

Dollar pushes higher

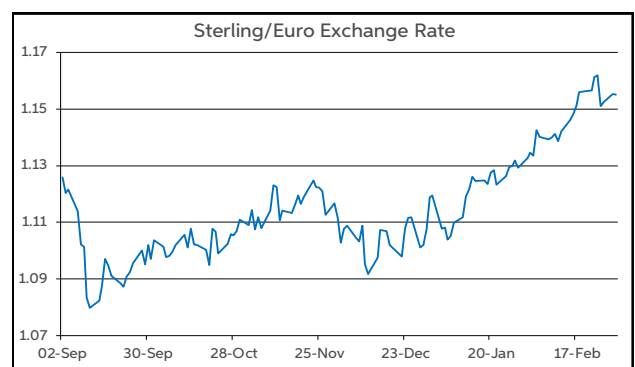
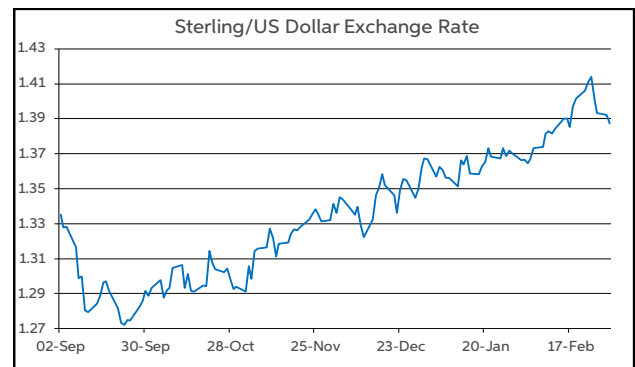
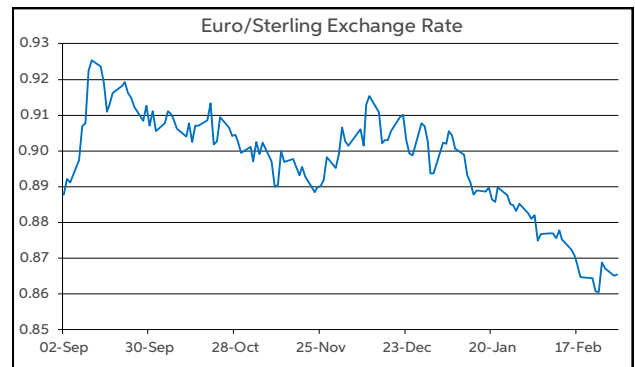
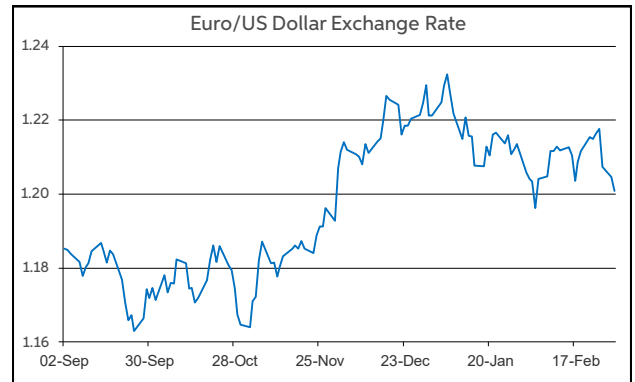
Risk appetite started the week and the month of March in a positive frame of mind. This was in contrast to last week's somewhat more risk averse tone. Bond yields moving back from their recent highs, combined with encouraging weekend developments in relation to Covid vaccines and US stimulus plans provided a supportive backdrop to investor sentiment yesterday. The 'risk-on' mood was evident in strong gains across all the main global equity indices. In Europe, the Euro Stoxx 50 gained 1.9% on the day. Meantime, at the closing bell on Wall Street last night, the S&P 500 was up 2.4%.

On the currency front, the dollar was holding a firmer tone. Data-wise, the calendar was sparse. The main release of note was the US manufacturing ISM for February. The headline index surprised to the upside of expectations, reaching its highest level in three years. Although, this headline reading may be overstating the strength in the sector somewhat due to the positive impact from supplier delivery times, which was caused by supply chain disruptions.

As the European FX trading session gets underway this morning, the main dollar pairs reflect the gains for the currency over the past 24 hours. EUR/USD has traded towards the \$1.20 threshold. Meanwhile, cable (GBP/USD) is operating below the \$1.39 level. Elsewhere, the action in EUR/GBP continues in a very tight range near to the midpoint of 86-87p.

Looking ahead to today, the global macro diary is fairly sparse. The main highlight being the flash reading of Eurozone inflation (HICP) for February. Therefore, the data calendar is unlikely to have much influence on the FX majors over the course of today.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.2008	-0.61	-1.68
EUR/GBP	0.8655	0.17	-3.16
GBP/USD	1.3875	-0.77	1.48
GBP/EUR	1.1551	-0.17	3.26
USD/JPY	106.86	0.31	3.51
EUR/JPY	128.33	-0.31	1.72

* 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	0.11	0.18	0.17	0.23	0.82
EUR	0.00	-0.55	-0.53	-0.50	-0.48	-0.34
GBP	0.10	0.05	0.07	0.09	0.25	0.60

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

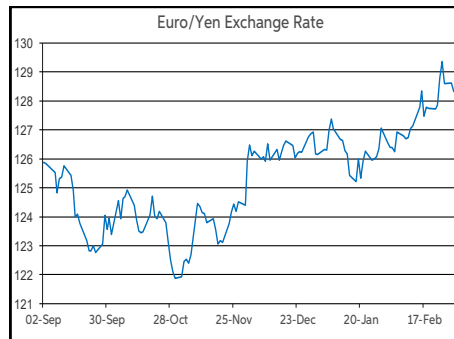
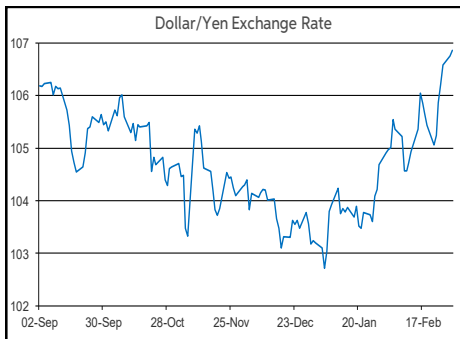
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

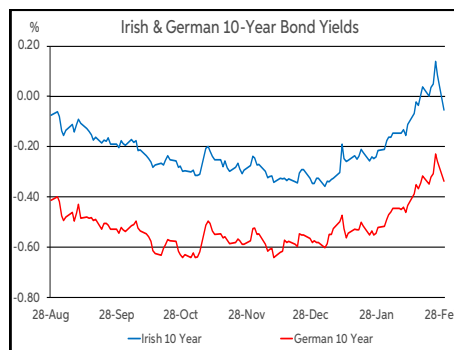
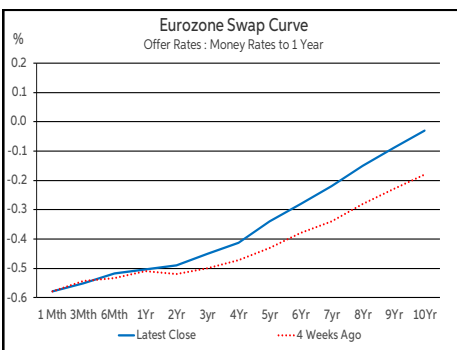
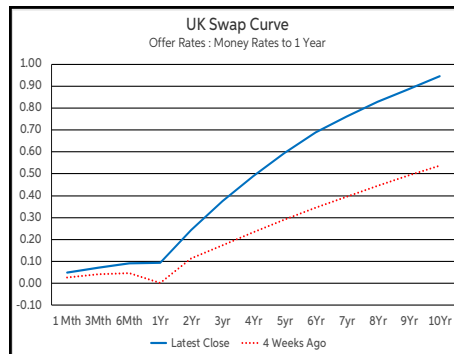
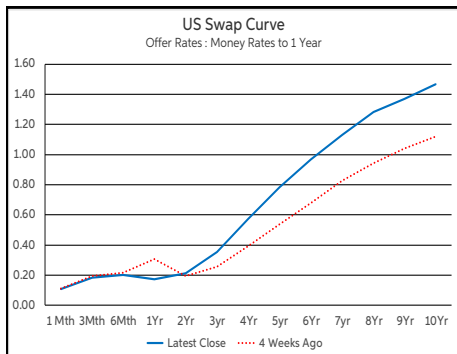
Tuesday 02 March 2021
07:23 am



Euro		Sterling		Dollar	
EUR/GBP	0.8655	GBP/EUR	1.1551	USD/JPY	106.86
EUR/USD	1.2008	GBP/USD	1.3875	USD/CAD	1.2685
EUR/JPY	128.33	GBP/CAD	1.7604	USD/CHF	0.9162
EUR/SEK	10.1565	GBP/NZD	1.9182	USD/CNY	6.4746
EUR/DKK	7.436	GBP/JPY	148.27	USD/BRL	5.6418
EUR/NOK	10.3502	GBP/SEK	11.7286	USD/RUB	74.5322
EUR/CHF	1.1005	GBP/DKK	8.5904	USD/INR	73.41
EUR/AUD	1.5494	GBP/NOK	11.9546	AUD/USD	0.7747
EUR/HKD	9.3161	GBP/CHF	1.2714	NZD/USD	0.7228
EUR/CAD	1.5237	GBP/AUD	1.7906		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.43	+2	+35	+51
Germany	-0.33	-8	+18	+24
UK	0.76	-7	+44	+56
5 Year Swap %				
US	0.78	-1	+29	+36
Eurozone	-0.34	-3	+10	+12
UK	0.59	-5	+31	+40
2 Year Swap %				
US	0.21	-2	+4	+2
Eurozone	-0.49	-2	+4	+4
UK	0.24	-2	+14	+22
10 Year Government Bond Spreads to Benchmark bps				
Ireland	34	-3	+1	+7
Belgium	29	-2	+11	+10
France	24	-2	-0	+0
Italy	100	-3	-14	-10
Spain	67	-2	+6	+4
Portugal	56	-3	+1	-8
Greece	136	-1	+17	+16



Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	63.69	-3.69	+13.03	+22.95
West Texas Oil	60.54	-1.64	+13.05	+25.21
Gold \$	1723.8	-0.56	-7.33	-9.10

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