

## Main FX pairs confined to narrow ranges

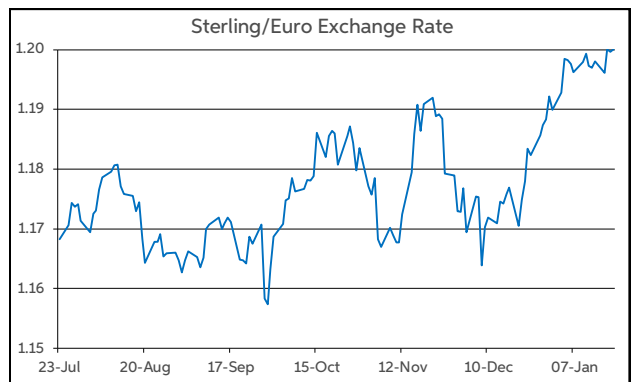
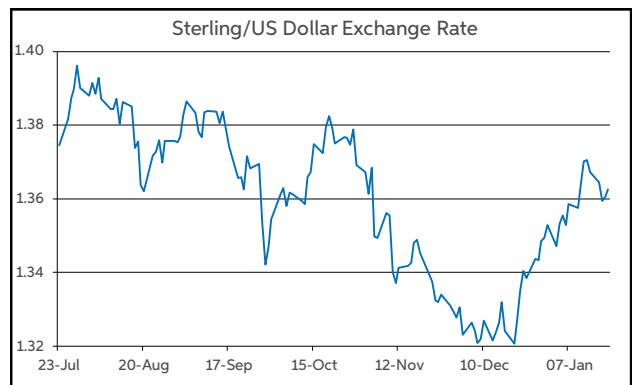
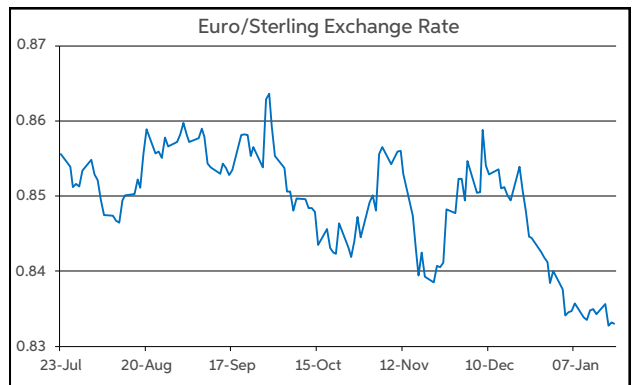
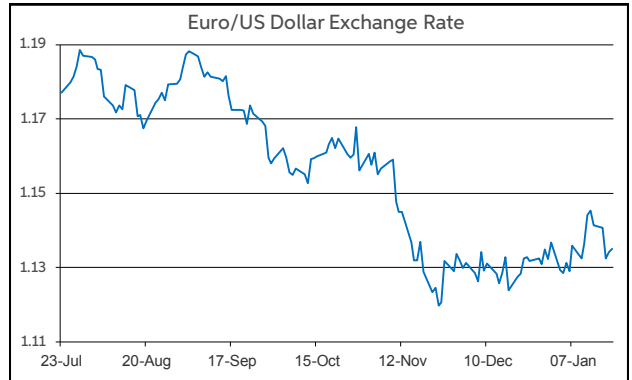
Equity markets remained mixed on both sides of the Atlantic yesterday. For the most part, European indices moved higher, with the Euro Stoxx 50 eking out a minor gain, rising by 0.2%. Meanwhile, the main US benchmarks generally moved lower. At the close on Wall Street, the S&P 500 finished down by 1%. Elsewhere, oil prices continued to rise.

On bond markets, 10-year German Bund yields turned positive for the first time since May 2019 yesterday amid the rising interest rate outlook. However, the move proved to be short-lived, with yields moving back below zero before the close. Meantime, US Treasury yields edged lower along the curve, while UK gilts moved higher, following a further jump in CPI inflation in December.

Currency-wise, the main FX pairs were confined to fairly narrow ranges. A relatively quiet data schedule likely contributed to the lacklustre action yesterday. The limited action on currency markets is evidenced by the key pairs opening this morning at very similar levels to 24 hours ago. EUR/USD is operating at the midpoint of the \$1.13-1.14 corridor. Meanwhile, GBP/USD is changing hands just above the \$1.36 threshold. EUR/GBP continues to trade in the lower half of 83-84p.

Turning to the day ahead, the main release of note will be the latest ECB meeting minutes. Elsewhere, Eurozone HICP inflation is set to be confirmed at a record 5% in December. In the US, initial jobless claims are forecast to fall to 220k from 230k the week prior. Meantime, existing home sales are expected to remain at elevated levels. Barring any major surprises though, the data are unlikely to impact on currency markets.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.1353	0.20	-0.13
EUR/GBP	0.833	0.06	-0.83
GBP/USD	1.3623	0.12	0.69
GBP/EUR	1.1998	-0.06	0.84
USD/JPY	114.44	0.17	-0.56
EUR/JPY	129.95	0.39	-0.70

\* 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	0.25	0.73	1.25	1.74
EUR	0.00	-0.56	-0.56	-0.45	-0.21	0.15
GBP	0.25	0.33	0.54	1.17	1.42	1.51

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

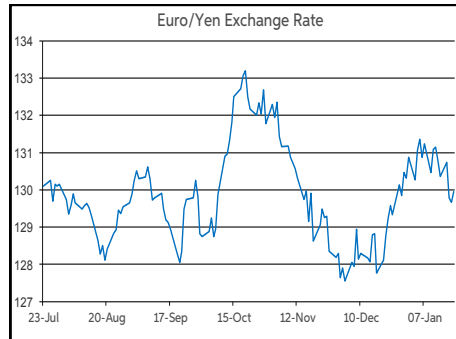
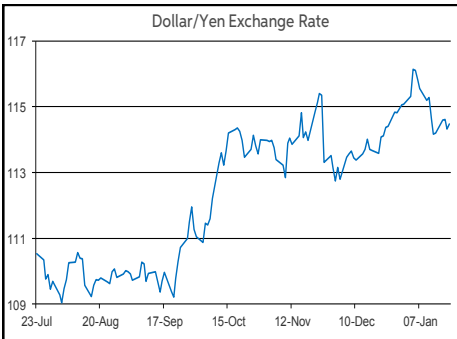
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# Opening Levels

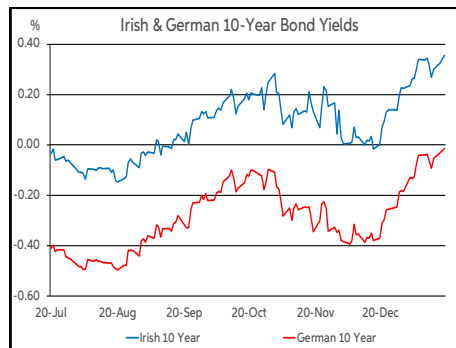
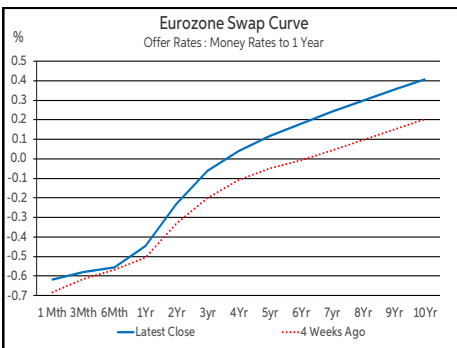
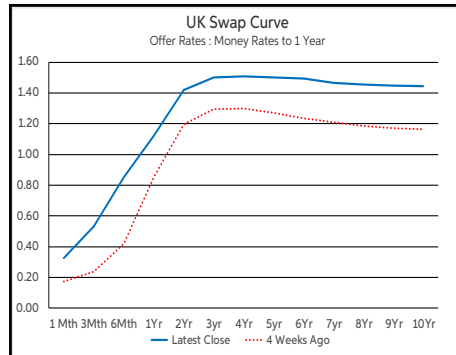
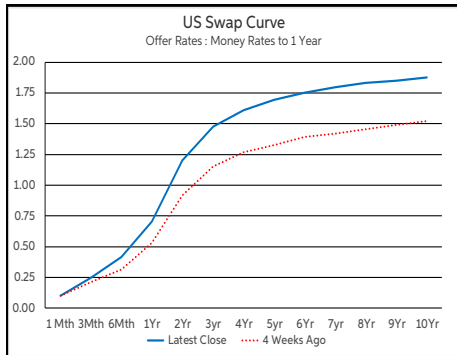
Thursday 20 January 2022  
07:24 am



Euro		Sterling		Dollar	
EUR/GBP	0.8331	GBP/EUR	1.1998	USD/JPY	114.44
EUR/USD	1.1352	GBP/USD	1.3623	USD/CAD	1.2489
EUR/JPY	129.95	GBP/CAD	1.702	USD/CHF	0.9152
EUR/SEK	10.3299	GBP/NZD	2.0142	USD/CNY	6.3402
EUR/DKK	7.4422	GBP/JPY	155.9	USD/BRL	5.4383
EUR/NOK	9.9432	GBP/SEK	12.3953	USD/RUB	76.461
EUR/CHF	1.0391	GBP/DKK	8.9304	USD/INR	74.435
EUR/AUD	1.5701	GBP/NOK	11.9254	AUD/USD	0.723
EUR/HKD	8.8424	GBP/CHF	1.2472	NZD/USD	0.6762
EUR/CAD	1.4179	GBP/AUD	1.8843		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
<b>10 Year Yield %</b>				
US	1.85	-2	+40	+34
Germany	-0.01	+1	+28	+17
UK	1.26	+4	+37	+29
<b>5 Year Swap %</b>				
US	1.69	-2	+40	+36
Eurozone	0.12	+1	+18	+11
UK	1.50	+3	+24	+23
<b>2 Year Swap %</b>				
US	1.20	-2	+32	+26
Eurozone	-0.23	+0	+11	+7
UK	1.42	+3	+23	+23
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	40	+2	-6	-3
Belgium	31	-1	-5	-5
France	38	-0	+1	+1
Italy	142	+1	+7	+5
Spain	70	+0	-7	-8
Portugal	63	+0	-3	-4
Greece	169	+5	+9	+20



Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	88.44	+1.06	+17.47	+13.71
West Texas Oil	86.84	+1.66	+19.25	+15.28
Gold \$	1840.0	+1.46	+2.03	+0.63

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