

Slightly softer dollar, marginal gains for euro

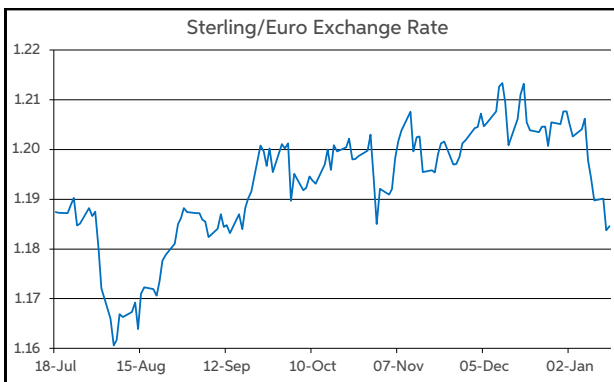
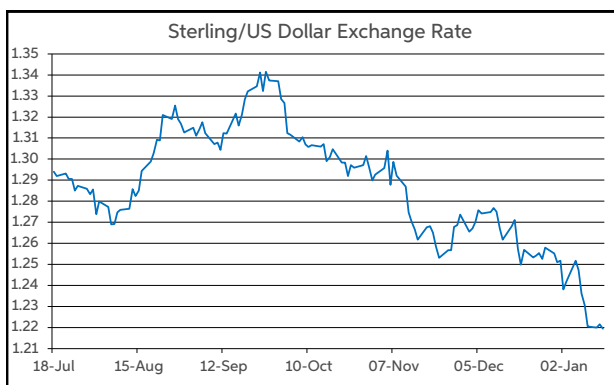
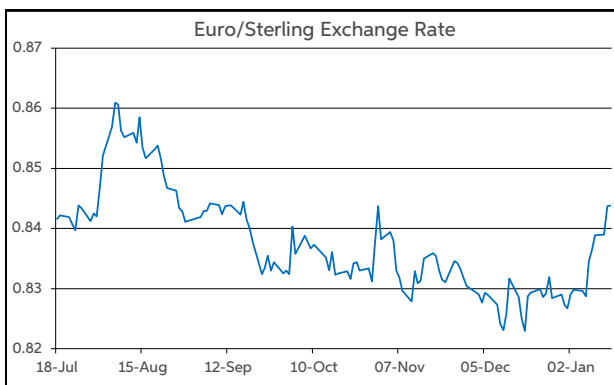
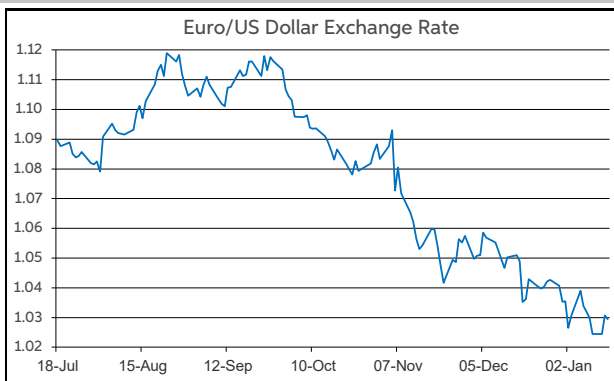
Investor sentiment was holding a mildly positive tone yesterday after Monday's risk averse start to the week. In Europe, the Euro Stoxx 50 rose by 0.5%. Meanwhile, at the closing bell on Wall Street last night, the S&P 500 was 0.1% higher on the day. Yesterday's macro data calendar was relatively sparse. Indeed, there were no European releases of note. In the US, small business optimism for December came in ahead of expectations. Meanwhile, both the headline and core rates of US producer price inflation were below consensus forecasts. There was no significant market impact from the data.

On bond markets, the upward move in yields continued for some sovereigns. The 10-year German Bund yield rose by 3bps to above 2.6%. Meanwhile, after grabbing headlines over recent weeks, the action in UK gilts was less eventful yesterday. The 10-year UK yield was unchanged. In the US, the 10-year Treasury yield eased back by 2bps to just below 4.8%.

Currency-wise, the action was generally confined to narrow ranges. Of the modest moves to register, the dollar was slightly softer, taking a breather from its recent rally. At the same time, the euro posted some marginal gains. In level terms, EUR/USD has traded up to, in and around, the \$1.03 mark, while EUR/GBP has regained the 84p threshold.

Today's macro diary has an inflation theme to it. Indeed already this morning we have had the release of the UK CPI data for December. The headline and core rates have printed below forecasts at 2.5% (f'cast 2.6%) and 3.2% (f'cast 3.4%), respectively. Meantime, later this afternoon, we get the US CPI numbers for December which will pose some event risk for the dollar.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.0294	0.49	-0.57
EUR/GBP	0.8438	0.54	1.99
GBP/USD	1.2195	-0.05	-2.53
GBP/EUR	1.1846	-0.53	-1.96
USD/JPY	157.29	-0.18	0.07
EUR/JPY	161.92	0.30	-0.51

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

	Base Rate	Money Market		Swap Rates		
		1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	4.38	4.30	4.30	4.26	4.51	4.56
EUR	3.15	2.85	2.79	2.51	2.43	2.50
GBP	4.75	4.65	4.58	4.51	4.68	4.56

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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

Wednesday 15 January 2025
07:03 am



Euro

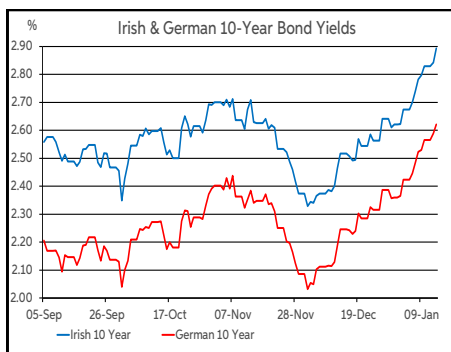
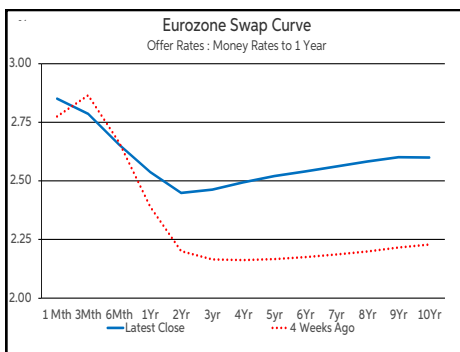
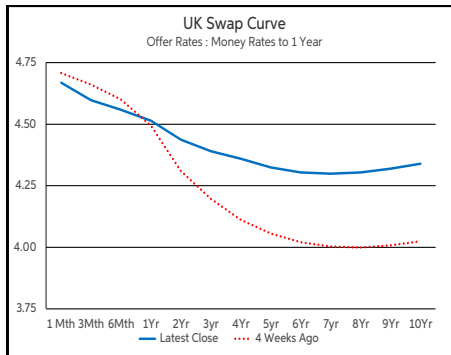
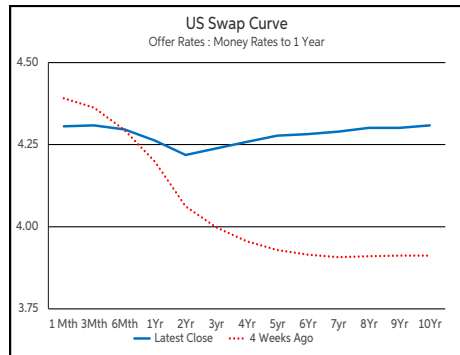
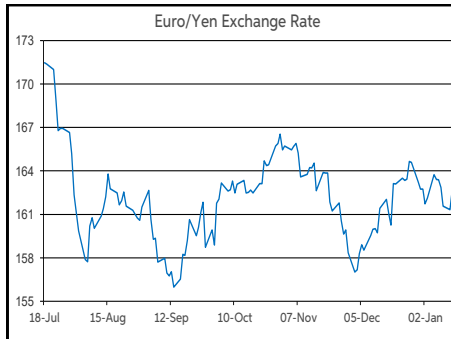
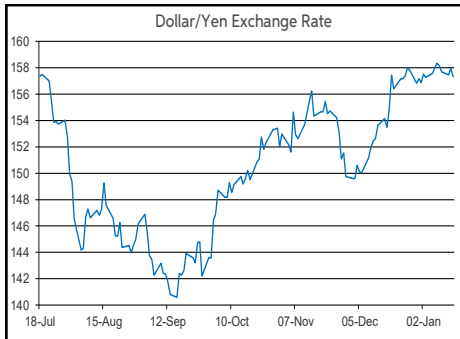
EUR/GBP	0.8438
EUR/USD	1.0294
EUR/JPY	161.92
EUR/SEK	11.5144
EUR/DKK	7.4605
EUR/NOK	11.7114
EUR/CHF	0.9393
EUR/AUD	1.6623
EUR/HKD	8.0188
EUR/CAD	1.4779

Sterling

GBP/EUR	1.1846
GBP/USD	1.2195
GBP/CAD	1.7505
GBP/NZD	2.1762
GBP/JPY	191.79
GBP/SEK	13.638
GBP/DKK	8.8341
GBP/NOK	13.8524
GBP/CHF	1.1124
GBP/AUD	1.9688

Dollar

USD/JPY	157.29
USD/CAD	1.4355
USD/CHF	0.9123
USD/CNY	7.3317
USD/BRL	6.0559
USD/RUB	103.05
USD/INR	86.463
AUD/USD	0.6192
NZD/USD	0.5599



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 24
10 Year Yield %				
US	4.79	-2	+40	+21
Germany	2.62	+3	+39	+26
UK	4.89	+0	+36	+32
5 Year Swap %				
US	4.54	-0	+36	+25
Eurozone	2.52	+4	+36	+28
UK	4.56	+4	+26	+27
2 Year Swap %				
US	4.48	-2	+17	+14
Eurozone	2.45	+3	+25	+26
UK	4.67	+4	+14	+19
10 Year Government Bond Spreads to Benchmark bps				
Ireland	30	+1	+1	+1
Belgium	61	-0	+1	-0
France	85	-1	+5	+2
Italy	122	-1	+6	+6
Spain	70	-1	+1	+0
Portugal	48	-1	-3	-1
Greece	86	-3	-1	-3

Commodities				
	Close	% Change		
		Day	4 Weeks	End 24
Brent Oil	79.92	-1.35	+9.20	+7.07
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2677.2	+0.56	+1.20	+2.03

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