

## EUR/GBP back above 91p

There was cautious tone to investor sentiment yesterday. A quiet data calendar and the absence of any major market moving headlines contributed to the lacklustre action. This was reflected in the main equity indices on both sides of the Atlantic trading sideways for much of their respective sessions. On the currency front, sterling found itself under some downward pressure. At the same time, the dollar was also on the defensive.

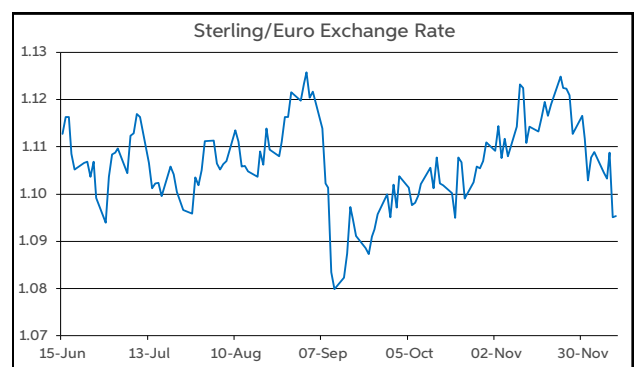
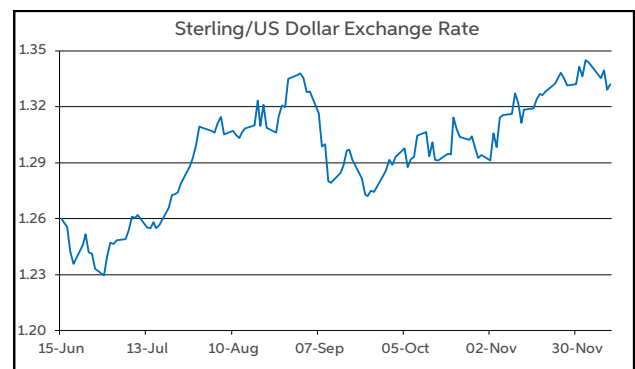
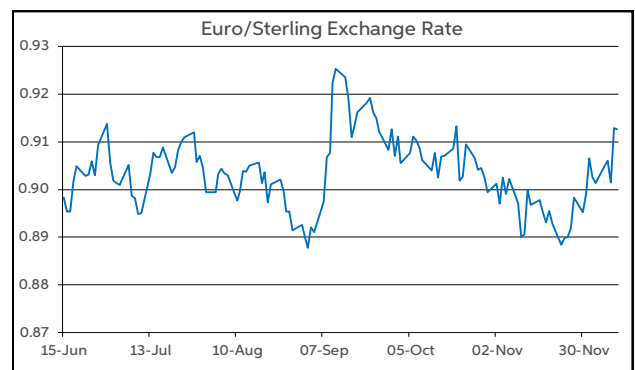
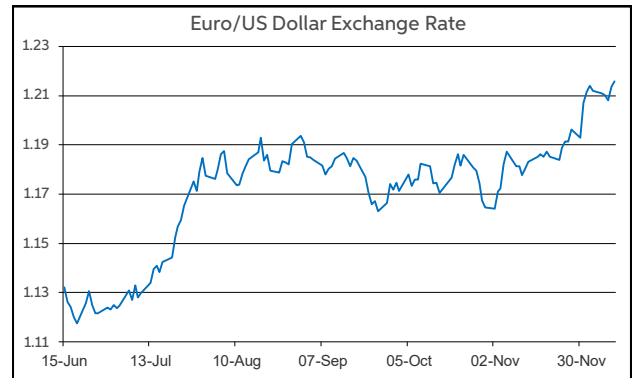
Sterling came under pressure amid the lack of progress in the trade talks. Time is running out to get a deal agreed to avoid a worst case 'WTO' scenario at the start of 2021. Against this backdrop, sterling has lost ground against the euro and to a lesser extent against the dollar over the last 24 hours.

Meanwhile, for the euro there was no significant drag from the ECB announcing a raft of new monetary policy easing measures. These announcements were broadly in line with market expectations. This included an expansion (+€500bn) and extension (to March 2022) of its PEPP, as well as enhancements to its TLTRO 3 initiative. However, as expected, rates were left unchanged. While the ECB retains a bias to lower rates, if required, it does appear that official ECB rates are at their lower bound.

In level terms, all of the above is reflected in EUR/GBP back above the 91p threshold. Meanwhile, the EUR/USD pair has regained the \$1.21 mark. Elsewhere, the more challenging backdrop for sterling sees cable (GBP/USD) falling back towards the \$1.33 handle.

The week comes to a fairly quiet close on the data front. One of the few macro highlights is US consumer sentiment for December. However, sterling remains sensitive to trade talk newsflow.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.2156	0.51	8.44
EUR/GBP	0.9125	0.81	7.94
GBP/USD	1.3319	-0.32	0.45
GBP/EUR	1.0953	-0.80	-7.35
USD/JPY	104.01	-0.38	-4.24
EUR/JPY	126.45	0.13	3.79

\* 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	0.15	0.22	0.18	0.23	0.45
EUR	0.00	-0.55	-0.55	-0.54	-0.54	-0.48
GBP	0.10	0.02	0.04	0.01	0.04	0.19

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

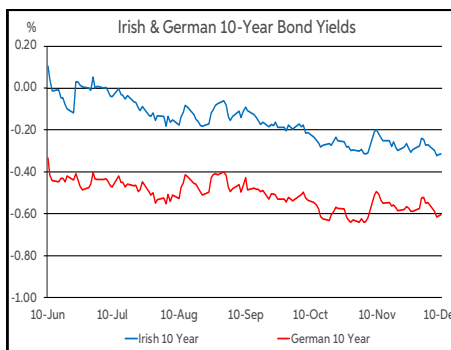
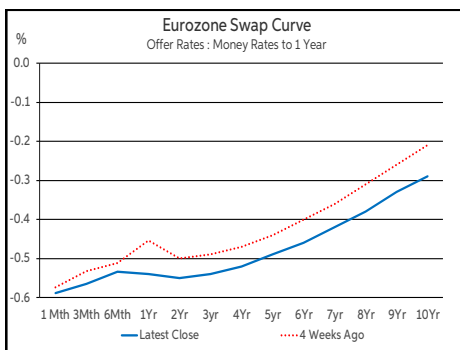
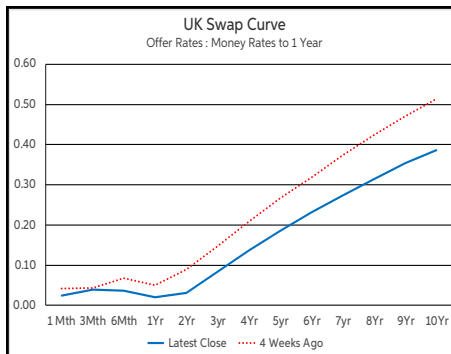
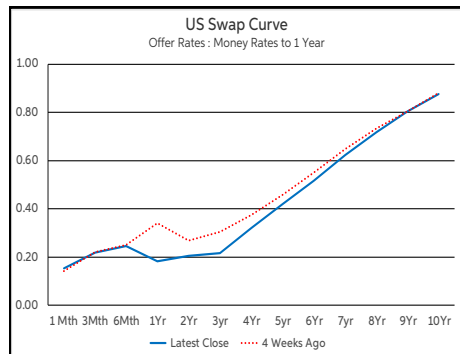
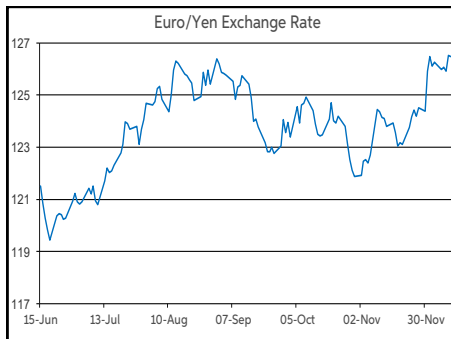
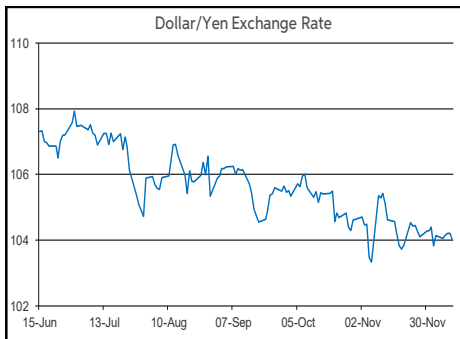
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

Friday 11 December 2020  
07:20 am



Euro		Sterling		Dollar	
EUR/GBP	0.9125	GBP/EUR	1.0953	USD/JPY	104.01
EUR/USD	1.2156	GBP/USD	1.3319	USD/CAD	1.2721
EUR/JPY	126.45	GBP/CAD	1.6939	USD/CHF	0.8858
EUR/SEK	10.24	GBP/NZD	1.8746	USD/CNY	6.5393
EUR/DKK	7.4431	GBP/JPY	138.53	USD/BRL	5.0256
EUR/NOK	10.633	GBP/SEK	11.2161	USD/RUB	72.96
EUR/CHF	1.0772	GBP/DKK	8.1547	USD/INR	73.6025
EUR/AUD	1.6063	GBP/NOK	11.6502	AUD/USD	0.7566
EUR/HKD	9.4223	GBP/CHF	1.1797	NZD/USD	0.7102
EUR/CAD	1.546	GBP/AUD	1.7602		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 19
<b>10 Year Yield %</b>				
US	0.91	-3	+2	-101
Germany	-0.60	+0	-7	-42
UK	0.20	-6	-15	-62
Ireland	-0.29	+1	-11	-41
Belgium	-0.40	+0	-7	-50
France	-0.36	+1	-7	-48
Italy	0.53	-2	-12	-90
Spain	0.03	+1	-11	-44
Portugal	-0.02	-0	-13	-46
Greece	0.62	+1	-20	-84
<b>5 Year Swap %</b>				
US	0.42	-2	-1	-129
Eurozone	-0.49	-0	-4	-37
UK	0.19	-3	-8	-69
<b>2 Year Swap %</b>				
US	0.21	+0	-2	-145
Eurozone	-0.55	+0	-4	-25
UK	0.03	-2	-5	-76
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	31	+0	-4	+0
Belgium	20	-0	-0	-9
France	25	+0	+0	-6
Italy	113	-2	-6	-49
Spain	63	+0	-4	-3
Portugal	59	-0	-6	-5
Greece	122	+0	-13	-42

Commodities				
	% Change			
	Close	Day	4 Weeks	End 19
Brent Oil	50.25	+2.84	+15.44	-23.86
West Texas Oil	46.76	+2.81	+14.33	-23.52
Gold \$	1835.3	-0.21	-2.16	+20.98

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