

Sterling continues to move higher

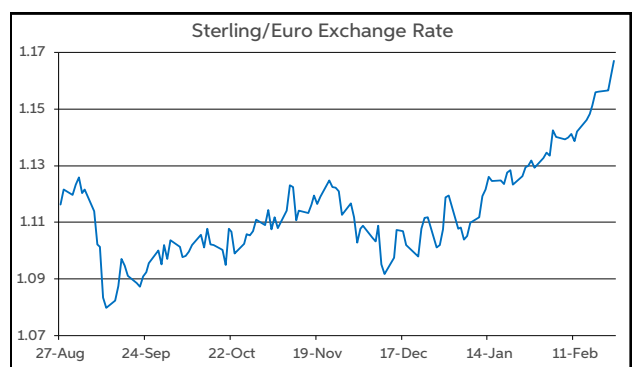
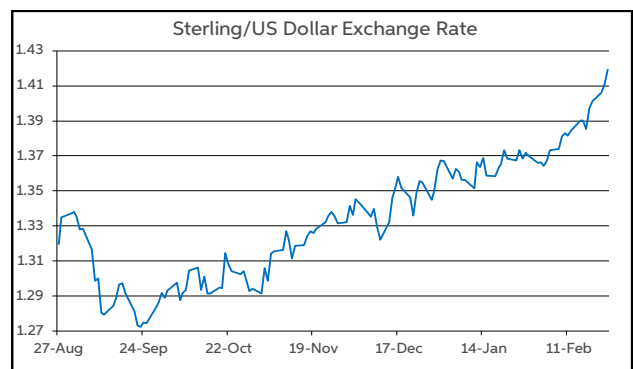
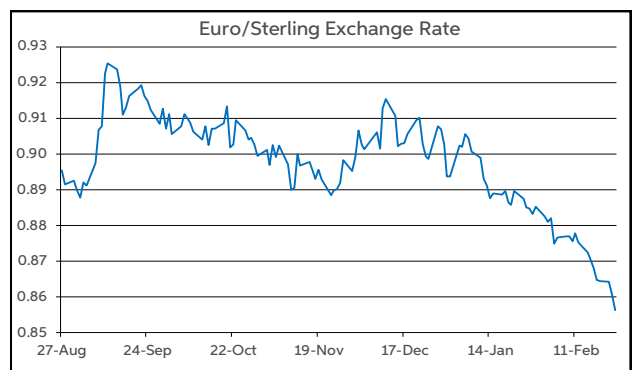
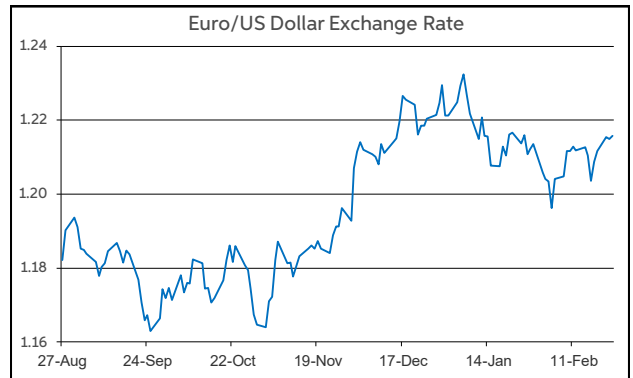
There was a generally cautious tone to market sentiment yesterday. Most of the main equity indices traded sideways for much of the day. Currency-wise, sterling was a strong outperformer. The UK government's announcement of a plan to ease restrictions and open up the economy over the coming months provided a supportive backdrop for the currency. It gained around 1% on the exchanges. In contrast, the EU's vaccination programme faced further challenges with AstraZeneca's expectation that it will not be able to meet the previously agreed supply target it had with the EU for Q2.

The main highlight from yesterday's data calendar was the February reading of the Conference Board measure of US consumer sentiment for February. The headline index produced an upside surprise, rising to 91.3 versus expectations for an increase to 90. Meanwhile, Fed Chair Powell's semi-annual testimony to Congress was largely uneventful. He continued to emphasise the near term challenges facing the economy and the uncertain outlook. Overall, his remarks were generally dovish.

As FX trading gets underway this morning, the firmer tone to sterling is reflected in EUR/GBP opening at its lowest level in a year, below 86p. At the same time, cable (GBP/USD) is testing up at the \$1.42 threshold, hitting a 3-year high in the process. Elsewhere on the currency front, EUR/USD continues to trade in a narrow range around the midpoint of \$1.21-1.22.

Looking ahead to today, the macro diary is very sparse. The only release of any note is US new home sales for January. Therefore, macro data will be not a source of direction for any of the major pairs.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.2157	-0.09	-0.46
EUR/GBP	0.8565	-0.87	-4.16
GBP/USD	1.4194	0.80	3.81
GBP/EUR	1.1674	0.88	4.34
USD/JPY	105.51	0.45	2.20
EUR/JPY	128.28	0.34	1.68

* 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	0.12	0.19	0.16	0.22	0.71
EUR	0.00	-0.55	-0.54	-0.51	-0.49	-0.34
GBP	0.10	0.04	0.06	0.07	0.20	0.53

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

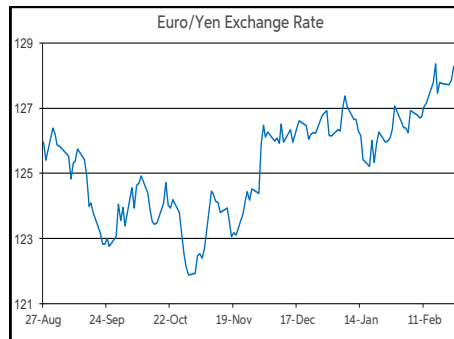
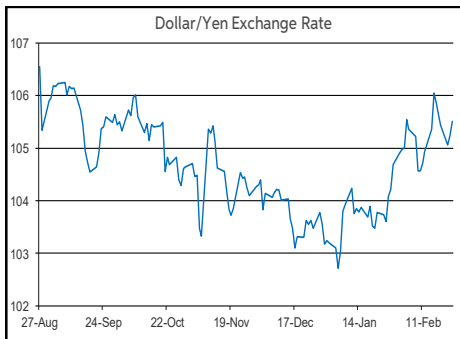
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

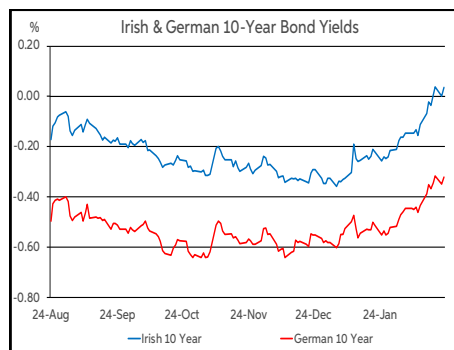
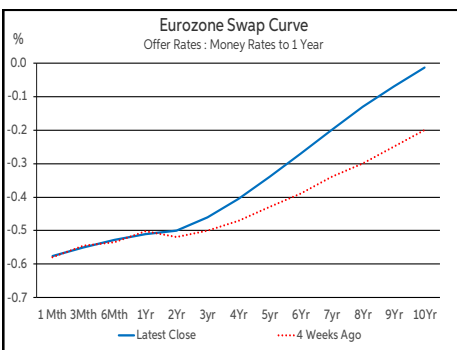
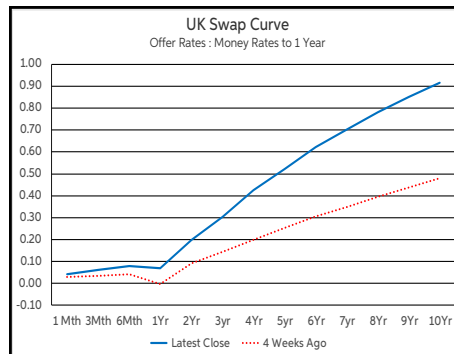
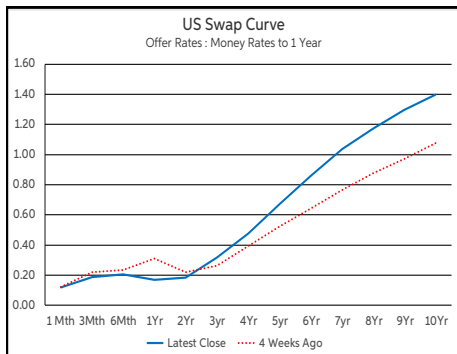
Wednesday 24 February 2021
07:14 am



Euro		Sterling		Dollar	
EUR/GBP	0.8565	GBP/EUR	1.1672	USD/JPY	105.51
EUR/USD	1.2159	GBP/USD	1.4195	USD/CAD	1.2572
EUR/JPY	128.28	GBP/CAD	1.7848	USD/CHF	0.906
EUR/SEK	10.0545	GBP/NZD	1.9244	USD/CNY	6.4595
EUR/DKK	7.4366	GBP/JPY	149.77	USD/BRL	5.4409
EUR/NOK	10.2598	GBP/SEK	11.739	USD/RUB	73.7553
EUR/CHF	1.1016	GBP/DKK	8.6806	USD/INR	72.348
EUR/AUD	1.5344	GBP/NOK	11.9771	AUD/USD	0.7923
EUR/HKD	9.4289	GBP/CHF	1.286	NZD/USD	0.7373
EUR/CAD	1.5286	GBP/AUD	1.7914		



Debt Markets				
	Close	Day	4 Weeks	End 20
10 Year Yield %				
US	1.34	-3	+31	+43
Germany	-0.32	+3	+21	+26
UK	0.72	+4	+45	+52
Ireland	0.06	+4	+27	+36
Belgium	0.00	+3	+35	+38
France	-0.06	+4	+24	+28
Italy	0.65	+5	+3	+13
Spain	0.37	+4	+29	+31
Portugal	0.26	+4	+23	+19
Greece	0.93	+4	+25	+30
5 Year Swap %				
US	0.67	-3	+19	+25
Eurozone	-0.34	+0	+10	+12
UK	0.52	+1	+27	+33
2 Year Swap %				
US	0.19	-1	-1	-1
Eurozone	-0.50	+0	+3	+3
UK	0.20	+1	+12	+17
10 Year Government Bond Spreads to Benchmark bps				
Ireland	38	+1	+6	+11
Belgium	32	+0	+13	+12
France	26	+1	+3	+2
Italy	97	+2	-18	-13
Spain	69	+1	+8	+6
Portugal	57	+1	+2	-6
Greece	125	+1	+3	+5



Commodities				
	Close	Day	4 Weeks	End 20
Brent Oil	65.37	+0.20	+16.92	+26.20
West Texas Oil	61.66	-0.02	+17.20	+27.53
Gold \$	1805.1	-0.20	-2.45	-4.82

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