

## Dollar slightly softer

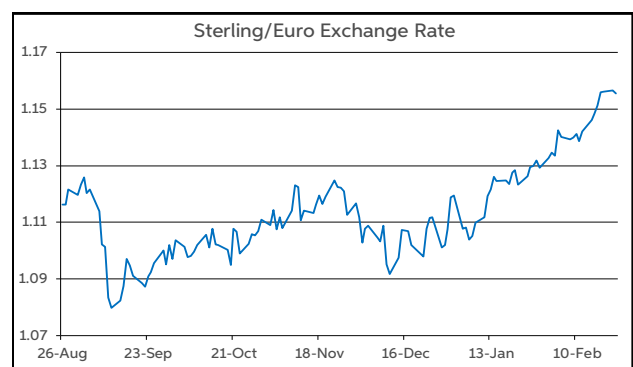
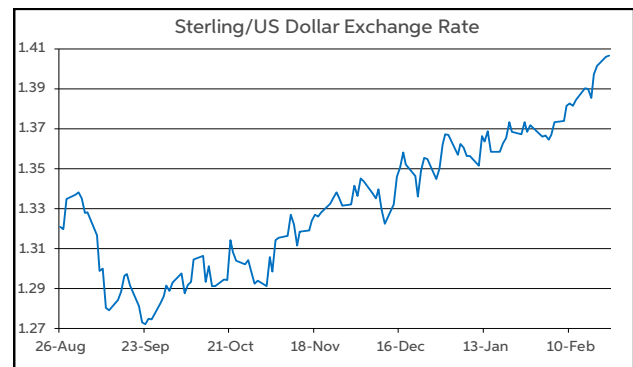
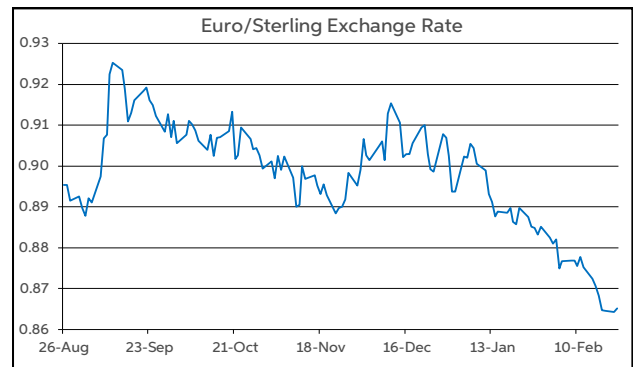
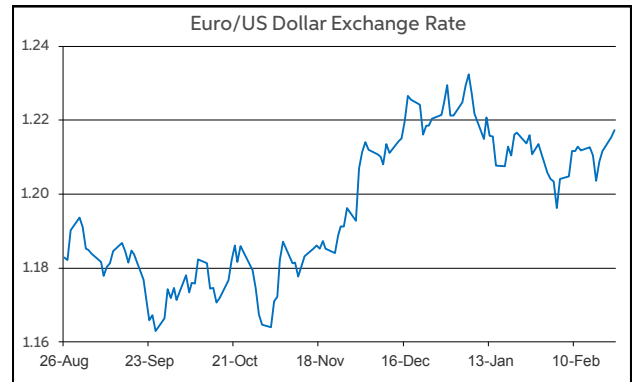
There was a cautious tone to start of the week on financial markets yesterday. Most of the main global equity indices were nursing modest losses on the day. Meanwhile on bond markets, yields remained near their recent highs. The 10 year US treasury yield rose to a high of 1.39% before finishing the day at 1.37%.

Currency-wise, the action was confined to very tight ranges, although the dollar was holding a slightly softer tone. The limited action was not overly surprising given the very quiet macro data calendar yesterday. The only release of any note was the German Ifo survey for February. The headline 'business climate' index printed ahead of forecasts. However, the result did not generate much in the way of reaction from the euro.

As trading gets underway this morning, the marginally weaker tone to the dollar is reflected in EUR/USD changing hands in the upper half of \$1.21-1.22. Meanwhile, GBP/USD has edged up above the halfway point of \$1.40-1.41. Elsewhere, EUR/GBP remains pinned down below the 87p threshold. The pair has spent the past 24 hours in a tight range near the midpoint of 86-87p.

Already this morning, we have got the main UK macro news of the day with the release of a raft of labour market metrics. As expected, the unemployment rate for December rose only slightly, to 5.1%, as the furlough scheme continues to shelter the jobs market from the full impact of the pandemic. Later today, the main data highlight from the US calendar is the Conference Board measure of consumer confidence for February. However, of more interest, and potential event risk for the dollar will be Fed Chair Powell's semi-annual testimony to Congress.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.2172	0.44	-0.34
EUR/GBP	0.8652	0.07	-3.19
GBP/USD	1.4066	0.36	2.87
GBP/EUR	1.1555	-0.07	3.29
USD/JPY	105.14	-0.47	1.84
EUR/JPY	128	-0.04	1.46

\* 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	0.11	0.18	0.16	0.22	0.71
EUR	0.00	-0.55	-0.54	-0.51	-0.49	-0.34
GBP	0.10	0.04	0.06	0.07	0.20	0.52

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

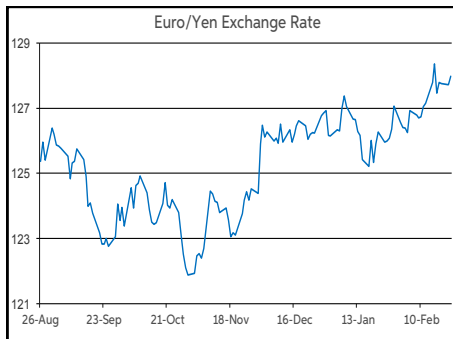
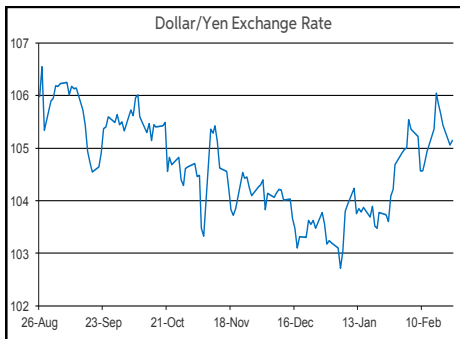
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# Opening Levels

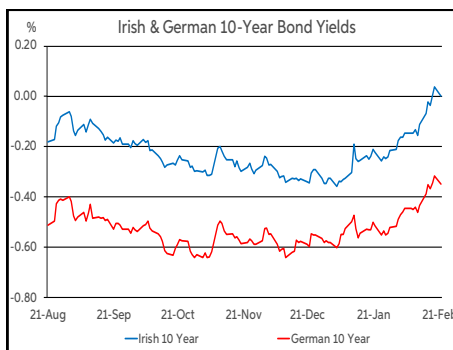
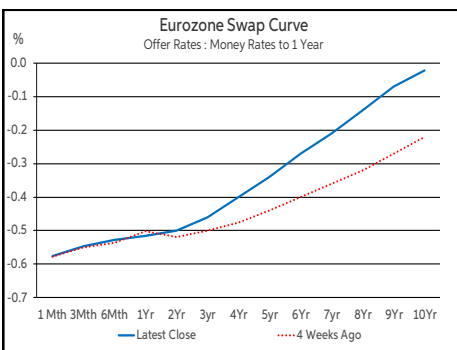
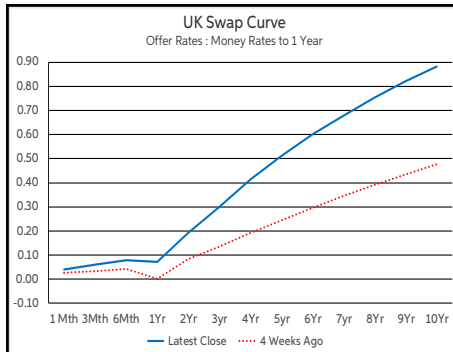
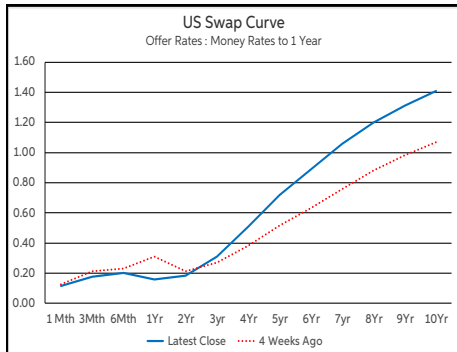
Tuesday 23 February 2021  
07:20 am



Euro		Sterling		Dollar	
EUR/GBP	0.8652	GBP/EUR	1.1554	USD/JPY	105.15
EUR/USD	1.2171	GBP/USD	1.4067	USD/CAD	1.2592
EUR/JPY	127.99	GBP/CAD	1.7716	USD/CHF	0.8955
EUR/SEK	10.0694	GBP/NZD	1.9238	USD/CNY	6.4609
EUR/DKK	7.4365	GBP/JPY	147.91	USD/BRL	5.4659
EUR/NOK	10.301	GBP/SEK	11.6334	USD/RUB	74.121
EUR/CHF	1.0902	GBP/DKK	8.5937	USD/INR	72.375
EUR/AUD	1.5385	GBP/NOK	11.8996	AUD/USD	0.7911
EUR/HKD	9.436	GBP/CHF	1.2599	NZD/USD	0.731
EUR/CAD	1.5329	GBP/AUD	1.7779		



Debt Markets				
	Close	Day	4 Weeks	End 20
<b>10 Year Yield %</b>				
US	1.37	+3	+34	+45
Germany	-0.35	-3	+20	+23
UK	0.68	-2	+42	+49
<b>5 Year Swap %</b>				
US	0.72	+4	+25	+30
Eurozone	-0.34	-1	+11	+12
UK	0.51	-2	+27	+32
<b>2 Year Swap %</b>				
US	0.18	+0	+1	-1
Eurozone	-0.50	+0	+3	+3
UK	0.19	-0	+12	+17
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	37	-0	+4	+10
Belgium	31	-0	+13	+12
France	25	-0	+1	+1
Italy	95	+1	-25	-15
Spain	67	-0	+4	+4
Portugal	56	+0	-2	-7
Greece	124	+3	+0	+4



Commodities				
	Close	Day	4 Weeks	End 20
Brent Oil	65.24	+3.70	+16.75	+25.95
West Texas Oil	61.67	+4.31	+16.84	+27.55
Gold \$	1808.7	+1.48	-2.50	-4.63

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