

Quiet day on markets

The action across financial markets yesterday was relatively subdued, as investors took stock of the recent rally across asset classes, since the start of February. Equity markets on both sides of the Atlantic were near to flat for the day.

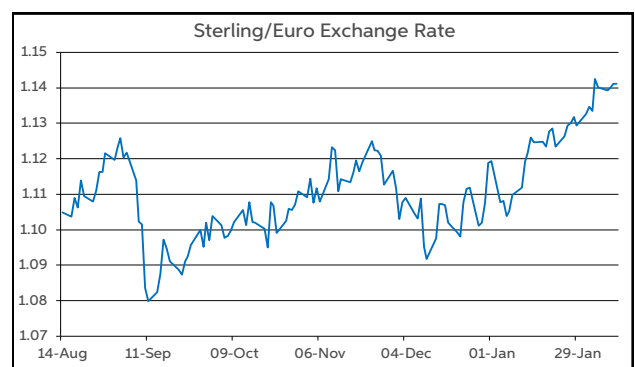
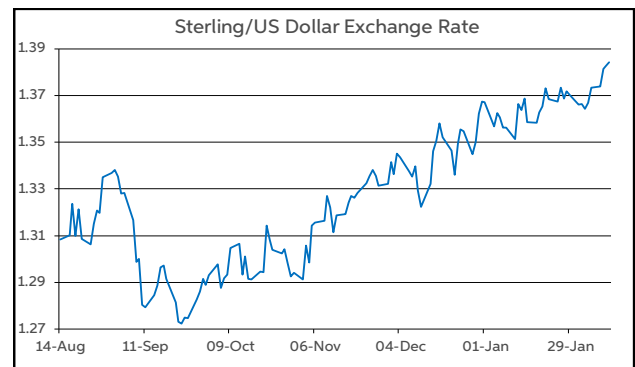
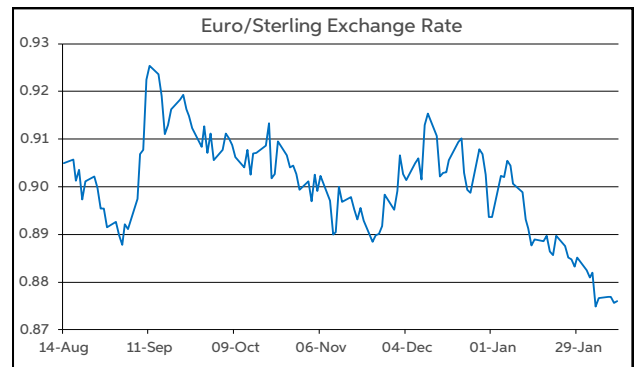
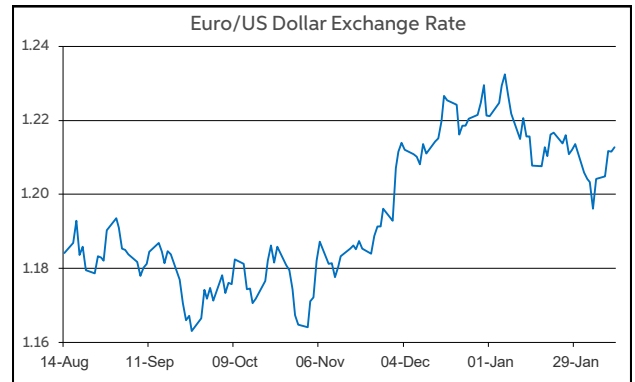
On bond markets, the US 10Yr Treasury yield remained close to its highest level since March'20. In the Eurozone, benchmark sovereign yields were relatively unchanged, although, the spread between Italian BTPs and German Bunds continued to narrow. Currency-wise, the action was muted. Elsewhere, oil prices continued to rise, up 0.6% on the day.

Data-wise, the only release of note was US CPI inflation for January. The release missed slightly to the downside, as the headline rate printed at 1.4% vs. 1.5% f'cast. The core rate was also lower than the expected, at 1.4%, down from 1.6% in December. However, the release had little impact on the dollar. Likewise, speeches from Fed Chair Powell, ECB President Lagarde and BoE Governor Bailey did not affect proceedings on currency markets.

This is reflected in the main currency pairs being little changed from 24 hours previous. EUR/USD has held its position above the \$1.21 threshold. EUR/GBP is operating close to the midpoint of 87-88p. Meanwhile, Cable is changing hands below the halfway mark of the \$1.38-1.39 range.

Looking ahead to today, the only release of any note are jobless claims data in the US. The forecast is for initial claims to edge lower to 757k from 779k. However, barring any major surprises, the data is unlikely to be a source of direction for the dollar.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.2126	0.02	-0.71
EUR/GBP	0.8759	-0.14	-1.99
GBP/USD	1.3843	0.17	1.24
GBP/EUR	1.1412	0.14	2.03
USD/JPY	104.58	0.03	1.30
EUR/JPY	126.81	0.03	0.52

* 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	0.18	0.21	0.59
EUR	0.00	-0.55	-0.54	-0.53	-0.51	-0.41
GBP	0.10	0.03	0.05	0.05	0.18	0.40

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

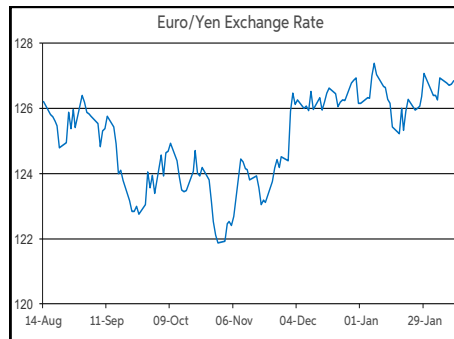
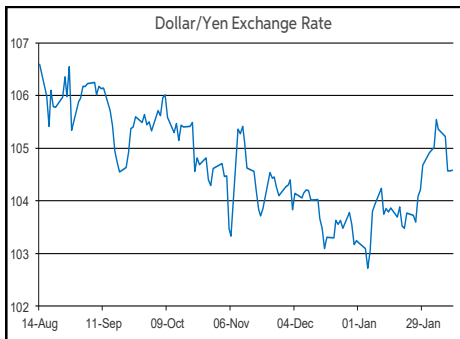
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

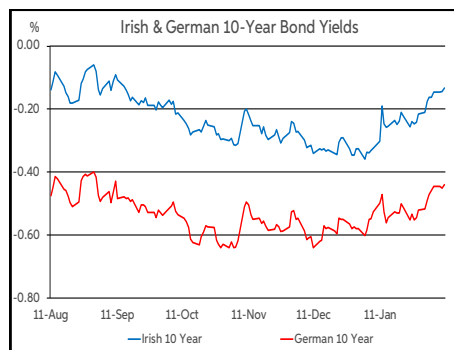
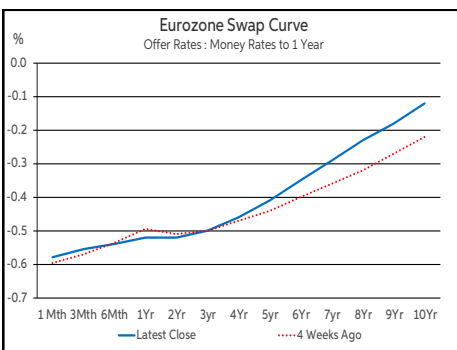
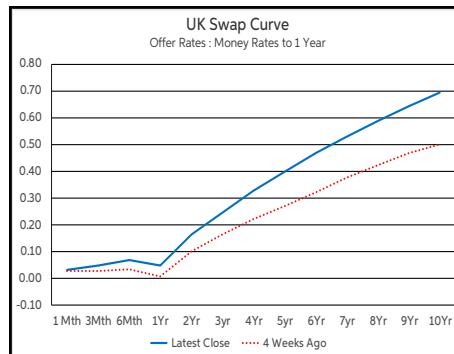
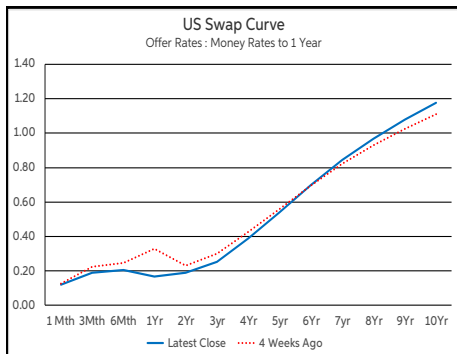
Thursday 11 February 2021
07:16 am



Euro		Sterling		Dollar	
EUR/GBP	0.8758	GBP/EUR	1.1414	USD/JPY	104.58
EUR/USD	1.2126	GBP/USD	1.3843	USD/CAD	1.2679
EUR/JPY	126.82	GBP/CAD	1.7551	USD/CHF	0.8897
EUR/SEK	10.0819	GBP/NZD	1.9136	USD/CNY	6.4557
EUR/DKK	7.4372	GBP/JPY	144.77	USD/BRL	5.386
EUR/NOK	10.2423	GBP/SEK	11.5047	USD/RUB	73.7431
EUR/CHF	1.0792	GBP/DKK	8.4884	USD/INR	72.772
EUR/AUD	1.5649	GBP/NOK	11.6851	AUD/USD	0.7748
EUR/HKD	9.4009	GBP/CHF	1.2315	NZD/USD	0.7231
EUR/CAD	1.5377	GBP/AUD	1.7859		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.12	-4	+3	+21
Germany	-0.44	+1	+9	+14
UK	0.49	+3	+18	+29
Ireland	-0.11	+1	+12	+19
Belgium	-0.26	+1	+10	+13
France	-0.21	+1	+10	+13
Italy	0.51	-1	-5	-2
Spain	0.15	+2	+8	+10
Portugal	0.09	+3	+8	+3
Greece	0.79	+1	+8	+16
5 Year Swap %				
US	0.54	-2	+1	+12
Eurozone	-0.41	-1	+4	+5
UK	0.40	+0	+13	+21
2 Year Swap %				
US	0.19	+1	-1	-0
Eurozone	-0.52	+0	+0	+1
UK	0.17	+0	+7	+14
10 Year Government Bond Spreads to Benchmark bps				
Ireland	33	+0	+3	+6
Belgium	18	+0	+1	-1
France	23	+0	+1	-1
Italy	94	-2	-14	-15
Spain	59	+1	-0	-4
Portugal	53	+2	-0	-11
Greece	122	+0	-1	+2



Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	61.47	+0.62	+9.65	+18.67
West Texas Oil	58.69	+0.60	+11.13	+21.39
Gold \$	1842.2	+0.28	-0.06	-2.86

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