

## Quiet day on markets

Yesterday, there was a quiet tone to proceedings on markets as investors continued to wind down before the Christmas Holidays. On equity markets both the FTSE and the Eurostoxx 50 recovered some of their losses from Monday, gaining 0.5% and 1%, respectively. Currency-wise, the main pairs were tightly range bound, and start the day little changed from 24hrs previous.

Data-wise yesterday, the final readings of US and UK Q3 GDP confirmed that both economies rebounded strongly in the third quarter. However, neither release impacted the dollar or sterling.

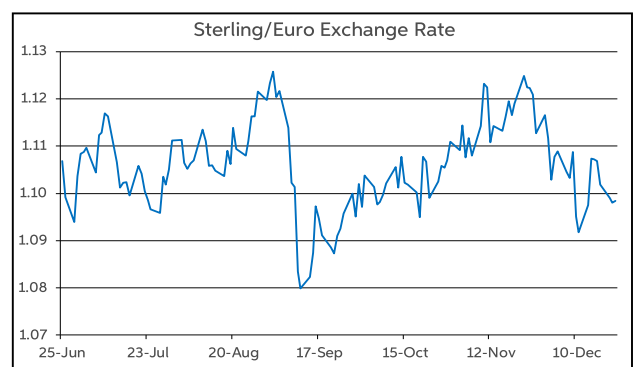
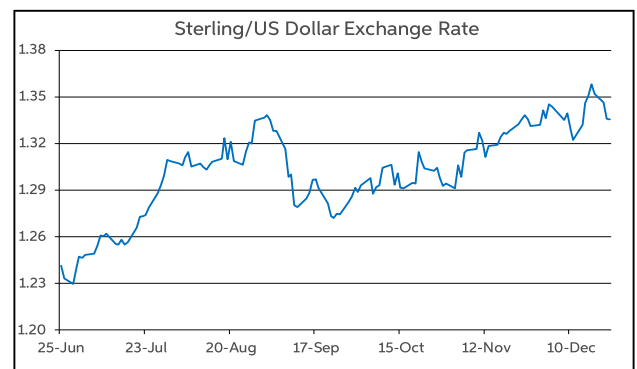
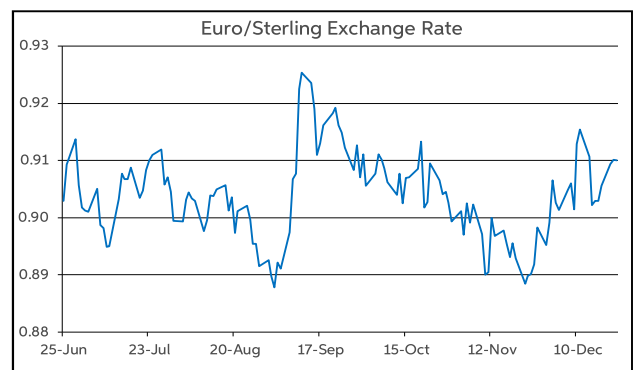
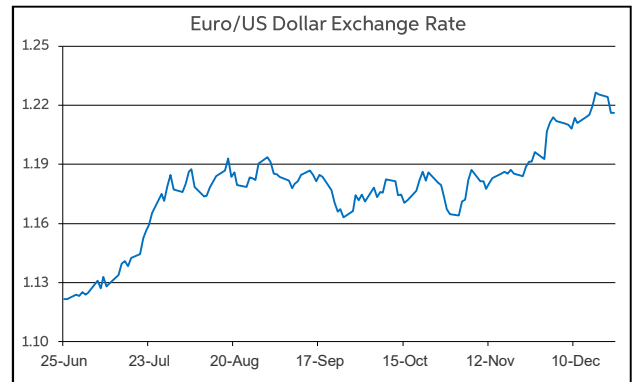
Elsewhere, trade talks between the EU and UK continued between the two negotiating teams. It has also been reported that PM Johnson and EC President von der Leyen have remained in close contact as every effort is made to try and reach an agreement before the transition period runs out.

EU Chief Negotiator Barnier provided EU ambassadors and MEPs with an update on the talks yesterday, stating that “significant differences in key areas” remain. However, with the gap between the two sides having narrowed, a trade deal is generally expected by year end.

Today, core-PCE inflation is forecast to rise to 1.5% in November, while consumption and income are expected to edge lower. Meanwhile, sterling will remain sensitive to Brexit headlines, and Covid related newsflow may provide some direction for markets.

Lastly, AIB’s Economic Research Unit would like to take this opportunity to wish all our readers a Happy Christmas, and a safe and prosperous 2021.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.219	-0.23	8.74
EUR/GBP	0.9077	-0.52	7.37
GBP/USD	1.3428	0.31	1.27
GBP/EUR	1.1014	0.52	-6.86
USD/JPY	103.41	-0.04	-4.79
EUR/JPY	126.08	-0.25	3.49

\* 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	0.14	0.24	0.19	0.22	0.45
EUR	0.00	-0.56	-0.53	-0.52	-0.52	-0.45
GBP	0.10	0.02	0.03	0.00	0.04	0.19

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

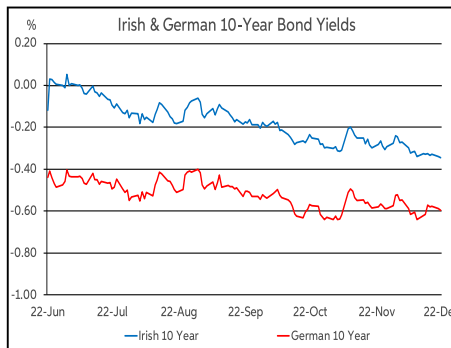
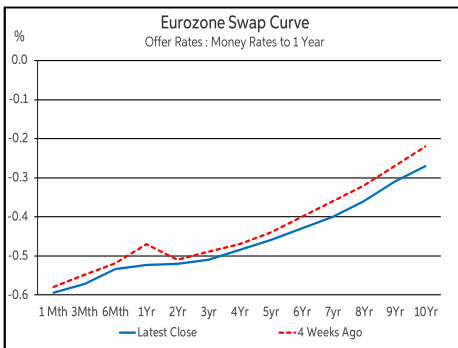
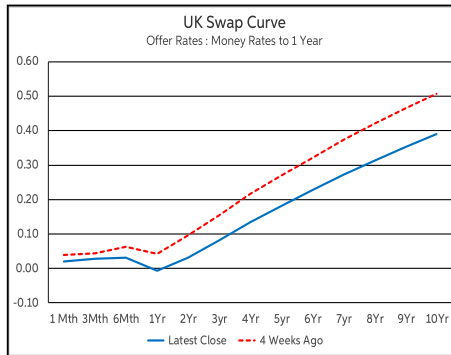
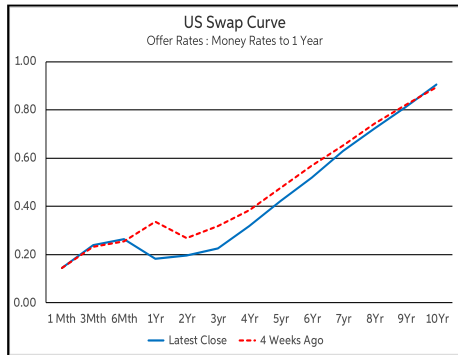
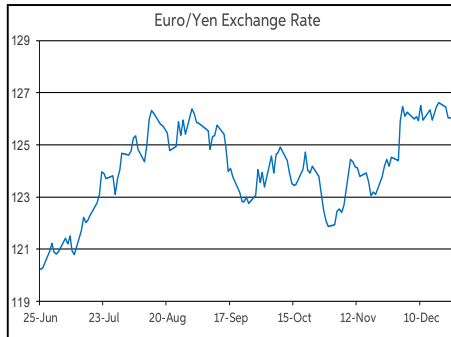
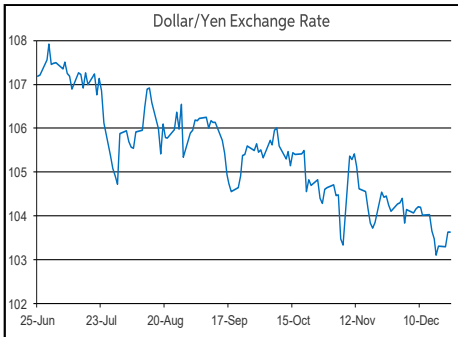
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

Wednesday 23 December 2020  
07:39 am



Euro		Sterling		Dollar	
EUR/GBP	0.9077	GBP/EUR	1.1014	USD/JPY	103.41
EUR/USD	1.219	GBP/USD	1.3428	USD/CAD	1.2888
EUR/JPY	126.08	GBP/CAD	1.7306	USD/CHF	0.8883
EUR/SEK	10.136	GBP/NZD	1.9001	USD/CNY	6.5336
EUR/DKK	7.4392	GBP/JPY	138.86	USD/BRL	5.1596
EUR/NOK	10.6005	GBP/SEK	11.1648	USD/RUB	75.425
EUR/CHF	1.083	GBP/DKK	8.1924	USD/INR	73.763
EUR/AUD	1.6118	GBP/NOK	11.6711	AUD/USD	0.756
EUR/HKD	9.4501	GBP/CHF	1.1927	NZD/USD	0.7065
EUR/CAD	1.5711	GBP/AUD	1.7753		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 19
<b>10 Year Yield %</b>				
US	0.92	-2	+4	-100
Germany	-0.59	-1	-3	-40
UK	0.18	-2	-15	-64
Ireland	-0.28	-1	-4	-40
Belgium	-0.40	-1	-3	-50
France	-0.35	-1	-2	-47
Italy	0.52	-2	-5	-91
Spain	0.05	-1	-2	-42
Portugal	0.05	+0	+1	-40
Greece	0.67	+0	-1	-79
<b>5 Year Swap %</b>				
US	0.42	+0	-1	-129
Eurozone	-0.46	+0	-1	-34
UK	0.18	-2	-8	-70
<b>2 Year Swap %</b>				
US	0.20	+1	-4	-146
Eurozone	-0.52	+0	+0	-22
UK	0.03	+0	-6	-76
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	31	-0	-1	+0
Belgium	19	+0	+0	-10
France	24	-0	+1	-7
Italy	111	-1	-2	-50
Spain	64	+0	+0	-2
Portugal	64	+1	+3	+0
Greece	126	+1	+2	-39

Commodities				
	% Change			
	Close	Day	4 Weeks	End 19
Brent Oil	50.08	-1.63	+4.64	-24.12
West Texas Oil	47.79	-2.55	+6.89	-21.84
Gold \$	1859.6	-0.89	+2.88	+22.58

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