

## EUR/USD above \$1.21

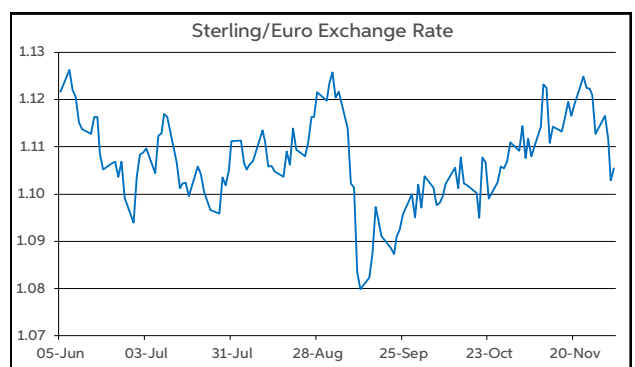
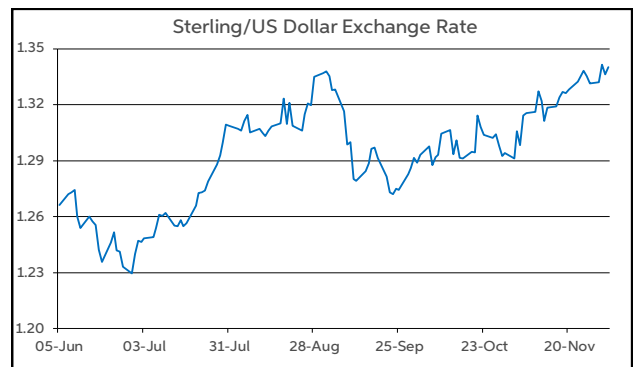
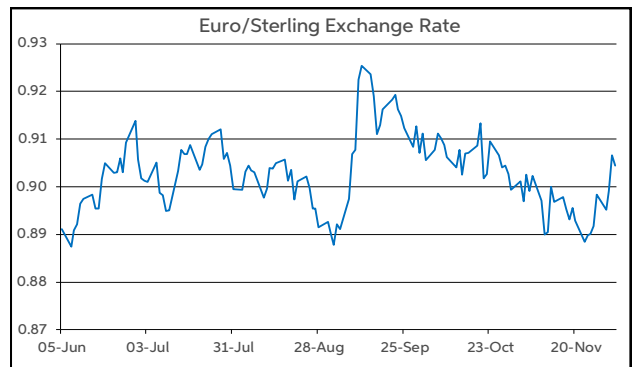
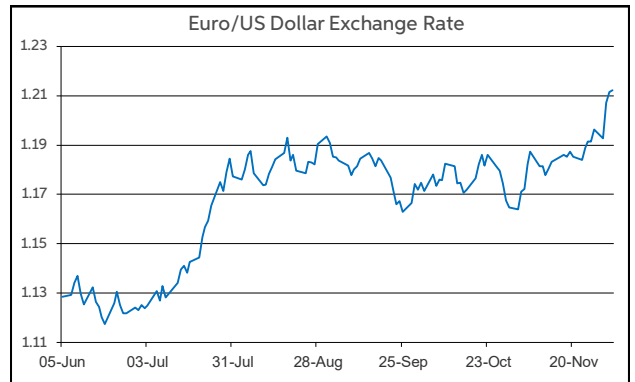
There was a generally cautious mood to the proceedings on financial markets yesterday. The muted tone to sentiment was evident in most of the main equity indices trading sideways for much of the day. On the currency front, the euro continued to hold the upper hand on the exchanges, including making further gains against the dollar and sterling.

While the Eurozone data calendar was sparse, there were reports of progress on some of the issues surrounding the EU wide recovery fund. At the same time, sterling came under some downward pressure. In terms of Brexit newsflow, Michel Barnier was reported to have told EU diplomats, in a closed door briefing, that trade talks were reaching a “make-or-break-moment” and that the coming days would be decisive. In the US, there were signs of progress in agreeing a new stimulus package.

In level terms, the continued upward momentum in the euro over the past 24 hours is reflected in EUR/USD rising up into \$1.21 territory, representing a new two and a half year high. Meantime, the EUR/GBP pair has moved back above the 90p mark, changing hands near the midpoint of 90-91p. Elsewhere, the action in cable (GBP/USD) has been somewhat volatile. The pair traded as low as \$1.329 yesterday, spending much of the day below the \$1.34 mark. It opens this morning just below this level.

Looking ahead to today’s macro calendar, the main highlights are Eurozone retail sales (Oct), US weekly jobless claims and the non-manufacturing ISM (Nov). However, none of these releases would be expected to have any major directional bearing on the respective currencies. Meantime, Brexit newsflow remains a potential source of influence for sterling.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.212	0.45	8.12
EUR/GBP	0.905	0.61	7.05
GBP/USD	1.3391	-0.15	1.00
GBP/EUR	1.1046	-0.61	-6.59
USD/JPY	104.32	-0.10	-3.95
EUR/JPY	126.44	0.33	3.78

\* 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	0.23	0.19	0.25	0.48
EUR	0.00	-0.55	-0.53	-0.52	-0.51	-0.44
GBP	0.10	0.04	0.04	0.04	0.10	0.28

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

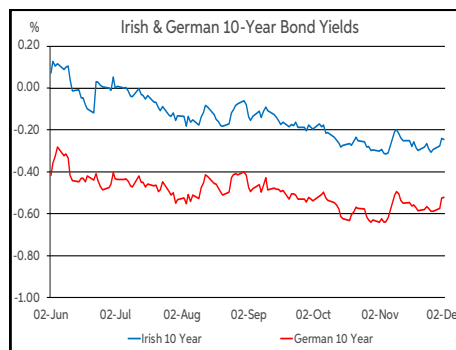
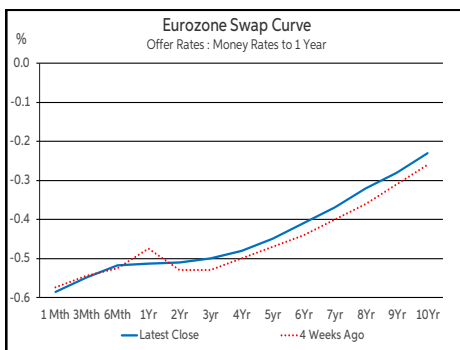
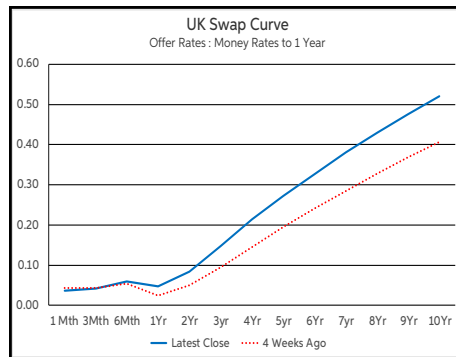
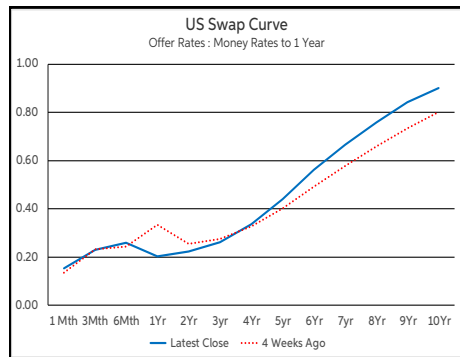
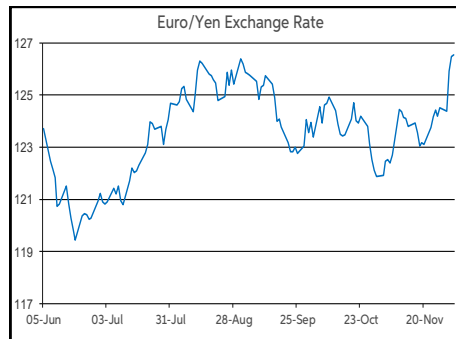
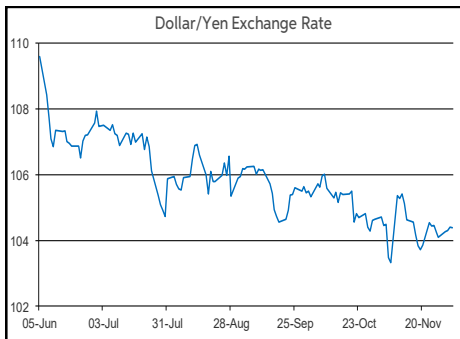
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

Thursday 03 December 2020  
07:21 am



Euro		Sterling		Dollar	
EUR/GBP	0.905	GBP/EUR	1.1047	USD/JPY	104.32
EUR/USD	1.2121	GBP/USD	1.3392	USD/CAD	1.2917
EUR/JPY	126.44	GBP/CAD	1.73	USD/CHF	0.8933
EUR/SEK	10.2533	GBP/NZD	1.8919	USD/CNY	6.5577
EUR/DKK	7.4436	GBP/JPY	139.71	USD/BRL	5.2175
EUR/NOK	10.6541	GBP/SEK	11.3302	USD/RUB	75.19
EUR/CHF	1.083	GBP/DKK	8.2224	USD/INR	73.8677
EUR/AUD	1.6309	GBP/NOK	11.7666	AUD/USD	0.7429
EUR/HKD	9.3942	GBP/CHF	1.1961	NZD/USD	0.7075
EUR/CAD	1.5659	GBP/AUD	1.8016		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 19
<b>10 Year Yield %</b>				
US	0.94	+1	+17	-98
Germany	-0.52	+0	+12	-33
UK	0.36	+0	+15	-47
<b>5 Year Swap %</b>				
US	0.44	+0	+8	-127
Eurozone	-0.45	-1	+3	-33
UK	0.27	-0	+8	-60
<b>2 Year Swap %</b>				
US	0.22	+1	-0	-144
Eurozone	-0.51	+0	+3	-21
UK	0.08	-1	+4	-71
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	30	-0	-7	-0
Belgium	19	-1	-4	-9
France	24	-0	-4	-7
Italy	113	-4	-17	-49
Spain	63	-2	-10	-3
Portugal	59	-2	-12	-4
Greece	122	+4	-29	-43

Commodities				
	% Change			
	Close	Day	4 Weeks	End 19
Brent Oil	48.25	+1.75	+17.03	-26.89
West Texas Oil	45.23	+1.55	+16.06	-26.02
Gold \$	1831.0	+0.89	-3.79	+20.70

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