

EUR/USD hovering around \$1.21

There was some improvement in investor sentiment yesterday. This was reflected in gains on equity markets on both sides of the Atlantic. At the closing bell on Wall Street last night, the S&P 500 was up around 1%. On currency markets, the action was confined to relatively tight ranges. Of the moves to register, sterling was displaying a slightly firmer tone, while the euro was marginally softer.

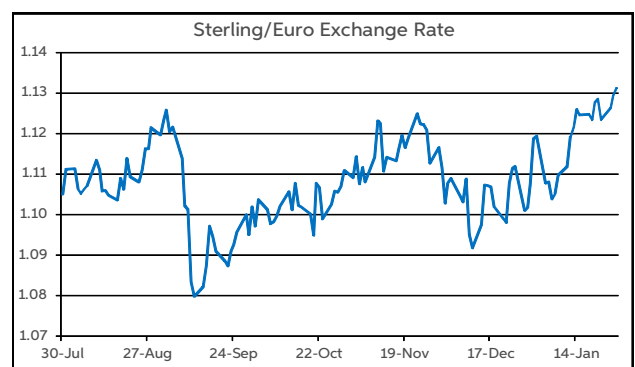
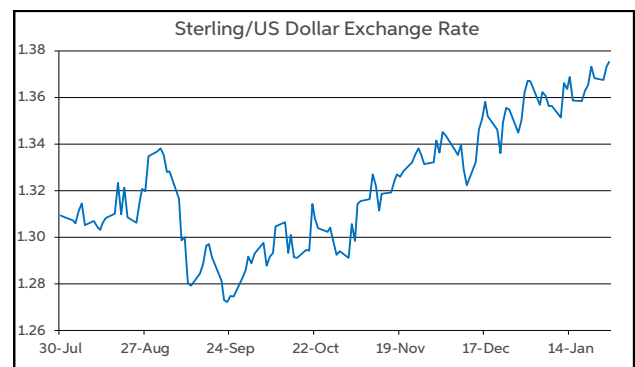
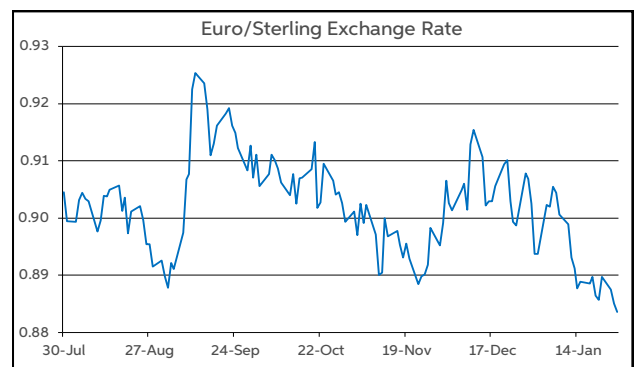
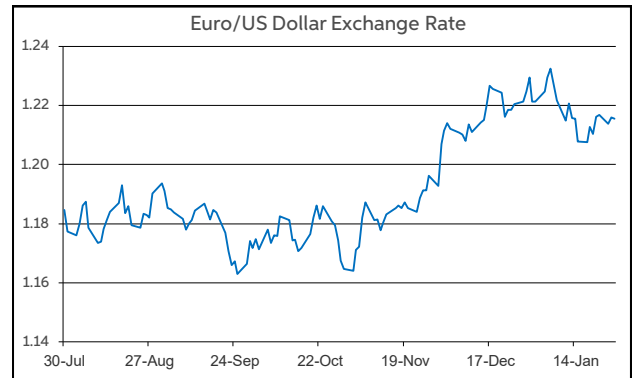
Data-wise, one of the main highlights yesterday was the first reading of US GDP for Q4. The release was broadly in line with market forecasts, registering a 4% annualised growth rate. This meant that the economy contracted by 3.5% in 2020. It represented its worst annual performance since WW2. Although, it was not by as much as had been feared when the economy contacted very sharply in the first half of the year.

As expected, the release had no noticeable impact on the dollar. Elsewhere, the EC sentiment indices (Jan) indicated a loss of momentum in the Eurozone economy at the start of the year. However, there was no major influence on the euro from the data.

So as trading gets underway this morning, the EUR/USD pair is hovering around the \$1.21 threshold. The combination of a slightly softer euro and slightly firmer sterling sees EUR/GBP changing hands down in the lower half of 88-89p. Meanwhile, the firmer tone to sterling sees GBP/USD up at the \$1.37.

Looking ahead to today, the main macro data due are German Q4 GDP and US income/spending figures for December. However, the main FX pairs may continue to trade near to their current levels heading into the weekend.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.2101	-0.23	-0.92
EUR/GBP	0.8829	-0.61	-1.21
GBP/USD	1.3705	0.38	0.23
GBP/EUR	1.1325	0.61	1.22
USD/JPY	104.51	0.75	1.23
EUR/JPY	126.47	0.51	0.25

* 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	0.21	0.17	0.22	0.51
EUR	0.00	-0.57	-0.54	-0.54	-0.53	-0.44
GBP	0.10	0.03	0.04	0.00	0.09	0.27

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

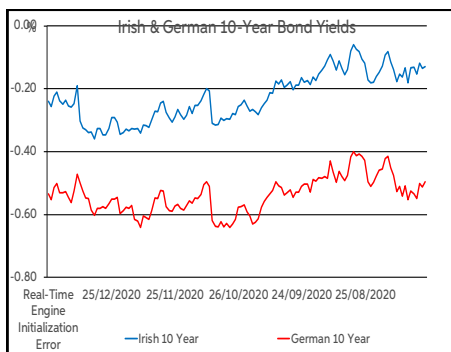
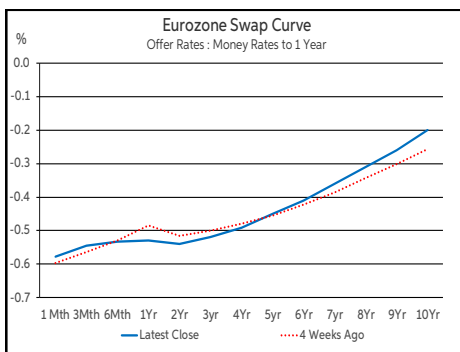
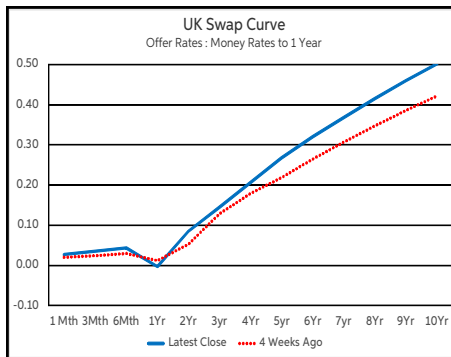
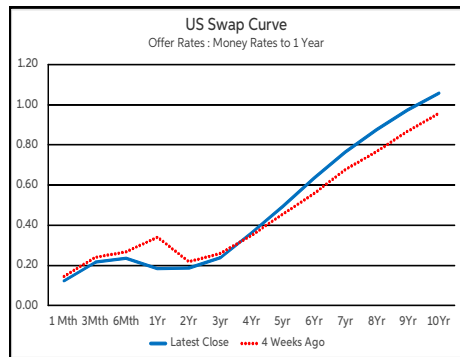
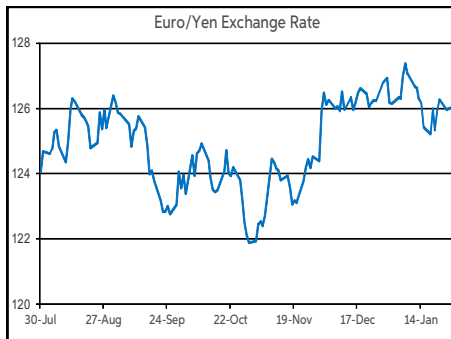
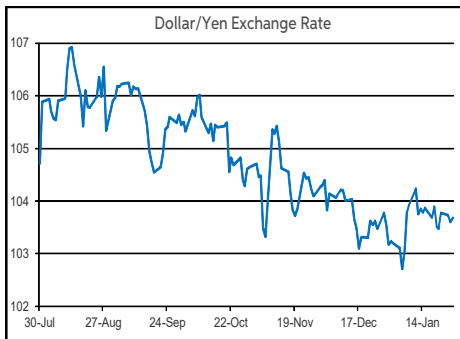
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		Equity Options	Gary Luff				

Opening Levels

Friday 29 January 2021
07:27 am



Euro		Sterling		Dollar	
EUR/GBP	0.8829	GBP/EUR	1.1324	USD/JPY	104.51
EUR/USD	1.21	GBP/USD	1.3704	USD/CAD	1.2861
EUR/JPY	126.48	GBP/CAD	1.7625	USD/CHF	0.8895
EUR/SEK	10.1262	GBP/NZD	1.9127	USD/CNY	6.4608
EUR/DKK	7.437	GBP/JPY	143.24	USD/BRL	5.441
EUR/NOK	10.4558	GBP/SEK	11.4622	USD/RUB	76.2075
EUR/CHF	1.0763	GBP/DKK	8.422	USD/INR	72.9775
EUR/AUD	1.5805	GBP/NOK	11.838	AUD/USD	0.7654
EUR/HKD	9.3796	GBP/CHF	1.2191	NZD/USD	0.7163
EUR/CAD	1.5563	GBP/AUD	1.7903		



	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.03	+0	+9	+12
Germany	-0.53	+2	+4	+4
UK	0.27	+0	+5	+7
Ireland	-0.22	+1	+7	+9
Belgium	-0.35	+2	+4	+3
France	-0.30	+1	+4	+4
Italy	0.62	-3	+10	+10
Spain	0.08	-0	+3	+2
Portugal	0.03	-1	-1	-3
Greece	0.68	-0	+5	+6
5 Year Swap %				
US	0.49	+2	+6	+7
Eurozone	-0.45	+0	+1	+1
UK	0.27	+3	+5	+8
2 Year Swap %				
US	0.19	+1	+1	-1
Eurozone	-0.54	-1	-2	-1
UK	0.09	+1	+4	+6
10 Year Government Bond Spreads to Benchmark bps				
Ireland	32	-1	+2	+5
Belgium	18	-0	-0	-1
France	23	-1	-0	-0
Italy	115	-5	+5	+5
Spain	61	-2	-2	-2
Portugal	56	-3	-5	-8
Greece	122	-2	+0	+1

	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	55.91	+0.05	+9.43	+7.93
West Texas Oil	52.61	-0.32	+9.95	+8.81
Gold \$	1850.3	-0.25	-1.47	-2.43

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