

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.

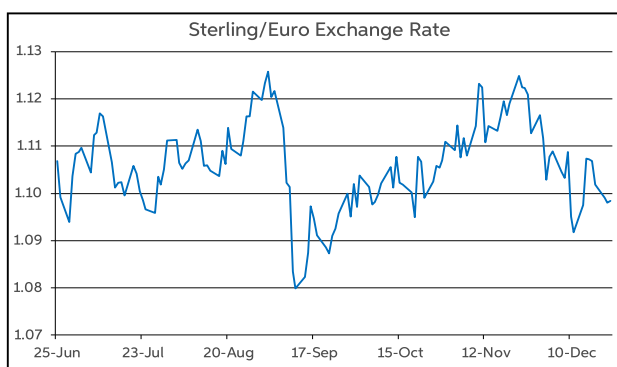
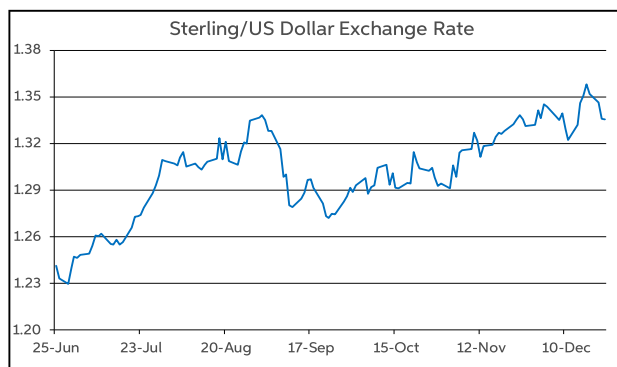
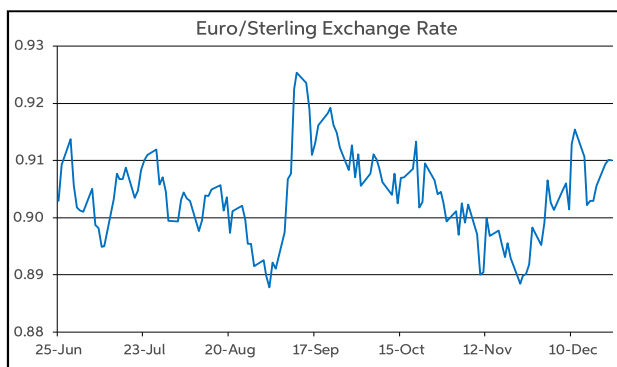
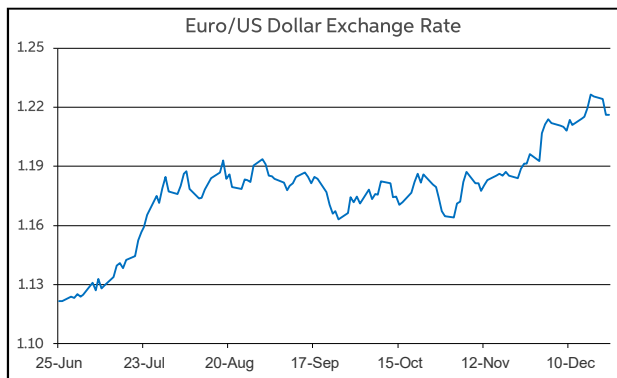
Elsewhere, trade talks between the EU and UK continued between the two negotiating teams. It has also been reported that PM Johnson and EC President von der Leyen have remained in close contact as every effort is made to try and reach an agreement before the transition period runs out.

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

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FX Options

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Morning Comment

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Opening Levels

Wednesday 23 December 2020
07:39 am



Euro

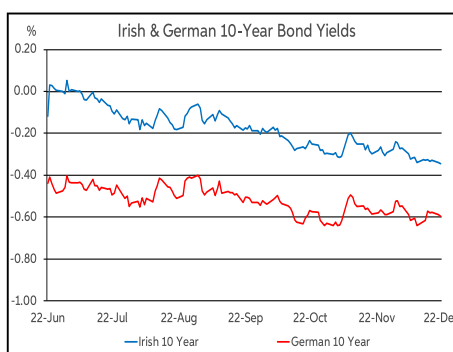
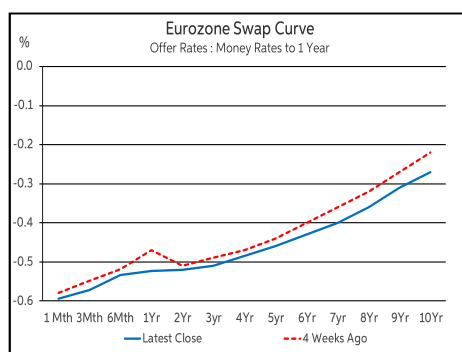
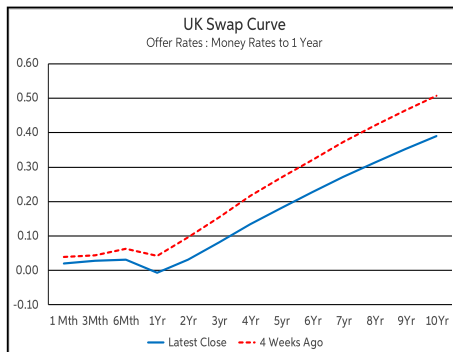
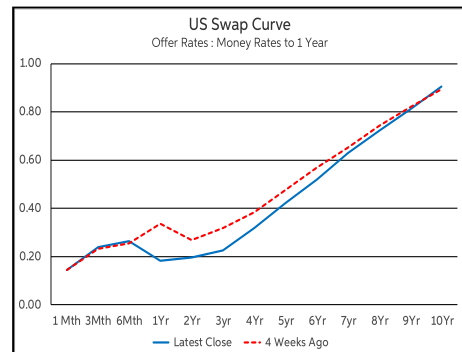
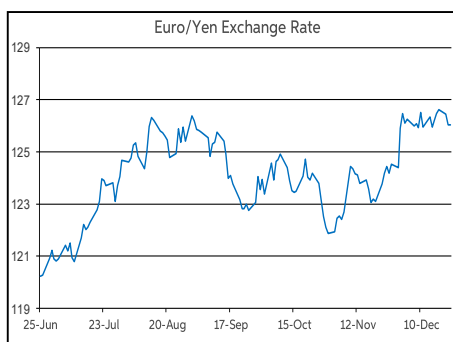
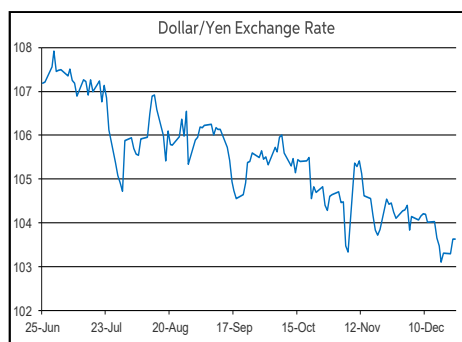
EUR/GBP	0.9077
EUR/USD	1.219
EUR/JPY	126.08
EUR/SEK	10.136
EUR/DKK	7.4392
EUR/NOK	10.6005
EUR/CHF	1.083
EUR/AUD	1.6118
EUR/HKD	9.4501
EUR/CAD	1.5711

Sterling

GBP/EUR	1.1014
GBP/USD	1.3428
GBP/CAD	1.7306
GBP/NZD	1.9001
GBP/JPY	138.86
GBP/SEK	11.1648
GBP/DKK	8.1924
GBP/NOK	11.6711
GBP/CHF	1.1927
GBP/AUD	1.7753

Dollar

USD/JPY	103.41
USD/CAD	1.2888
USD/CHF	0.8883
USD/CNY	6.5336
USD/BRL	5.1596
USD/RUB	75.425
USD/INR	73.763
AUD/USD	0.756
NZD/USD	0.7065



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 19
10 Year Yield %				
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
5 Year Swap %				
US	0.42	+0	-1	-129
Eurozone	-0.46	+0	-1	-34
UK	0.18	-2	-8	-70
2 Year Swap %				
US	0.20	+1	-4	-146
Eurozone	-0.52	+0	+0	-22
UK	0.03	+0	-6	-76
10 Year Government Bond Spreads to Benchmark bps				
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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