

## Flash PMIs the highlight today

There was a mixed tone to risk appetite on markets yesterday. Equity markets both sides of the Atlantic finished flat or slightly higher on the day. Currency-wise, the main pairs were range bound, with only small moves on the day.

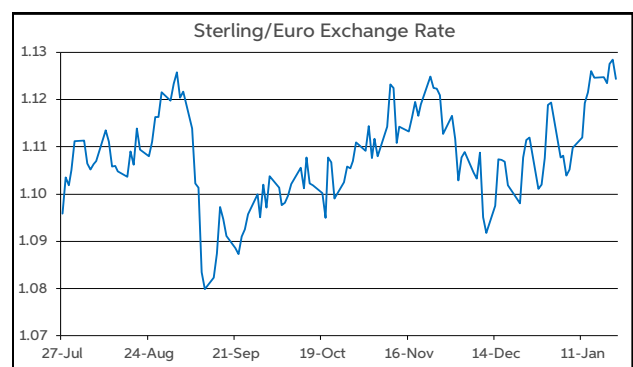
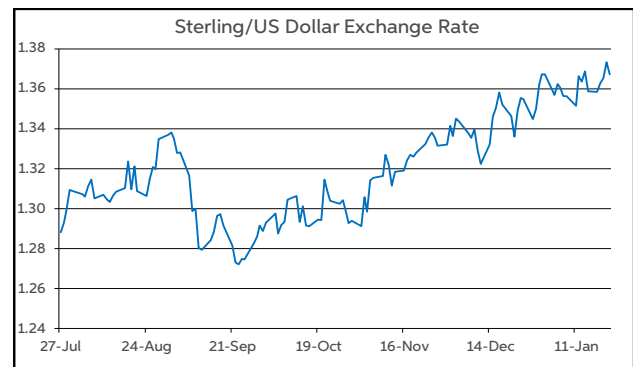
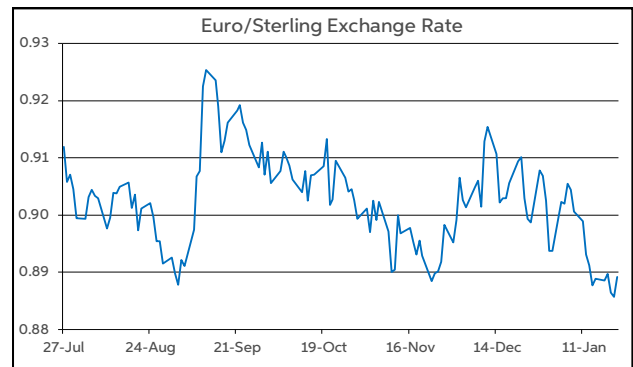
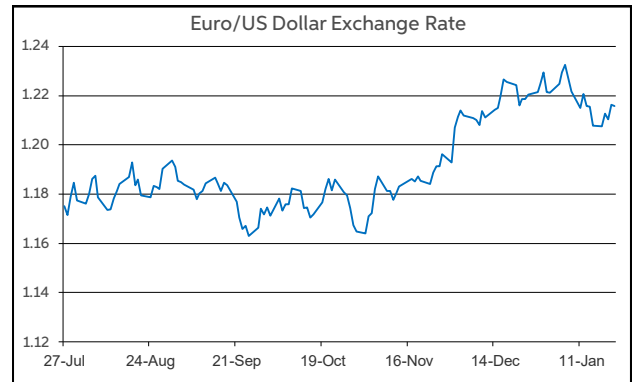
Yesterday, the ECB kept its monetary policy unchanged as had been widely expected. The announcement therefore had little impact on the euro. At the press conference, President Lagarde stated that the ECB's macro forecasts, which are for growth of circa 4% in 2021 and 2022, remain broadly valid, and while the risks remain to the downside, they are less pronounced.

Data-wise, initial jobless claims in the US printed at 900k, a bit below last week's figure which was revised down to 926k. The Philly Fed index, a regional measure of manufacturing conditions surged to 26.5 in January, while housing starts rose by 5.8% in December. However, the releases did not impact the dollar.

In level terms, EUR/USD is changing hands above the midpoint of \$1.21-1.22. Meanwhile, EUR/GBP opens just below the 89p mark. Cable (GBP/USD) is trading in the top half of the \$1.36-1.37 range.

Already this morning, UK retail sales for December have missed expectations, rising by just 0.3% (vs. 1% f'cast). Elsewhere, the Flash PMIs in the UK, US and Eurozone for January will be the main highlight today. In the Eurozone, both indices are forecast to move backwards, although, the manufacturing PMI is projected to remain in expansion mode. The UK surveys are expected to show the same as the Eurozone. Meanwhile, in the US it is envisaged that both sectors remained above the key 50 threshold, but edged slightly lower.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.2158	0.21	-0.45
EUR/GBP	0.8892	0.37	-0.50
GBP/USD	1.3673	-0.15	0.00
GBP/EUR	1.1244	-0.37	0.51
USD/JPY	103.66	0.28	0.41
EUR/JPY	126.02	0.48	-0.11

\* 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	0.13	0.22	0.18	0.22	0.52
EUR	0.00	-0.56	-0.54	-0.54	-0.50	-0.42
GBP	0.10	0.03	0.03	0.01	0.10	0.29

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

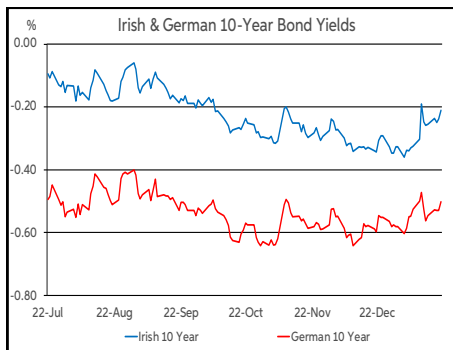
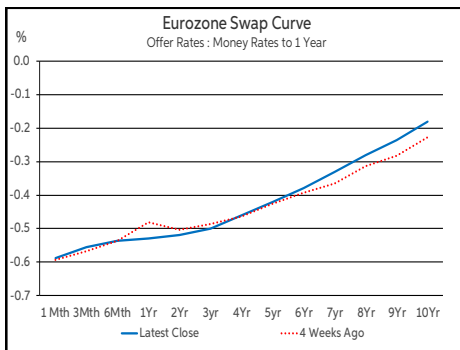
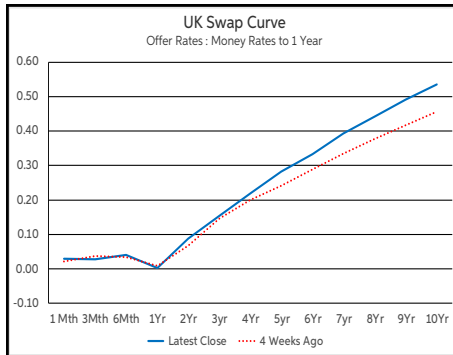
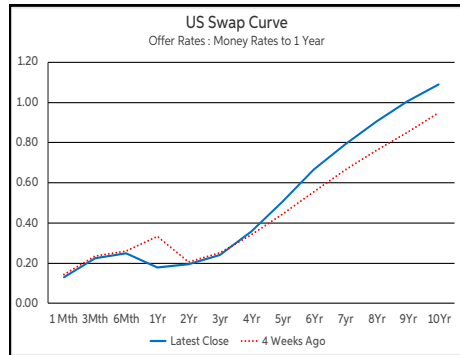
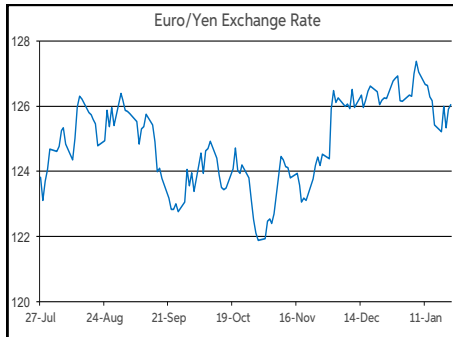
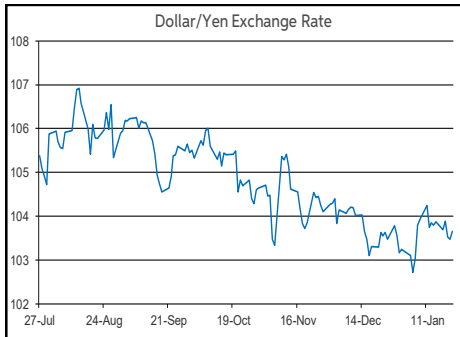
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

Friday 22 January 2021  
07:54 am



Euro		Sterling		Dollar	
EUR/GBP	0.8892	GBP/EUR	1.1244	USD/JPY	103.66
EUR/USD	1.2158	GBP/USD	1.3673	USD/CAD	1.2678
EUR/JPY	126.02	GBP/CAD	1.7336	USD/CHF	0.8852
EUR/SEK	10.0855	GBP/NZD	1.9028	USD/CNY	6.4731
EUR/DKK	7.44	GBP/JPY	141.73	USD/BRL	5.3506
EUR/NOK	10.2802	GBP/SEK	11.3386	USD/RUB	74.36
EUR/CHF	1.0765	GBP/DKK	8.3667	USD/INR	73.067
EUR/AUD	1.5725	GBP/NOK	11.5611	AUD/USD	0.7731
EUR/HKD	9.4232	GBP/CHF	1.2103	NZD/USD	0.7183
EUR/CAD	1.5417	GBP/AUD	1.7683		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
<b>10 Year Yield %</b>				
US	1.11	+3	+18	+19
Germany	-0.50	+3	+5	+8
UK	0.33	+3	+7	+14
Ireland	-0.18	+4	+6	+13
Belgium	-0.32	+3	+3	+7
France	-0.27	+3	+2	+7
Italy	0.65	+7	+9	+13
Spain	0.13	+5	+3	+7
Portugal	0.08	+4	-1	+2
Greece	0.66	-0	-0	+3
<b>5 Year Swap %</b>				
US	0.51	+1	+7	+9
Eurozone	-0.42	+2	+4	+4
UK	0.28	+2	+5	+9
<b>2 Year Swap %</b>				
US	0.19	-1	-1	+0
Eurozone	-0.52	+1	-1	+1
UK	0.09	+1	+3	+6
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	32	+1	+1	+5
Belgium	18	-0	-2	-1
France	23	-0	-3	-0
Italy	115	+4	+4	+6
Spain	63	+2	-2	-0
Portugal	58	+1	-7	-6
Greece	115	-4	-5	-5

Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	56.1	+0.04	+9.38	+8.30
West Texas Oil	53	-0.30	+10.00	+9.62
Gold \$	1869.9	-0.05	-0.35	-1.40

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