

FX majors in narrow ranges

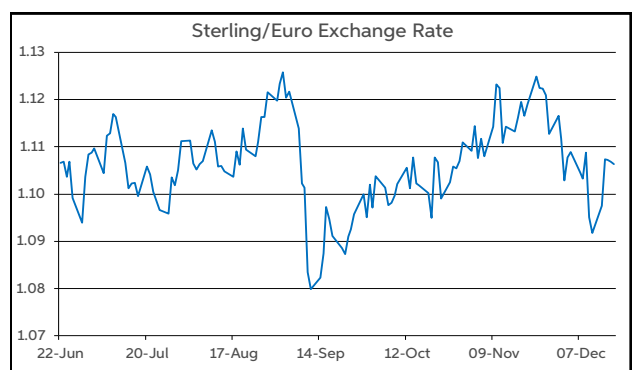
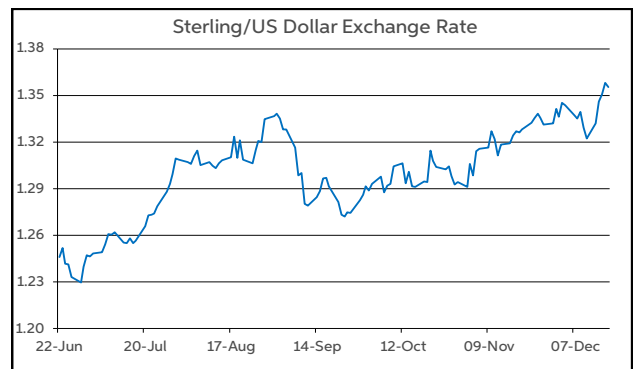
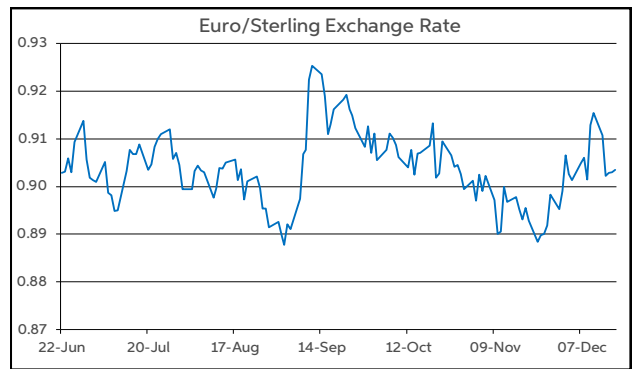
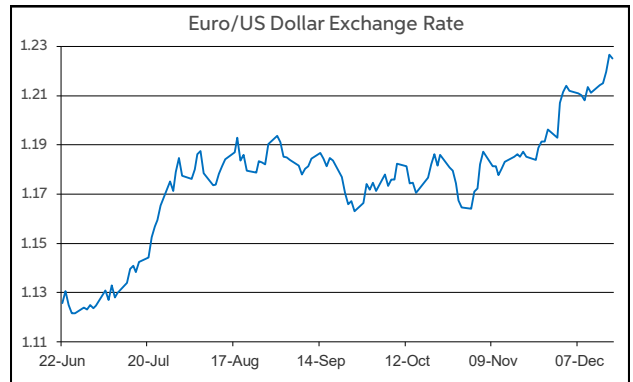
There was a generally positive tone to investor sentiment yesterday. Encouraging reports in relation to the prospects for finally getting agreement on a new US stimulus package helped to support risk appetite. The 'risk on' mode was evident in the main equity indices on both sides of the Atlantic registering gains. At the close on Wall Street last night, the S&P 500 was +0.6% on the day.

On the currency front, the action was confined to tight ranges. Data-wise, the only releases of any note were US centric. The results were a bit of a mixed bag. Housing starts for November beat expectations, initial weekly jobless claims disappointed versus forecasts, while the Philly Fed manufacturing survey (Dec) surprised to the downside. Overall, while the data did not appear to have much of a dollar impact, at the margin it was unhelpful to the currency which had come into the day on the defensive.

From a sterling viewpoint, the BoE meeting, as expected, was a non-event. The central bank kept its current policy stance unchanged, while retaining a bias to do more, if needed. In terms of Brexit, the European parliament stated that it will not be able to ratify a trade deal unless it is concluded by Sunday. It was also reported that Michel Barnier believed that a deal could be concluded today. Meanwhile, last night EC President von der Leyen said that "substantial progress" had been made but that key differences remain to be overcome.

Overall, the main pairs open this morning at levels similar to 24 hours earlier. EUR/USD is in the upper half of \$1.22-1.23, while EUR/GBP is trading above 90p. Today's data calendar is sparse. However, sterling remains sensitive to trade talk newsflow as the negotiating teams try to get agreement on a deal.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.2251	0.21	9.29
EUR/GBP	0.9038	0.24	6.91
GBP/USD	1.3555	-0.02	2.23
GBP/EUR	1.1063	-0.24	-6.46
USD/JPY	103.35	0.04	-4.84
EUR/JPY	126.63	0.27	3.94

* 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	0.24	0.18	0.21	0.44
EUR	0.00	-0.58	-0.54	-0.54	-0.51	-0.46
GBP	0.10	0.02	0.04	0.02	0.08	0.26

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

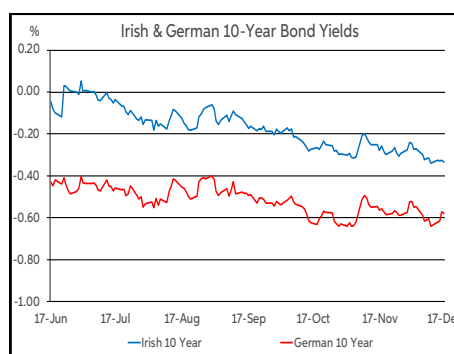
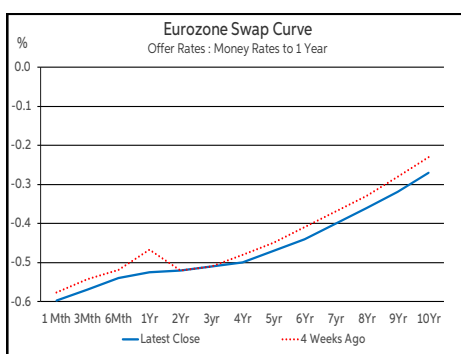
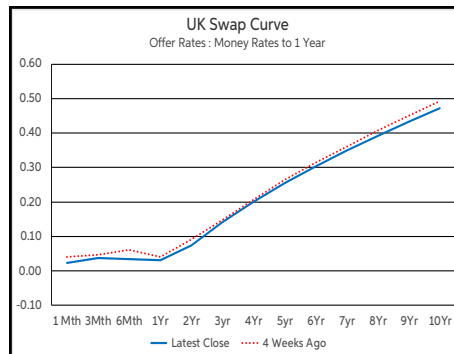
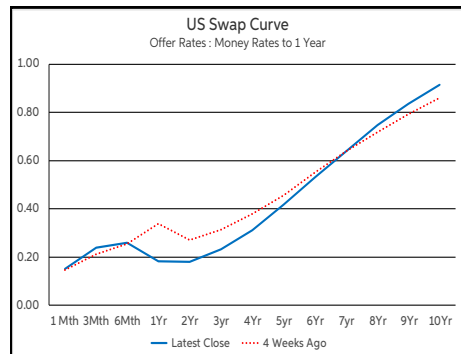
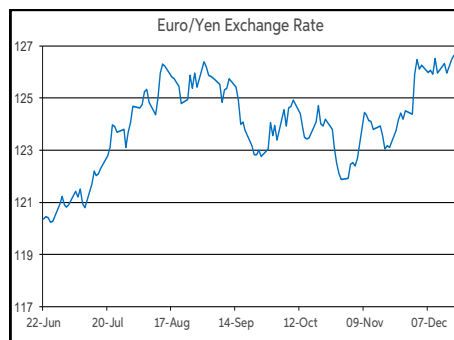
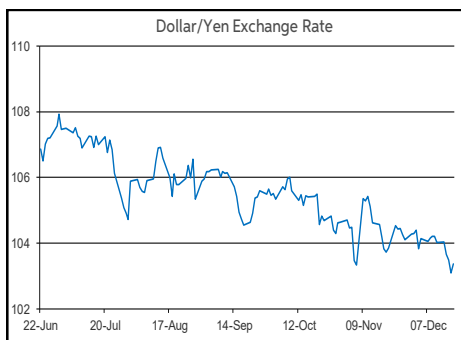
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

Friday 18 December 2020
07:24 am



Euro		Sterling		Dollar	
EUR/GBP	0.9038	GBP/EUR	1.1063	USD/JPY	103.35
EUR/USD	1.2251	GBP/USD	1.3555	USD/CAD	1.2744
EUR/JPY	126.63	GBP/CAD	1.727	USD/CHF	0.8843
EUR/SEK	10.1501	GBP/NZD	1.8988	USD/CNY	6.5414
EUR/DKK	7.4394	GBP/JPY	140.09	USD/BRL	5.0582
EUR/NOK	10.5174	GBP/SEK	11.2286	USD/RUB	73.305
EUR/CHF	1.0836	GBP/DKK	8.2308	USD/INR	73.525
EUR/AUD	1.6108	GBP/NOK	11.6313	AUD/USD	0.7605
EUR/HKD	9.4965	GBP/CHF	1.1985	NZD/USD	0.7136
EUR/CAD	1.5614	GBP/AUD	1.7817		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 19
10 Year Yield %				
US	0.93	+2	+9	-98
Germany	-0.58	-1	-1	-39
UK	0.29	+1	-4	-54
Ireland	-0.28	+1	-4	-40
Belgium	-0.38	-0	-0	-48
France	-0.34	-1	-0	-46
Italy	0.51	+0	-10	-92
Spain	0.03	+0	-4	-44
Portugal	0.01	+1	-3	-44
Greece	0.59	+0	-12	-87
5 Year Swap %				
US	0.42	+1	-1	-129
Eurozone	-0.47	-0	-1	-35
UK	0.25	+1	-0	-62
2 Year Swap %				
US	0.18	-0	-6	-148
Eurozone	-0.52	+1	+1	-22
UK	0.07	-0	-1	-72
10 Year Government Bond Spreads to Benchmark bps				
Ireland	30	+2	-3	-1
Belgium	20	+1	+1	-9
France	24	+0	+1	-7
Italy	108	+1	-10	-53
Spain	61	+1	-4	-5
Portugal	59	+2	-3	-5
Greece	117	+1	-11	-48

Commodities				
	% Change			
	Close	Day	4 Weeks	End 19
Brent Oil	51.5	+0.82	+16.52	-21.97
West Texas Oil	48.34	+1.00	+16.29	-20.94
Gold \$	1885.9	+1.17	+0.99	+24.31

This publication is for information purposes and is not an invitation to deal. The information is believed to be reliable but is not guaranteed. Any expressions of opinions are subject to change without notice. This publication is not to be reproduced in whole or in part without prior permission. In the Republic of Ireland it is distributed by Allied Irish Banks, p.l.c. In the UK it is distributed by Allied Irish Banks, p.l.c. and Allied Irish Bank (GB). In Northern Ireland it is distributed by First Trust Bank. In the United States of America it is distributed by Allied Irish Banks, p.l.c. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland. Allied Irish Bank (GB) and First Trust Bank are trade marks used under licence by AIB Group (UK) p.l.c. (a wholly owned subsidiary of Allied Irish Banks, p.l.c.), incorporated in Northern Ireland. Registered Office 92 Ann Street, Belfast BT1 3HH. Registered Number NI018800. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In the United States of America, Allied Irish Banks, p.l.c., New York Branch, is a branch licensed by the New York State Department of Financial Services. Deposits and other investment products are not FDIC insured, they are not guaranteed by any bank and they may lose value. Please note that telephone calls may be recorded in line with market practice.