

Dollar edges slightly higher

The week on financial markets got off to a fairly uneventful start yesterday. A sparse macro calendar and a market holiday in the US (Martin Luther King Day) contributed to the lacklustre action. Although, some of the main European indices managed to move higher. The Euro Stoxx 50 finished yesterday evening with a 0.7% gain on the day. Meantime, on bond markets, the 10-year yield amongst the main European sovereigns were only 2-3bps changed on the day.

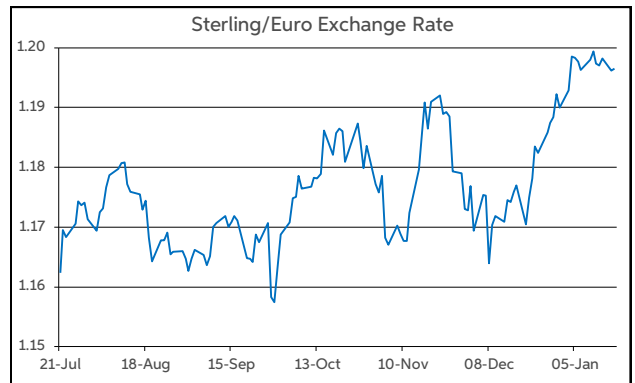
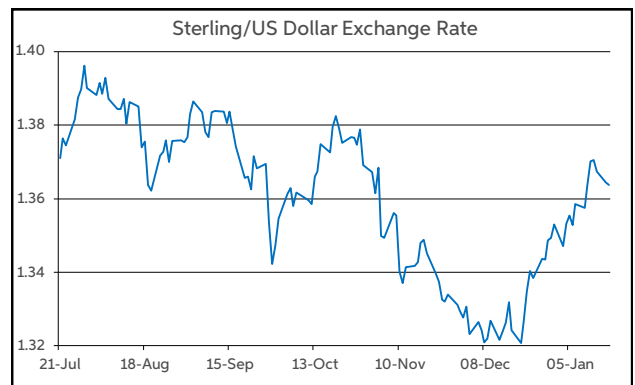
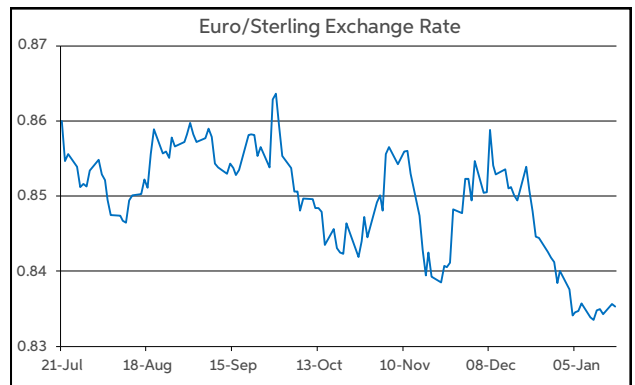
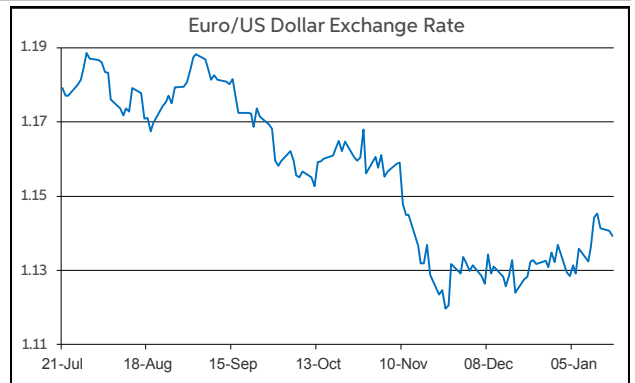
On the currency front, the majors were confined to very tight ranges. Of the limited moves to register, the dollar managed to edged slightly higher, after being under some downward pressure for much of last week.

The slightly firmer dollar tone over the past 24 hours is reflected in the EUR/USD pair opening this morning just below the \$1.14 threshold. Meanwhile cable (GBP/USD) is changing hands in the lower half of \$1.36-1.37. Elsewhere, EUR/GBP remains in and around the midpoint of the 83-84p trading band.

Today's data diary is busier compared to yesterday's. Already this morning we have had a raft of UK labour market updates. This includes the unemployment rate falling (unexpectedly) to 4.1% from 4.2% in the three months to November. There has been minimal reaction from sterling, so far, to the macro newsflow.

Later this morning we get the German ZEW survey for January. Meantime, on the US side, homebuilder sentiment and the Empire survey (both for January) feature. None of these pending releases are expected to have much directional impact from a currency viewpoint.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.1393	-0.23	0.22
EUR/GBP	0.8355	0.06	-0.54
GBP/USD	1.3636	-0.27	0.79
GBP/EUR	1.1967	-0.06	0.54
USD/JPY	114.89	0.35	-0.17
EUR/JPY	130.89	0.11	0.02

* 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	0.70	1.24	1.72
EUR	0.00	-0.57	-0.57	-0.44	-0.21	0.15
GBP	0.25	0.33	0.53	1.11	1.36	1.45

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

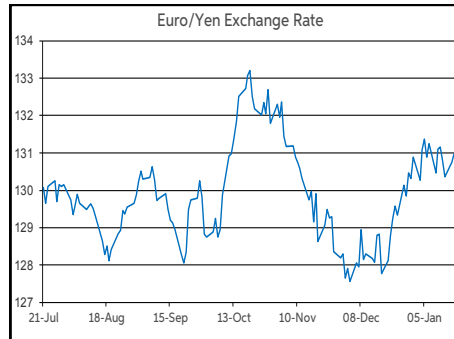
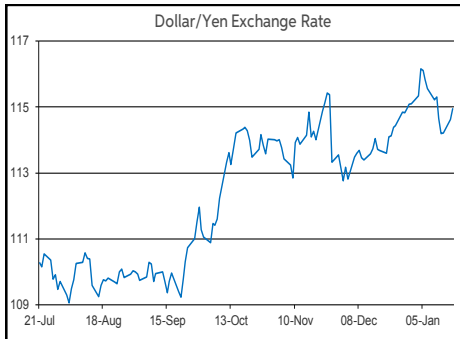
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Opening Levels

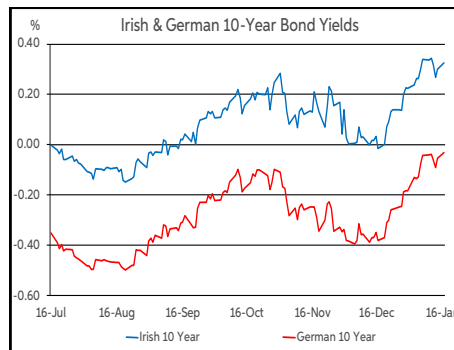
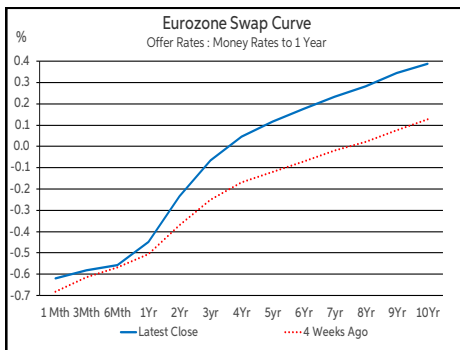
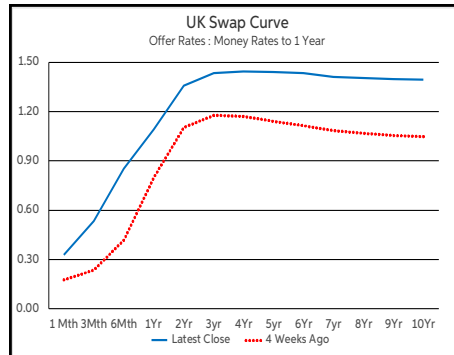
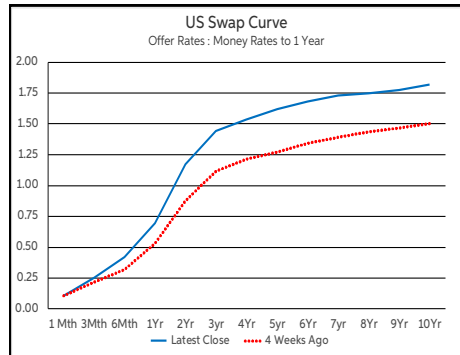
Tuesday 18 January 2022
07:24 am



Euro		Sterling		Dollar	
EUR/GBP	0.8355	GBP/EUR	1.1967	USD/JPY	114.89
EUR/USD	1.1393	GBP/USD	1.3636	USD/CAD	1.2514
EUR/JPY	130.89	GBP/CAD	1.7064	USD/CHF	0.9151
EUR/SEK	10.3033	GBP/NZD	2.0129	USD/CNY	6.3521
EUR/DKK	7.442	GBP/JPY	156.66	USD/BRL	5.5165
EUR/NOK	9.9759	GBP/SEK	12.3279	USD/RUB	76.4426
EUR/CHF	1.0425	GBP/DKK	8.9041	USD/INR	74.44
EUR/AUD	1.5834	GBP/NOK	11.9369	AUD/USD	0.7193
EUR/HKD	8.8775	GBP/CHF	1.2477	NZD/USD	0.6774
EUR/CAD	1.4256	GBP/AUD	1.8955		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	1.84	+4	+37	+28
Germany	-0.03	+2	+34	+15
UK	1.19	+4	+42	+22
5 Year Swap %				
US	1.62	+0	+37	+28
Eurozone	0.12	+2	+25	+11
UK	1.44	+3	+31	+17
2 Year Swap %				
US	1.17	+3	+32	+23
Eurozone	-0.23	+1	+15	+7
UK	1.36	+2	+26	+16
10 Year Government Bond Spreads to Benchmark bps				
Ireland	38	+0	-6	-5
Belgium	32	+1	-2	-4
France	38	+0	+3	+1
Italy	139	+0	+9	+3
Spain	69	+0	-4	-8
Portugal	61	-0	-3	-5
Greece	163	+6	+3	+14



Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	86.48	+0.49	+20.92	+11.19
West Texas Oil	83.82	+2.26	+22.03	+11.27
Gold \$	1819.0	+0.10	+1.66	-0.51

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