

## Softer dollar to start the week

The positive tone to risk appetite from last week carried over into the beginning of this week. Investor sentiment received an added fillip from reports that US President Trump would not introduce new trade tariffs on day one in office. Against this backdrop, the Euro Stoxx 50 gained 0.3% yesterday. US markets were closed for Martin Luther King Day celebrations.

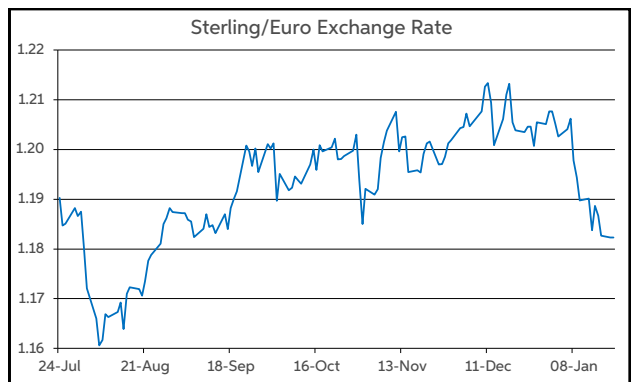
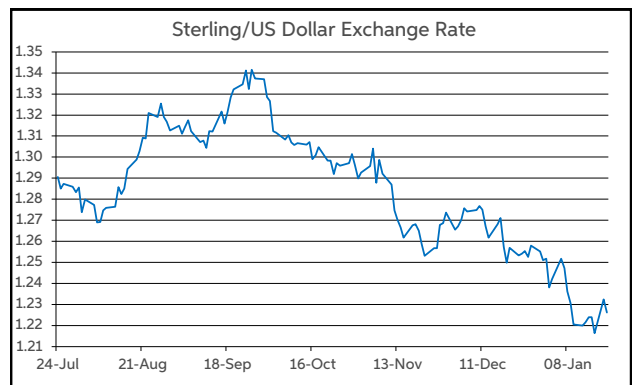
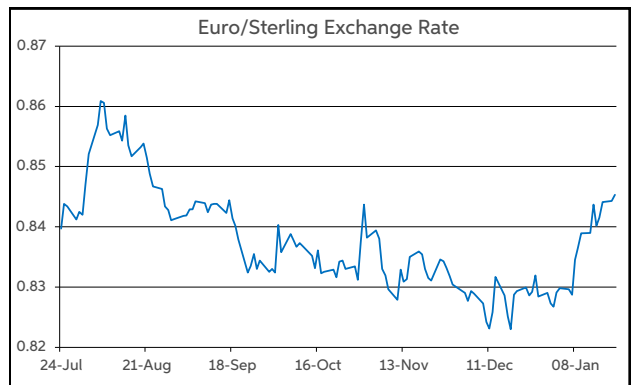
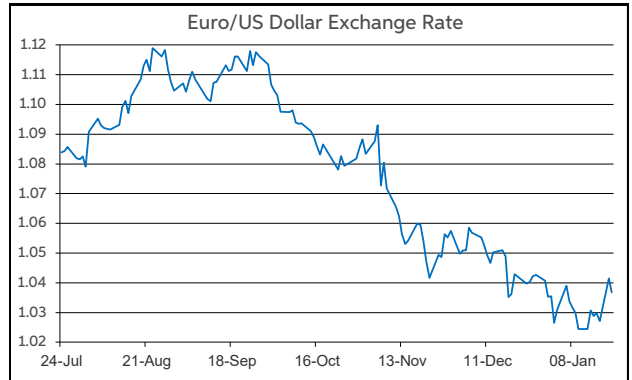
Currency-wise, the dollar came under some downward pressure following the aforementioned reports that no new US trade tariffs would be announced. This saw EUR/USD rise to a high of \$1.043, while GBP/USD climbed to a peak of \$1.2326. However, the dollar recouped some of its losses before the close yesterday. Overnight, the dollar maintained support, as President Trump threatened to introduce tariffs against Canada, Mexico, the EU and China.

As trading gets underway this morning, EUR/USD is changing hands in the top half of the \$1.03-1.04p range. Meantime, GBP/USD is operating in the upper region of the \$1.22-1.23 corridor. At the same time, EUR/GBP is at the midpoint of the 84-85p band. Elsewhere, USD/JPY is below the ¥156 threshold.

Already this morning, the latest batch of UK labour market data have been released. The unemployment rate rose to 4.4% in November as expected, while average earnings growth accelerated to +5.6% y/y, in-line with the consensus. The data have not impacted sterling in early trading.

Later today, the main highlight of a relatively sparse macro calendar will be the German ZEW economic sentiment indicator for January. At the same time, investors will keep a close eye on developments in Washington.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.0368	0.64	0.14
EUR/GBP	0.8453	0.21	2.18
GBP/USD	1.2261	0.43	-2.00
GBP/EUR	1.1824	-0.21	-2.13
USD/JPY	155.46	-0.38	-1.09
EUR/JPY	161.18	0.25	-0.96

\* 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	4.38	4.30	4.28	4.18	4.38	4.35
EUR	3.15	2.80	2.70	2.44	2.33	2.38
GBP	4.75	4.59	4.51	4.33	4.46	4.34

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

Tuesday 21 January 2025  
06:50 am



## Euro

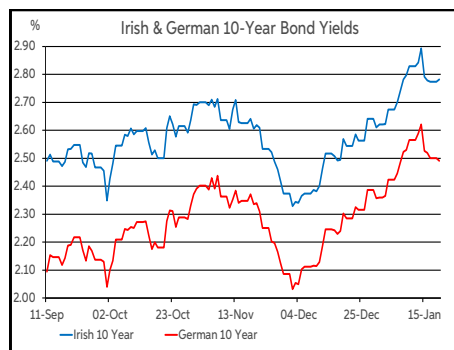
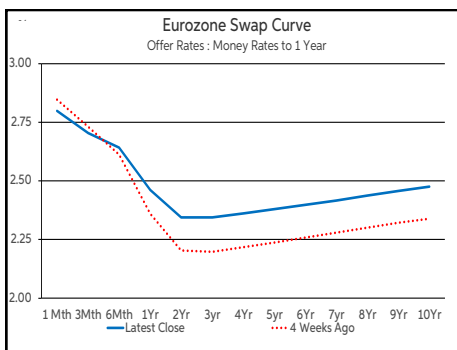
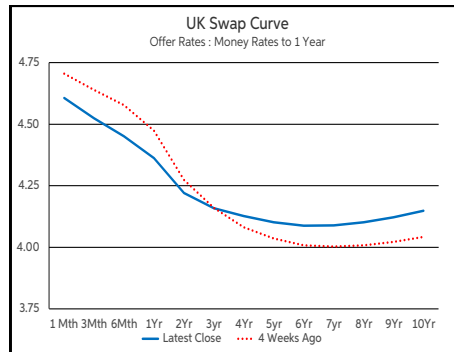
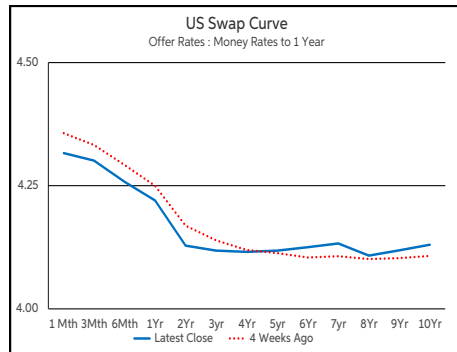
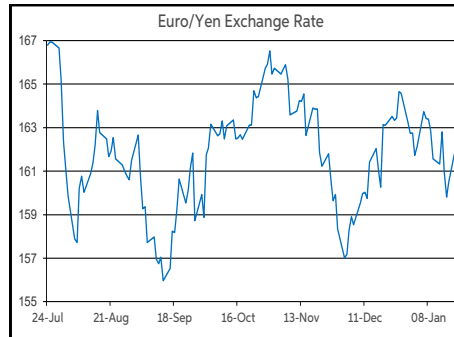
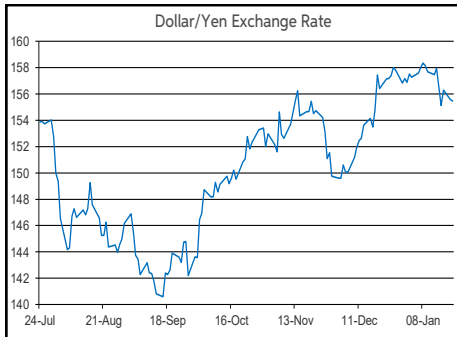
EUR/GBP	0.8453
EUR/USD	1.0368
EUR/JPY	161.18
EUR/SEK	11.4802
EUR/DKK	7.4613
EUR/NOK	11.7836
EUR/CHF	0.9418
EUR/AUD	1.6637
EUR/HKD	8.0692
EUR/CAD	1.4973

## Sterling

GBP/EUR	1.1824
GBP/USD	1.2261
GBP/CAD	1.7701
GBP/NZD	2.1743
GBP/JPY	190.61
GBP/SEK	13.574
GBP/DKK	8.824
GBP/NOK	13.936
GBP/CHF	1.114
GBP/AUD	1.9668

## Dollar

USD/JPY	155.46
USD/CAD	1.444
USD/CHF	0.9084
USD/CNY	7.2765
USD/BRL	6.0315
USD/RUB	101.6
USD/INR	86.5225
AUD/USD	0.623
NZD/USD	0.5635



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 24
<b>10 Year Yield %</b>				
US	4.61	+0	+1	+3
Germany	2.49	-1	+16	+13
UK	4.66	-0	+12	+9
<b>5 Year Swap %</b>				
US	4.39	+1	+3	+10
Eurozone	2.38	+0	+15	+14
UK	4.34	+1	+7	+5
<b>2 Year Swap %</b>				
US	4.40	+1	-1	+6
Eurozone	2.34	-0	+15	+15
UK	4.46	+1	-3	-3
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	31	+2	+3	+2
Belgium	59	+1	-2	-3
France	80	-0	-1	-3
Italy	112	-2	-5	-3
Spain	66	-0	-4	-4
Portugal	45	-0	-4	-3
Greece	81	+1	-6	-7

Commodities				
	Close	% Change		
		Day	4 Weeks	End 24
Brent Oil	80.15	-0.79	+10.35	+7.38
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2708.1	+0.24	+3.64	+3.21

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