

Muted FX Market Action

There was a generally cautious tone to investor sentiment yesterday. Despite the positive developments on Covid-19 vaccines, the near term outlook for many economies remains challenging amid the imposition of new restrictions. At the close on Wall Street last night, the S&P 500 was down 0.4% on the day. On currency markets, the action was confined to tight ranges.

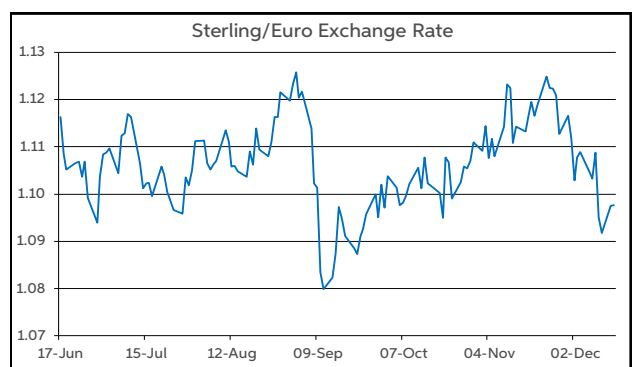
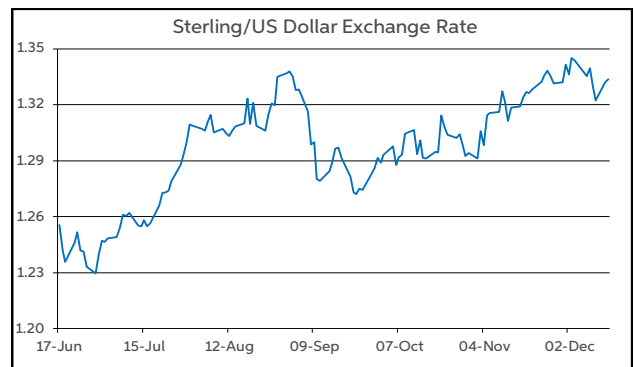
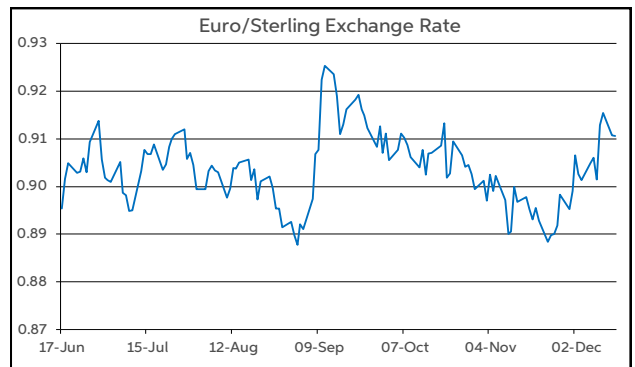
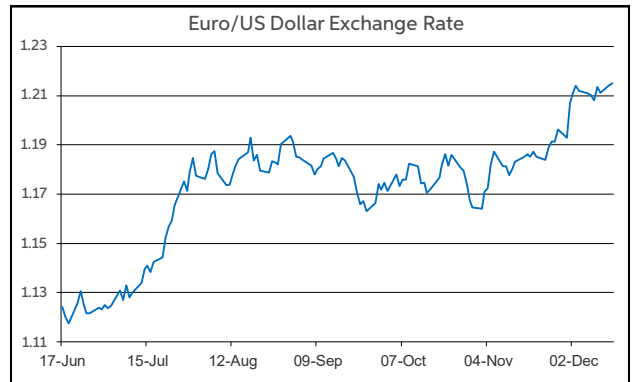
Sterling came into the European open yesterday with some improved momentum following the news on Sunday that trade talks would continue this week as well as reports of some progress in relation to the level playing field issue. The currency has generally managed to hold its ground over the past 24 hours.

Elsewhere on the currency front, both the Eurozone and US macro calendars were very quiet yesterday. As a result, there was little to provide direction to either of the respective currencies. Indeed, the only data highlight was Eurozone industrial production for October. The headline number was broadly in line with forecasts, rising by 2.1% in the month.

Overall then, the main FX pairs start this morning very similar in level terms to where they opened yesterday. The EUR/GBP pair remains close to the 91p mark. Meantime, EUR/USD continues to trade in a tight range near to the midpoint of the \$1.21-1.22 band. Meanwhile, cable (GBP/USD) is changing hands in early trading in the lower half of \$1.33-1.34.

Today, EU-UK trade talk news remain a key source of direction for sterling. In terms of data, US industrial production (Nov) and the Empire survey (Dec) are the main releases of note. However, these are unlikely to have any impact on the dollar.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.215	0.10	8.39
EUR/GBP	0.9107	-0.05	7.72
GBP/USD	1.3341	0.14	0.62
GBP/EUR	1.0979	0.05	-7.17
USD/JPY	104.05	0.03	-4.20
EUR/JPY	126.42	0.11	3.77

* 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	0.17	0.22	0.44
EUR	0.00	-0.55	-0.54	-0.54	-0.54	-0.49
GBP	0.10	0.03	0.04	0.02	0.06	0.21

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

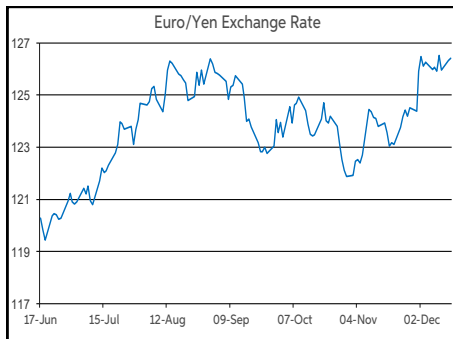
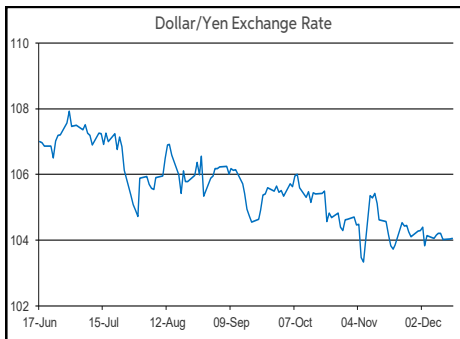
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

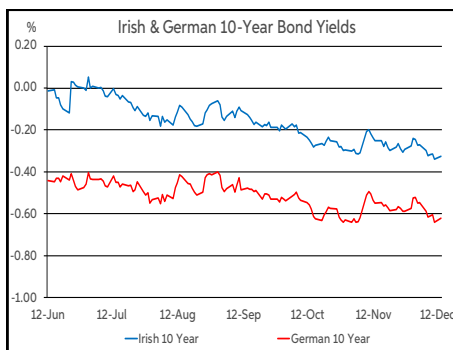
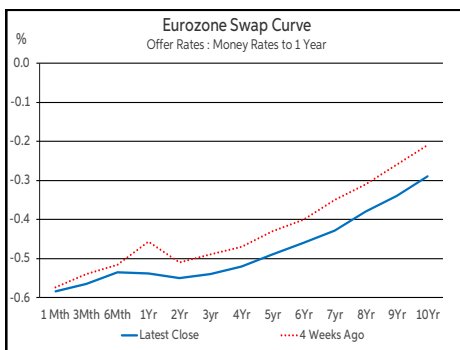
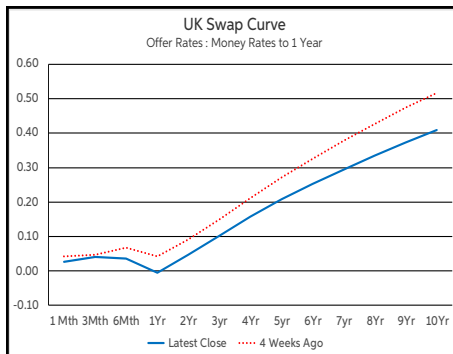
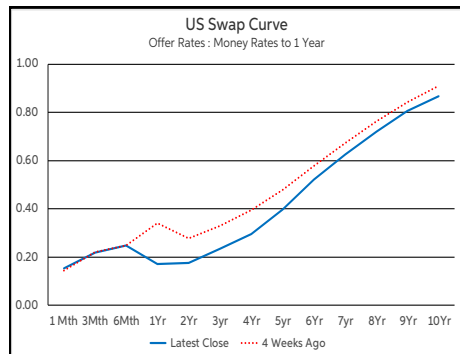
Tuesday 15 December 2020
07:20 am



Euro		Sterling		Dollar	
EUR/GBP	0.9107	GBP/EUR	1.0978	USD/JPY	104.05
EUR/USD	1.215	GBP/USD	1.3341	USD/CAD	1.2748
EUR/JPY	126.42	GBP/CAD	1.7007	USD/CHF	0.8874
EUR/SEK	10.2054	GBP/NZD	1.8841	USD/CNY	6.5513
EUR/DKK	7.442	GBP/JPY	138.81	USD/BRL	5.1189
EUR/NOK	10.6128	GBP/SEK	11.1988	USD/RUB	73.41
EUR/CHF	1.0784	GBP/DKK	8.1686	USD/INR	73.65
EUR/AUD	1.6142	GBP/NOK	11.652	AUD/USD	0.7527
EUR/HKD	9.4178	GBP/CHF	1.1841	NZD/USD	0.7079
EUR/CAD	1.5488	GBP/AUD	1.7717		



Debt Markets				
	Close	Day	4 Weeks	End 19
10 Year Yield %				
US	0.90	+0	-1	-102
Germany	-0.62	+2	-7	-43
UK	0.22	+5	-13	-60
Ireland	-0.31	+1	-9	-43
Belgium	-0.42	+1	-7	-52
France	-0.37	+1	-6	-49
Italy	0.51	-1	-11	-92
Spain	0.01	-0	-10	-46
Portugal	-0.03	-0	-12	-48
Greece	0.61	+0	-12	-85
5 Year Swap %				
US	0.40	-0	-4	-131
Eurozone	-0.49	+1	-5	-37
UK	0.21	+4	-6	-67
2 Year Swap %				
US	0.18	+1	-7	-149
Eurozone	-0.55	+0	-3	-25
UK	0.05	+2	-3	-75
10 Year Government Bond Spreads to Benchmark bps				
Ireland	31	-1	-2	+0
Belgium	20	-1	+1	-9
France	25	-1	+1	-6
Italy	113	-3	-3	-49
Spain	62	-2	-2	-3
Portugal	59	-2	-4	-5
Greece	123	-2	-5	-42



Commodities				
	Close	Day	4 Weeks	End 19
Brent Oil	50.29	+0.64	+14.76	-23.80
West Texas Oil	47.02	+0.92	+14.29	-23.09
Gold \$	1827.2	-0.64	-3.25	+20.45

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