

## Quieter macro schedule this week

Last week's macro calendar was packed full of data releases. However, it was the raft of key central bank meetings that were very much under the market spotlight.

The Fed turned more hawkish than was anticipated in its updated interest rate projections, which prompted a brief rally in the dollar. Meantime, the following day, the ECB scaled back its asset purchases under the PEPP by more than had been expected, resulting in some upside support to the euro.

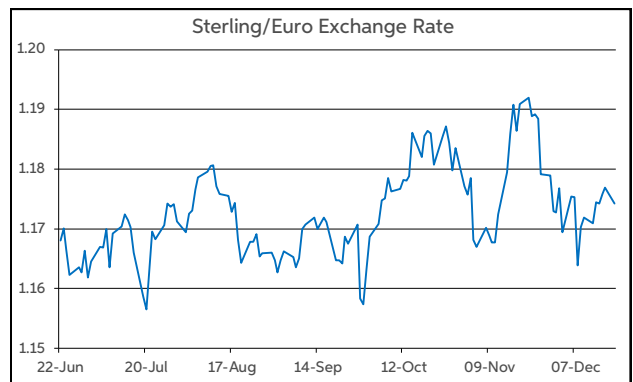
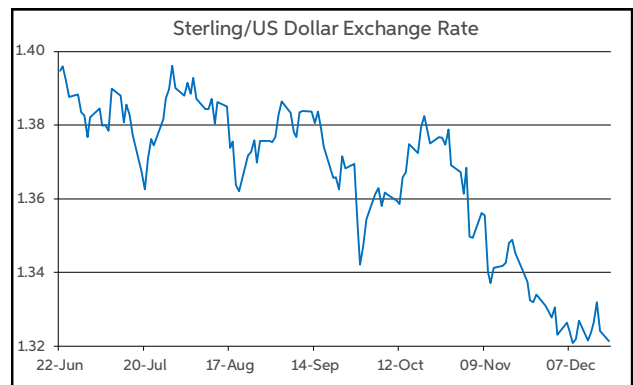
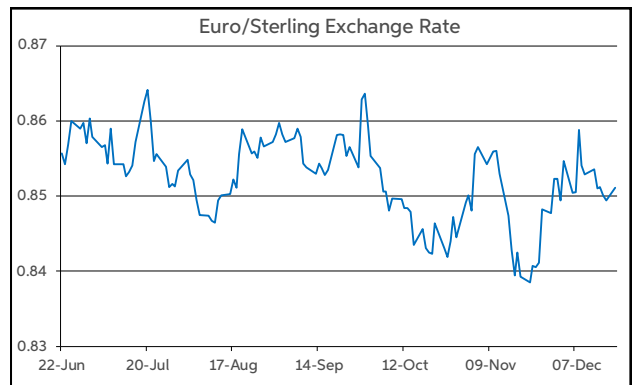
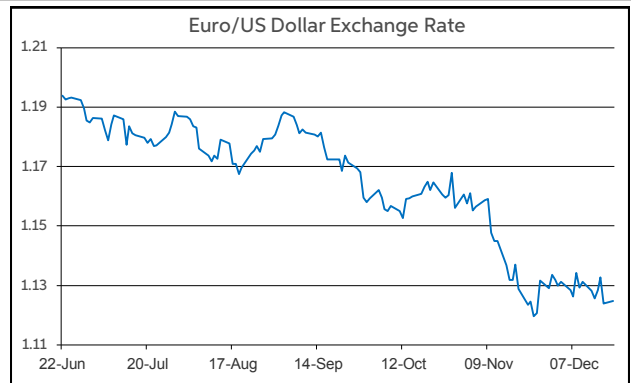
However, it was the BoE that provided the biggest surprise, by hiking the Bank Rate by 15bps to 0.25%. This caused some noticeable volatility in sterling, with the currency rising sharply in the immediate aftermath of the BoE's decision. Sterling settled back as the market digested the outcome. Indeed, for most of the week, the main pairs were confined to relatively narrow ranges.

However, on Friday, the risk averse tone to investor sentiment resulted in a firmer toner to the dollar on the exchanges. Meanwhile, on equity markets, the main indices moved lower, with the S&P 500 ending the week down by 2%.

As trading gets underway today, the firmer tone to the dollar is reflected by EUR/USD opening this morning at the midpoint of \$1.12-1.13. GBP/USD is changing hands in the bottom half of \$1.32-1.33. Meantime, EUR/GBP is operating around the 85p level.

This week's macro schedule is quieter. The main highlights are mostly from the US diary, which includes core-PCE inflation for December. Overall, the main pairs may remain fairly range bound heading into the Christmas period.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.125	-0.85	-7.89
EUR/GBP	0.8513	0.05	-4.74
GBP/USD	1.3215	-0.89	-3.35
GBP/EUR	1.1745	-0.05	4.98
USD/JPY	113.4	-0.15	9.84
EUR/JPY	127.6	-0.99	1.14

\* 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	0.21	0.47	0.86	1.23
EUR	0.00	-0.61	-0.58	-0.53	-0.38	-0.15
GBP	0.10	0.18	0.22	0.80	1.09	1.11

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

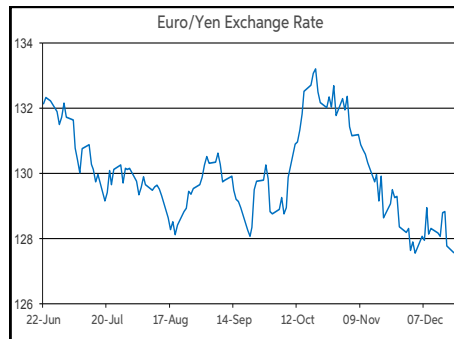
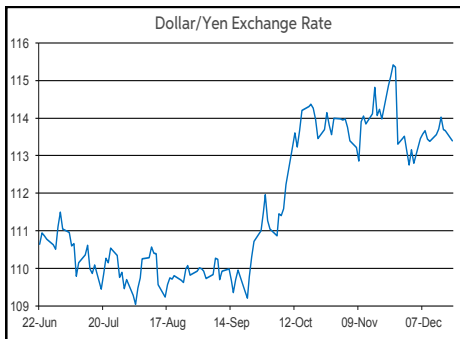
CONTACTS		
<b>AIB Customer Treasury Services</b> business.treasury@aib.ie aib.corporatetreasury@aib.ie aib.ie/fxcentre	<b>Customer Treasury Services GB</b> treasury.gb@aib.ie  aibgb.co.uk/fxcentre	<b>Customer Treasury Services NI</b> TreasuryNI@aib.ie  aibni.co.uk/fxcentre

# Opening Levels

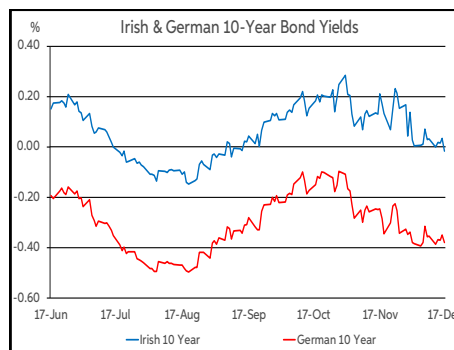
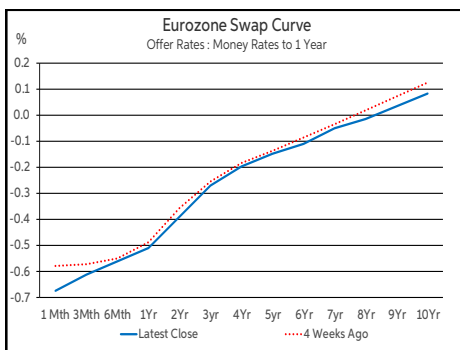
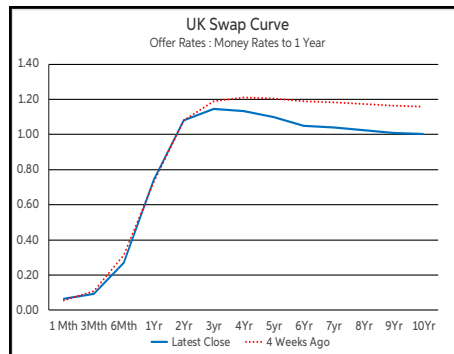
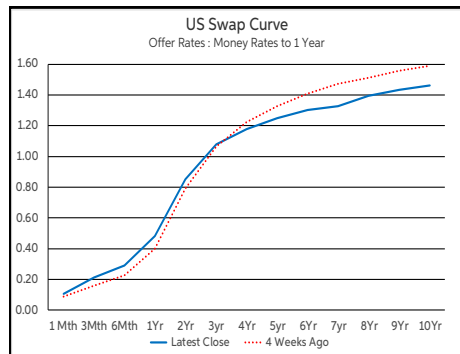
Monday 20 December 2021  
07:07 am



Euro		Sterling		Dollar	
EUR/GBP	0.8511	GBP/EUR	1.1742	USD/JPY	113.4
EUR/USD	1.125	GBP/USD	1.3212	USD/CAD	1.2913
EUR/JPY	127.6	GBP/CAD	1.7066	USD/CHF	0.9235
EUR/SEK	10.303	GBP/NZD	1.9679	USD/CNY	6.3784
EUR/DKK	7.4362	GBP/JPY	149.82	USD/BRL	5.6959
EUR/NOK	10.2452	GBP/SEK	12.099	USD/RUB	74.3655
EUR/CHF	1.0389	GBP/DKK	8.7326	USD/INR	76.002
EUR/AUD	1.5858	GBP/NOK	12.0284	AUD/USD	0.7094
EUR/HKD	8.7774	GBP/CHF	1.2205	NZD/USD	0.6713
EUR/CAD	1.453	GBP/AUD	1.8627		



	Close	Change bps		
		Day	4 Weeks	End 20
<b>10 Year Yield %</b>				
US	1.41	-2	-14	+49
Germany	-0.38	-3	-3	+20
UK	0.76	+0	-12	+56
Ireland	0.05	-5	-9	+36
Belgium	-0.04	-3	-4	+35
France	-0.03	-3	-3	+31
Italy	0.91	-7	+5	+39
Spain	0.35	-4	-4	+29
Portugal	0.26	-6	-5	+20
Greece	1.21	+2	+4	+58
<b>5 Year Swap %</b>				
US	1.25	-0	-4	+83
Eurozone	-0.15	-3	-1	+31
UK	1.10	+1	-10	+91
<b>2 Year Swap %</b>				
US	0.85	+4	+10	+66
Eurozone	-0.39	-3	-2	+14
UK	1.08	+0	+1	+106
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	43	-2	-6	+16
Belgium	34	+0	-0	+15
France	35	-0	+0	+11
Italy	128	-4	+8	+19
Spain	72	-1	-1	+9
Portugal	64	-3	-1	+0
Greece	159	+5	+7	+38



	Commodities			
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	73.52	-2.00	-6.81	+41.93
West Texas Oil	70.93	-1.95	-6.81	+46.70
Gold \$	1797.7	-0.07	-2.54	-5.21

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