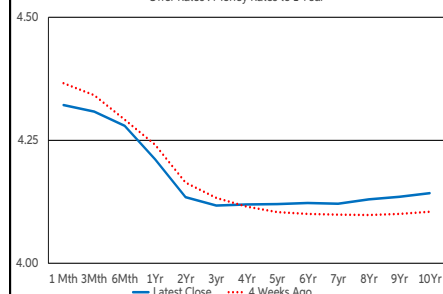


Euro/Yen Exchange Rate



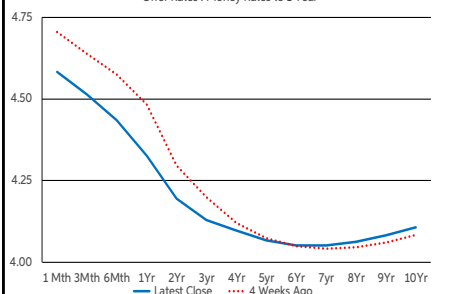
US Swap Curve

Offer Rates : Money Rates to 1 Year



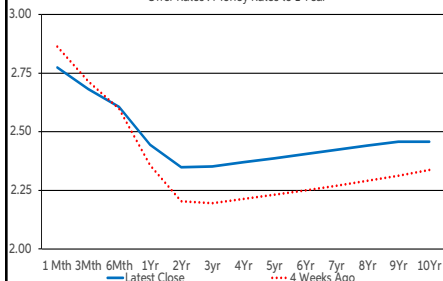
UK Swap Curve

Offer Rates : Money Rates to 1 Year

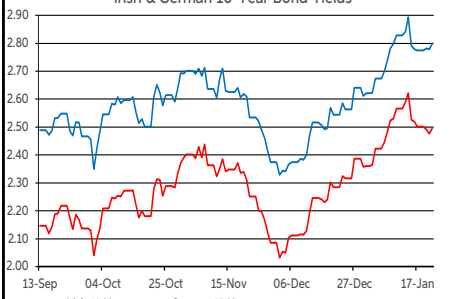


Eurozone Swap Curve

Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



Debt Markets

		Change bps		
	Close	Day	4 Weeks	End 24
10 Year Yield %				
US	4.60	+3	+1	+2
Germany	2.50	+2	+17	+14
UK	4.63	+4	+4	+6
Ireland	2.82	+2	+18	+17
Belgium	3.13	+7	+20	+15
France	3.26	-1	+13	+7
Italy	3.60	+1	+11	+8
Spain	3.15	+1	+12	+8
Portugal	2.94	+1	+13	+9
Greece	3.27	-2	+3	+2
5 Year Swap %				
US	4.38	+4	+3	+9
Eurozone	2.39	+2	+17	+15
UK	4.30	+2	-2	+2
2 Year Swap %				
US	4.39	+2	-1	+6
Eurozone	2.35	+1	+16	+16
UK	4.44	+0	-9	-5
10 Year Government Bond Spreads to Benchmark bps				
Ireland	32	-0	+0	+3
Belgium	63	+5	+3	+1
France	76	-3	-5	-7
Italy	110	-1	-7	-6
Spain	65	-1	-5	-5
Portugal	44	-1	-5	-5
Greece	77	-4	-14	-11

Commodities

	% Change			
	Close	Day	4 Weeks	End 24
Brent Oil	79	-0.37	+7.37	+5.84
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2755.0	+0.39	+5.43	+5.00

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