

## Slightly softer dollar

The positive tone to risk appetite from last week, which saw gains of 4-5% on some of the main equity indices, carried over into the start of this week. This was evident in modest gains on both sides of the Atlantic. The Euro Stoxx 50 registered a 0.3% rise on the day. Meanwhile, on Wall Street last night, the S&P 500 was 0.7% higher at the closing bell.

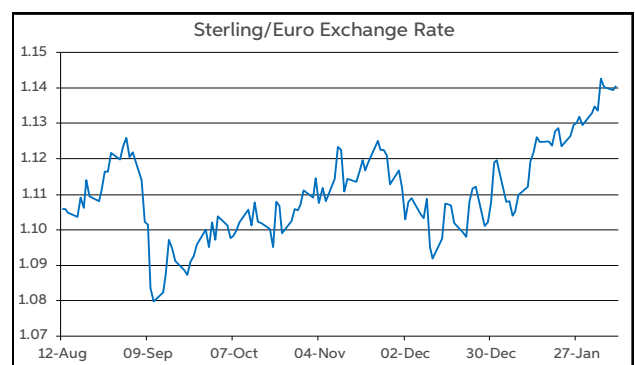
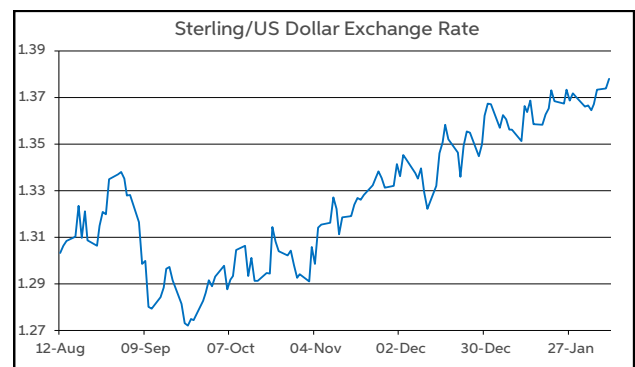
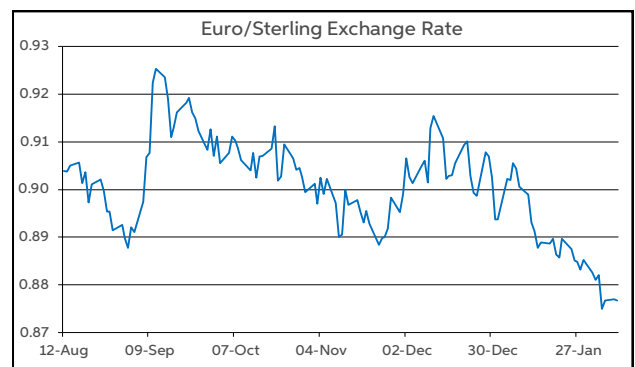
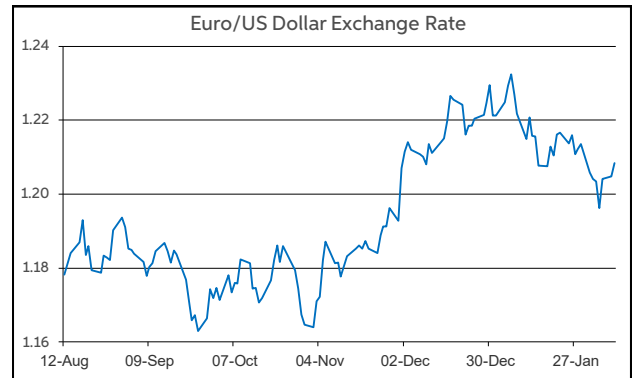
The action on currency markets yesterday was mostly uneventful. The main pairs were confined to tight ranges throughout the day. Of the limited moves to note, the dollar was holding a slightly softer tone.

Data-wise, there were no significant releases yesterday. Of the sparse highlights, German industrial output for December missed to the downside of expectations. Output was flat in the month versus forecasts for a 0.3% increase. However, giving the lagging nature of the data, the news warranted no attention from a euro viewpoint.

So as trading gets underway this morning, the slightly softer tone to the dollar is reflected in EUR/USD moving back up into the top half of the \$1.20-1.21 trading band. At the same, cable (GBP/USD) is above the midpoint of \$1.37-1.38. Meantime, the weaker dollar is also highlighted by USD/JPY falling below the ¥105 level. Elsewhere on the currency front, the action in EUR/GBP has been very muted. The pair opens for a third consecutive morning below the 88p threshold.

Looking ahead to today, the macro calendar is once again sparse. Therefore, the main FX pairs could be confined to narrow ranges.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.2083	0.39	-1.06
EUR/GBP	0.8767	0.00	-1.90
GBP/USD	1.3781	0.39	0.79
GBP/EUR	1.1406	0.00	1.94
USD/JPY	104.75	-0.71	1.46
EUR/JPY	126.58	-0.31	0.33

\* v Previous Day's European Open  
See Next Page for More Rates

Opening Interest Rates						
		Money Market		Swap Rates		
	Base Rate	1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	0.125	0.12	0.20	0.17	0.22	0.61
EUR	0.00	-0.55	-0.54	-0.52	-0.50	-0.39
GBP	0.10	0.03	0.05	0.05	0.18	0.41

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

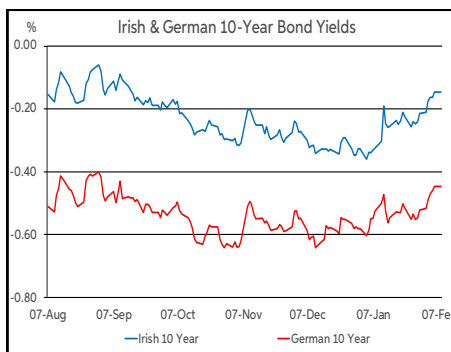
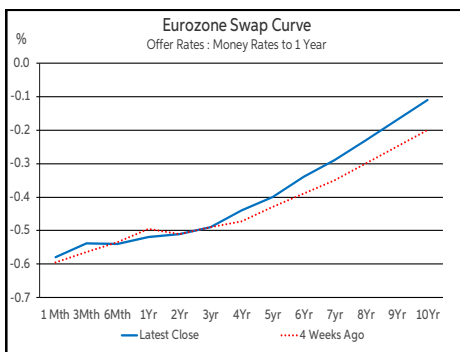
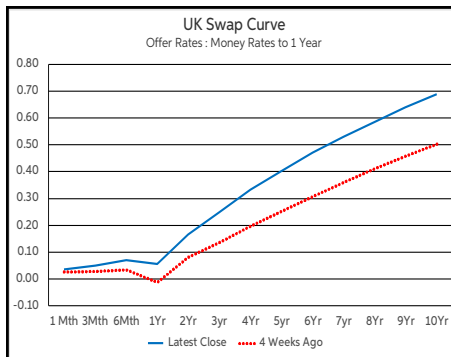
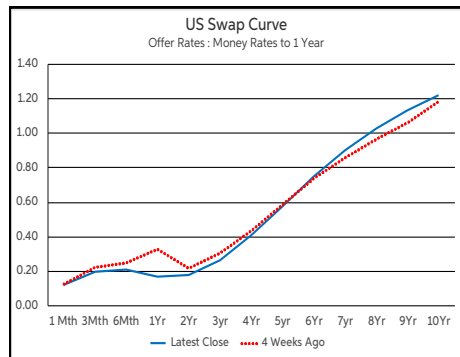
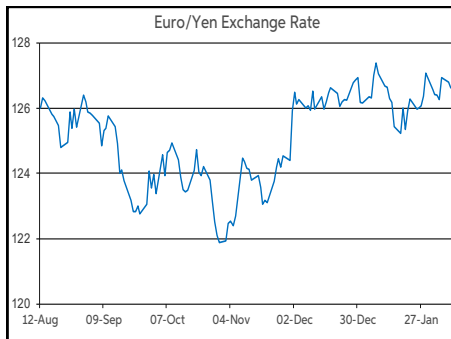
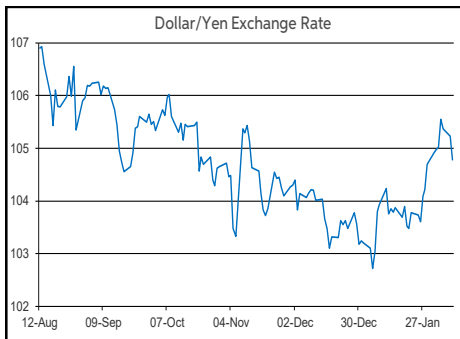
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

Tuesday 09 February 2021  
07:24 am



Euro		Sterling		Dollar	
EUR/GBP	0.8767	GBP/EUR	1.1405	USD/JPY	104.76
EUR/USD	1.2083	GBP/USD	1.3782	USD/CAD	1.2721
EUR/JPY	126.59	GBP/CAD	1.7535	USD/CHF	0.8957
EUR/SEK	10.106	GBP/NZD	1.9002	USD/CNY	6.4484
EUR/DKK	7.4373	GBP/JPY	144.37	USD/BRL	5.3655
EUR/NOK	10.2364	GBP/SEK	11.5202	USD/RUB	74.09
EUR/CHF	1.0825	GBP/DKK	8.4821	USD/INR	72.87
EUR/AUD	1.564	GBP/NOK	11.6702	AUD/USD	0.7724
EUR/HKD	9.3664	GBP/CHF	1.2346	NZD/USD	0.725
EUR/CAD	1.5376	GBP/AUD	1.7841		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
<b>10 Year Yield %</b>				
US	1.18	+1	+3	+26
Germany	-0.44	+0	+5	+13
UK	0.48	-1	+17	+28
Ireland	-0.12	-0	+14	+18
Belgium	-0.27	-1	+6	+11
France	-0.23	-0	+6	+11
Italy	0.51	-3	-3	-1
Spain	0.13	-0	+6	+7
Portugal	0.06	+0	+8	+0
Greece	0.67	-0	+2	+5
<b>5 Year Swap %</b>				
US	0.58	-0	+3	+15
Eurozone	-0.40	+0	+4	+6
UK	0.40	-2	+15	+21
<b>2 Year Swap %</b>				
US	0.18	+0	-4	-2
Eurozone	-0.51	+1	+1	+2
UK	0.17	-1	+9	+14
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	32	-0	+9	+5
Belgium	17	-1	+1	-2
France	22	-0	+1	-2
Italy	95	-3	-8	-14
Spain	57	-0	+2	-6
Portugal	51	+0	+4	-13
Greece	112	-0	-3	-9

Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	60.56	+2.06	+8.80	+16.91
West Texas Oil	57.95	+2.02	+11.12	+19.86
Gold \$	1830.2	+1.02	-0.79	-3.50

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 Allied Irish Bank (NI). 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 AIB (NI) 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.