

Risk averse tone carries over

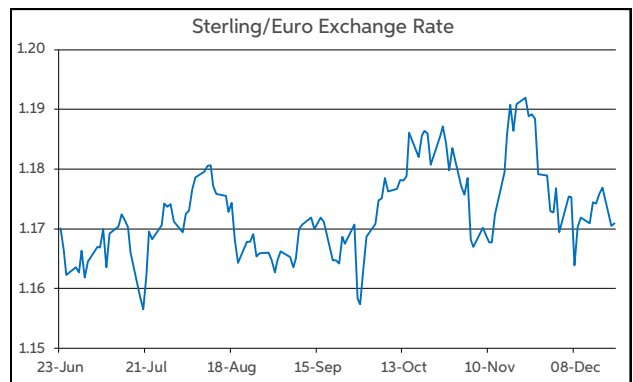
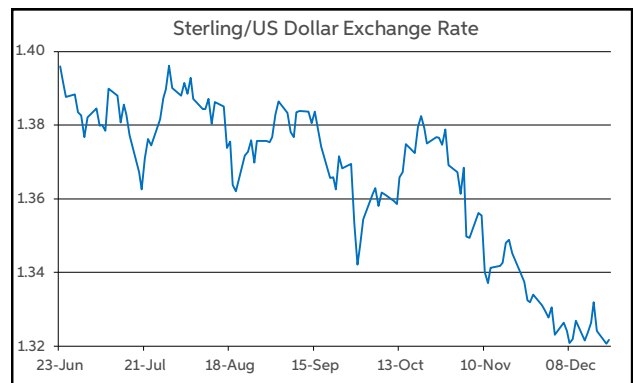
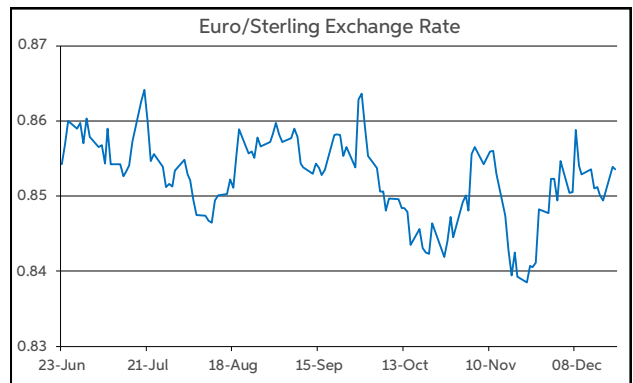
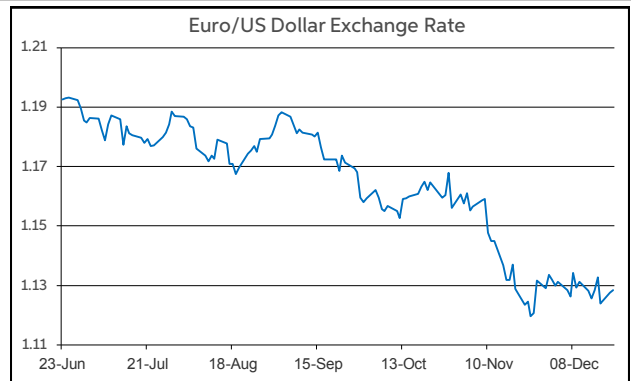
The risk averse tone to investor sentiment from the end of last week carried over to the start of this week. Concerns regarding the spread of the Omicron variant in Europe and the US weighed heavily on investor sentiment yesterday. The Euro Stoxx 50 moved 1.3% lower, while at the closing bell on Wall Street, the S&P 500 finished down 1.1%. Oil prices declined sharply also, with Brent crude oil falling below \$70 bbl. However, oil prices stabilised later in the day, regaining the \$70 handle in the process.

On the currency front, sterling was on the back foot early in the European session, as market's digested the news of record breaking UK Covid case numbers over the weekend, and growing political pressure on PM Johnson. GBP/USD fell to \$1.317 yesterday, near to its YTD low of \$1.316, before regaining some support, and moving back above the \$1.32 threshold. The euro also held the upper hand against sterling on the exchanges, with the EUR/GBP rate closing 0.3% higher than its opening level. The euro registered some solid gains against the dollar as well.

In level terms, the firmer tone to the euro is reflected by EUR/USD opening just below the \$1.13 mark. EUR/GBP is operating near to the midpoint of the 85-86p range. Elsewhere, cable (GBP/USD) is changing hands in the bottom half of the \$1.32-1.33 trading band, very similar to where it started the week .

Already this morning, the latest reading of German consumer sentiment has declined by more than anticipated (-6.8 vs -2.7 f'cast). Consumers referenced inflation and rising Covid case numbers as their main concerns. The Eurozone wide measure of consumer confidence (December) is the only other release of note for the day. The index is forecast to deteriorate also.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1284	0.27	-7.61
EUR/GBP	0.8537	0.31	-4.48
GBP/USD	1.3216	-0.05	-3.34
GBP/EUR	1.1708	-0.30	4.69
USD/JPY	113.72	0.24	10.15
EUR/JPY	128.36	0.53	1.74

* 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	0.49	0.90	1.29
EUR	0.00	-0.61	-0.58	-0.51	-0.37	-0.12
GBP	0.10	0.18	0.22	0.82	1.11	1.14

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

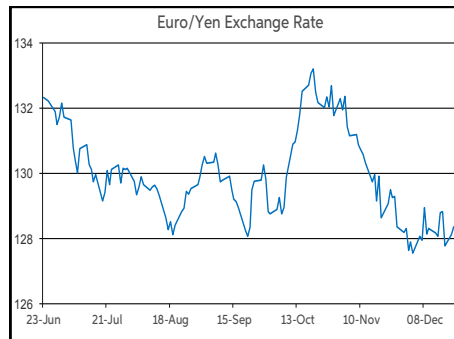
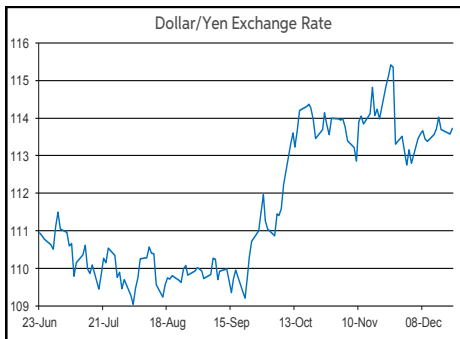
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Opening Levels

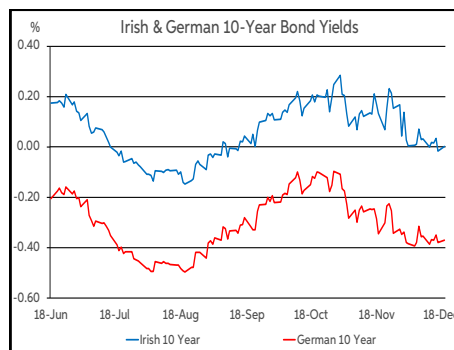
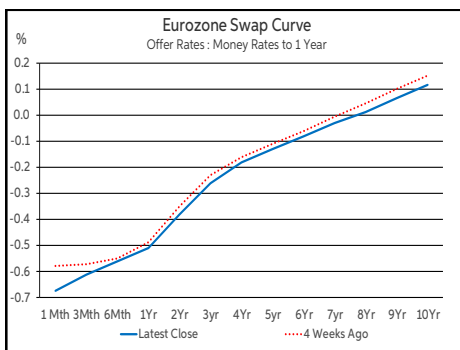
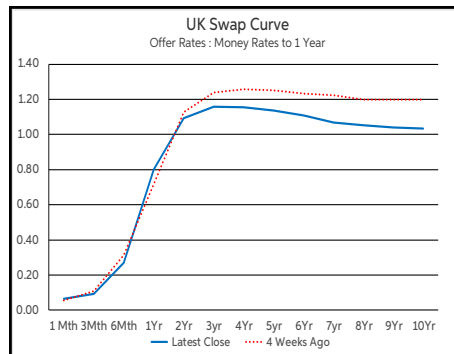
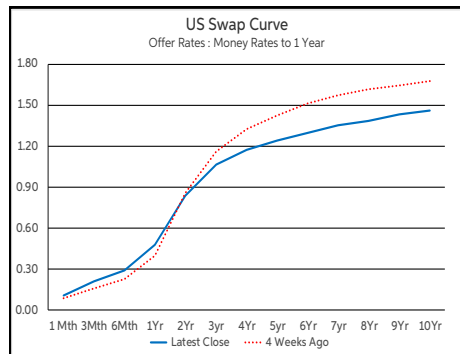
Tuesday 21 December 2021
07:37 am



Euro		Sterling		Dollar	
EUR/GBP	0.8537	GBP/EUR	1.1708	USD/JPY	113.72
EUR/USD	1.1284	GBP/USD	1.3216	USD/CAD	1.2933
EUR/JPY	128.36	GBP/CAD	1.7093	USD/CHF	0.9207
EUR/SEK	10.3223	GBP/NZD	1.9651	USD/CNY	6.372
EUR/DKK	7.436	GBP/JPY	150.28	USD/BRL	5.742
EUR/NOK	10.1894	GBP/SEK	12.0874	USD/RUB	73.8046
EUR/CHF	1.0391	GBP/DKK	8.7067	USD/INR	75.43
EUR/AUD	1.5859	GBP/NOK	11.9321	AUD/USD	0.7116
EUR/HKD	8.8014	GBP/CHF	1.217	NZD/USD	0.6723
EUR/CAD	1.4594	GBP/AUD	1.8572		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.43	+2	-20	+51
Germany	-0.37	+1	-7	+21
UK	0.78	+2	-16	+58
Ireland	0.07	+2	-7	+37
Belgium	-0.02	+1	-6	+36
France	-0.01	+1	-7	+33
Italy	0.94	+3	-1	+42
Spain	0.37	+2	-6	+31
Portugal	0.28	+1	-8	+21
Greece	1.24	+3	+6	+61
5 Year Swap %				
US	1.24	+1	-15	+82
Eurozone	-0.13	+1	-1	+33
UK	1.14	+3	-10	+95
2 Year Swap %				
US	0.84	-1	+1	+65
Eurozone	-0.38	-1	-2	+15
UK	1.09	+1	-2	+107
10 Year Government Bond Spreads to Benchmark bps				
Ireland	44	+1	+0	+16
Belgium	34	+0	+1	+15
France	35	+0	+0	+12
Italy	130	+2	+6	+21
Spain	73	+1	+1	+10
Portugal	64	+0	-1	+1
Greece	161	+2	+13	+40



Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	71.52	-2.72	-10.26	+38.07
West Texas Oil	68.69	-3.16	-10.49	+42.07
Gold \$	1789.3	-0.47	-0.87	-5.65

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