

UK data the main attraction this week

Last week, the main equity indices struggled to gain momentum amid the hawkish shift in rate hike expectations recently. Both the Euro Stoxx 50 and the S&P 500 finished the week with modest losses, as some sectors struggled against the rate outlook. On bond markets, the action was somewhat volatile, although, yields remained within their recent ranges for the most part.

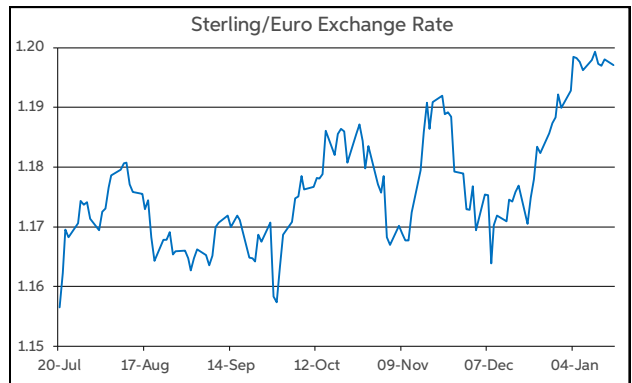
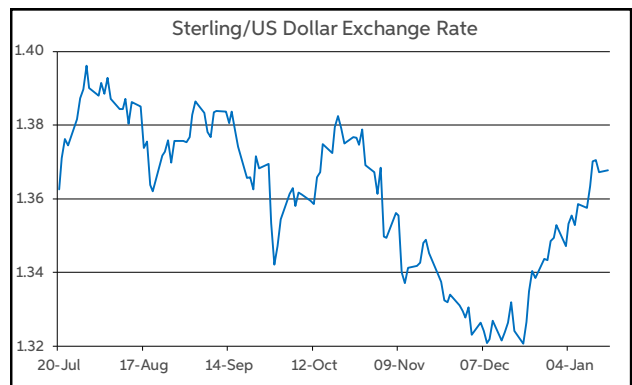
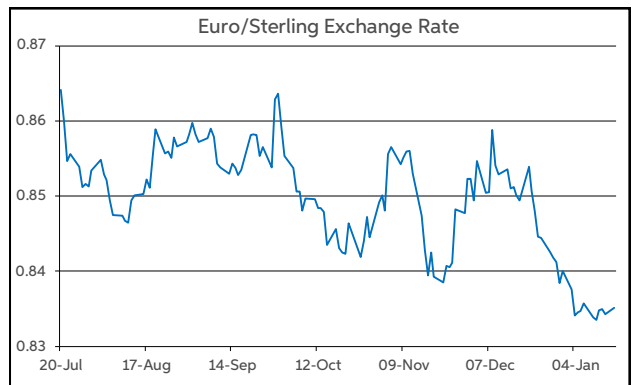
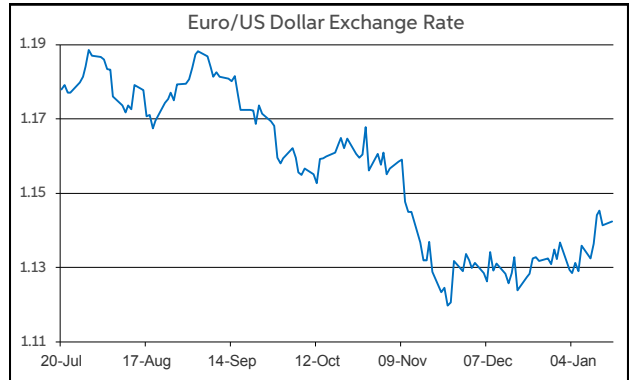
On the currency front, despite even more hawkish comments from a number of Fed officials, and a further rise in CPI inflation to 7%, the dollar lost ground last week. The currency fell by around 0.8% against a basket of currencies including the euro, sterling and yen. Elsewhere on the exchanges, the key EUR/GBP rate traded in a tight range, around the midpoint of 83-84p for much of last week.

In level terms, the softer tone to the dollar sees EUR/USD start this week up above the \$1.14 threshold. Cable (GBP/USD) is operating in the top half of \$1.36-1.37, having been above the \$1.37 threshold for a period last week. EUR/GBP remains at the heart of 83-84p.

This week, a busy UK data docket will garner close attention. CPI inflation is projected to edge higher to 5.2% in December, while the latest labour market data is set to provide further evidence of how tight the jobs market is currently in the UK. If the data prints as expected, it could reinforce market expectations of a rate hike from the BoE in February.

The latest ECB meeting minutes are the main highlight in the Eurozone. Meantime, there is a quieter look to the US schedule. There is a shortened trading week (US markets are closed today), the Fed has entered its quiet period ahead of its meeting next week, and the data calendar is relatively sparse.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.1424	-0.46	0.49
EUR/GBP	0.835	-0.10	-0.60
GBP/USD	1.3682	-0.36	1.13
GBP/EUR	1.1972	0.10	0.60
USD/JPY	114.47	0.66	-0.53
EUR/JPY	130.78	0.20	-0.07

* 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	0.125	0.10	0.24	0.68	1.17	1.64
EUR	0.00	-0.57	-0.57	-0.45	-0.22	0.13
GBP	0.25	0.31	0.52	1.11	1.36	1.43

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

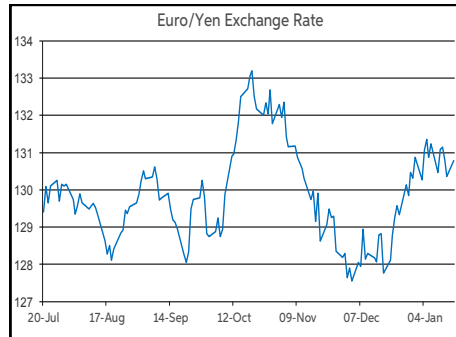
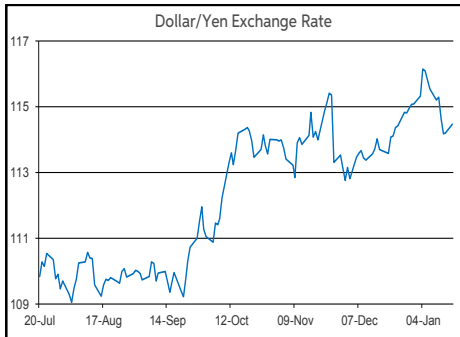
CONTACTS		
AIB Customer Treasury Services business.treasury@aib.ie aib.corporatetreasury@aib.ie aib.ie/fxcentre	Customer Treasury Services GB treasury.gb@aib.ie aibgb.co.uk/fxcentre	Customer Treasury Services NI TreasuryNI@aib.ie aibni.co.uk/fxcentre

Opening Levels

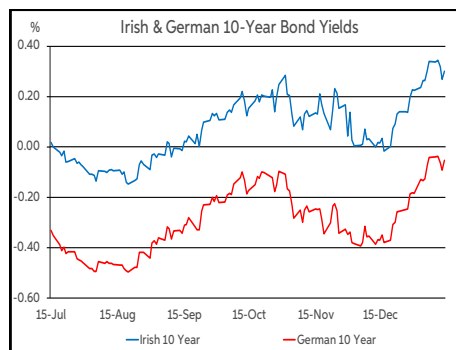
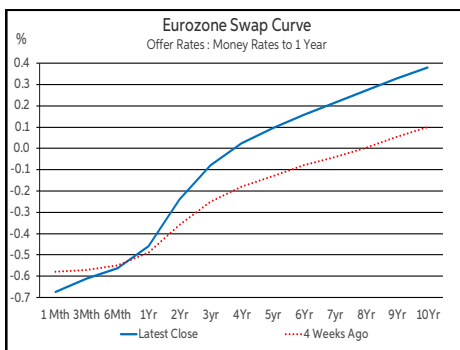
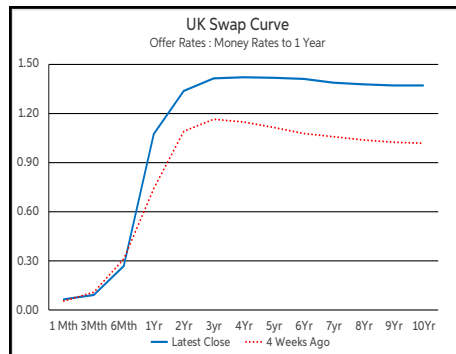
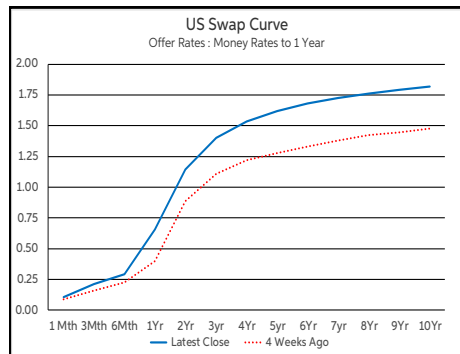
Monday 17 January 2022
07:35 am



Euro		Sterling		Dollar	
EUR/GBP	0.8348	GBP/EUR	1.1972	USD/JPY	114.47
EUR/USD	1.1425	GBP/USD	1.3682	USD/CAD	1.2529
EUR/JPY	130.78	GBP/CAD	1.7144	USD/CHF	0.9139
EUR/SEK	10.3076	GBP/NZD	2.0083	USD/CNY	6.3447
EUR/DKK	7.4415	GBP/JPY	156.62	USD/BRL	5.5344
EUR/NOK	10.001	GBP/SEK	12.3424	USD/RUB	75.818
EUR/CHF	1.0442	GBP/DKK	8.9102	USD/INR	74.275
EUR/AUD	1.5842	GBP/NOK	11.9764	AUD/USD	0.7212
EUR/HKD	8.8971	GBP/CHF	1.2506	NZD/USD	0.6812
EUR/CAD	1.4316	GBP/AUD	1.897		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	1.79	+9	+39	+28
Germany	-0.05	+4	+33	+13
UK	1.15	+4	+39	+18
Ireland				
Ireland	0.33	+4	+28	+8
Belgium	0.27	+4	+30	+9
France	0.33	+9	+36	+14
Italy	1.34	+5	+43	+16
Spain	0.64	+4	+29	+5
Portugal	0.56	+3	+30	+8
Greece	1.53	-1	+31	+21
5 Year Swap %				
US	1.62	+10	+38	+28
Eurozone	0.10	+4	+24	+8
UK	1.42	+3	+32	+14
2 Year Swap %				
US	1.15	+8	+30	+20
Eurozone	-0.24	+2	+13	+6
UK	1.34	+3	+26	+15
10 Year Government Bond Spreads to Benchmark bps				
Ireland	38	-0	-5	-5
Belgium	31	+1	-3	-4
France	38	+5	+3	+1
Italy	139	+1	+11	+3
Spain	69	+0	-3	-8
Portugal	61	-1	-3	-5
Greece	157	-4	-1	+8



Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	86.06	+1.88	+17.06	+10.65
West Texas Oil	83.82	+2.26	+18.17	+11.27
Gold \$	1817.2	-0.27	+1.09	-0.61

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.