

## Euro remains on the defensive

The recent sell-off in bonds took a breather yesterday with yields moving lower on the day. The 10 year US Treasury yield edged down below the 1.55% mark. Meantime, the main equity indices moved higher, aided by a recovery in tech stocks, which had been suffering the most amid the rising yield environment.

At the closing bell last night on Wall Street, the tech heavy Nasdaq index was up 3.7% after falling by over 2% on Monday. Meanwhile, the global benchmark S&P 500 index was up 1.4% on the day.

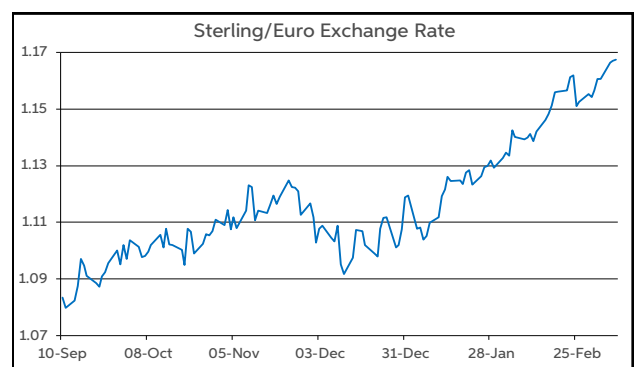
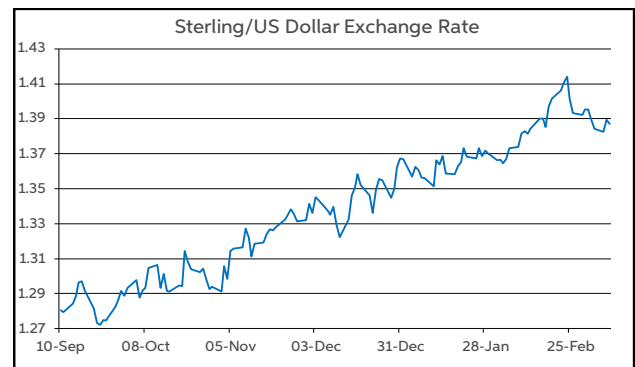
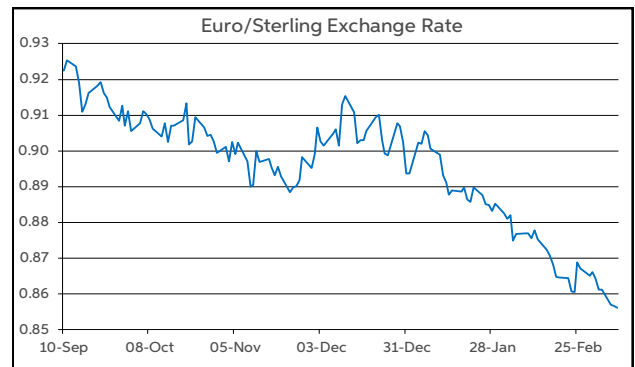
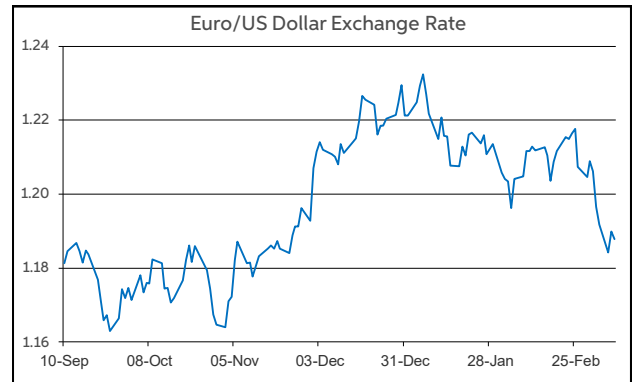
On the currency front, the moves amongst the main pairs were largely uneventful, with much of the action confined to narrow ranges. This was partly due to the day's macro calendar offering nothing in the way of top tier releases to be of any influence.

Of the limited FX action to register, the recent uptrend in the dollar paused, coinciding with the move lower in US bond yields. As a result, the main dollar pairs edged back from their recent highs. Elsewhere on the currency front, the euro remained on the defensive in the lead up to tomorrow's ECB meeting.

As trading gets underway this morning, EUR/USD opens once again below the \$1.19 threshold, having spent most of the past 24 hours in a \$1.185-1.19 trading range. Meanwhile, the EUR/GBP pair continues to trade near to the midpoint of 85-86p. Cable (GBP/USD) starts the day in the upper half of \$1.38-1.39.

Today's macro diary is once again sparse. The only highlight being US CPI data for February. Therefore, the main FX pairs may continue to operate in relatively narrow ranges today.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1878	0.20	-2.74
EUR/GBP	0.8563	0.00	-4.18
GBP/USD	1.3869	0.22	1.43
GBP/EUR	1.1674	0.00	4.37
USD/JPY	108.82	-0.33	5.40
EUR/JPY	129.27	-0.11	2.47

\* 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	0.25	0.88
EUR	0.00	-0.55	-0.54	-0.51	-0.48	-0.32
GBP	0.10	0.05	0.08	0.10	0.26	0.61

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

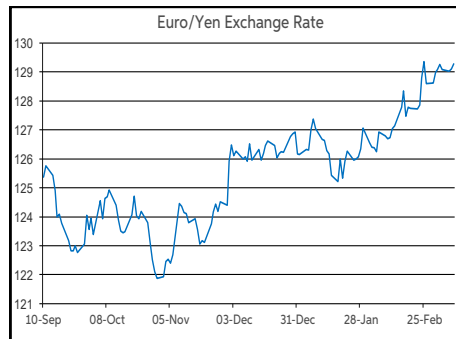
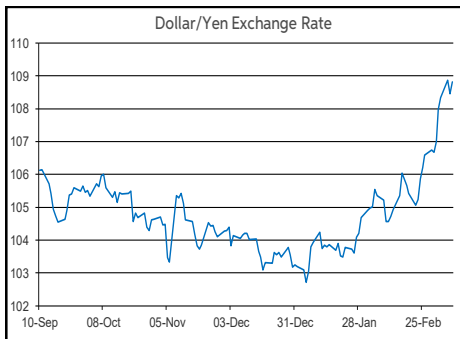
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

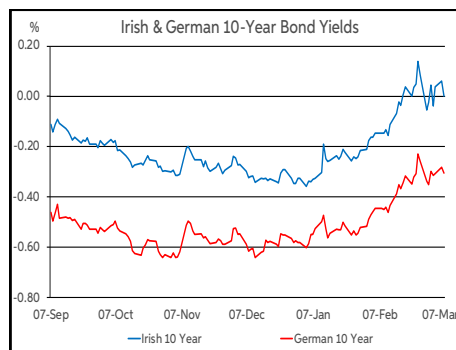
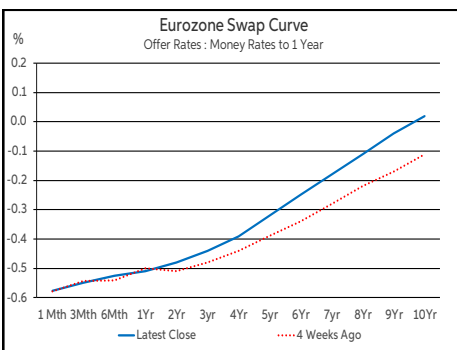
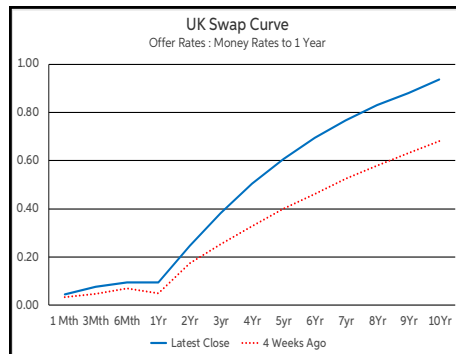
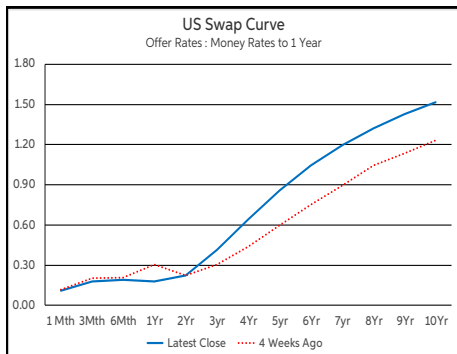
Wednesday 10 March 2021  
07:13 am



Euro		Sterling		Dollar	
EUR/GBP	0.8563	GBP/EUR	1.1674	USD/JPY	108.82
EUR/USD	1.1878	GBP/USD	1.3869	USD/CAD	1.2669
EUR/JPY	129.27	GBP/CAD	1.7576	USD/CHF	0.9298
EUR/SEK	10.1211	GBP/NZD	1.9386	USD/CNY	6.5072
EUR/DKK	7.4362	GBP/JPY	150.92	USD/BRL	5.8025
EUR/NOK	10.0902	GBP/SEK	11.8137	USD/RUB	74.0363
EUR/CHF	1.1044	GBP/DKK	8.683	USD/INR	72.9425
EUR/AUD	1.5452	GBP/NOK	11.7807	AUD/USD	0.7686
EUR/HKD	9.2213	GBP/CHF	1.2896	NZD/USD	0.7151
EUR/CAD	1.5051	GBP/AUD	1.8044		



Debt Markets				
	Close	Day	4 Weeks	End 20
<b>10 Year Yield %</b>				
US	1.53	-7	+37	+61
Germany	-0.30	-2	+15	+27
UK	0.73	-3	+26	+53
<b>5 Year Swap %</b>				
US	0.86	-7	+30	+44
Eurozone	-0.32	-2	+8	+14
UK	0.61	-3	+21	+42
<b>2 Year Swap %</b>				
US	0.22	-1	+4	+3
Eurozone	-0.48	-0	+4	+5
UK	0.25	-0	+8	+22
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	36	+1	+4	+9
Belgium	30	-1	+12	+11
France	25	-0	+2	+1
Italy	100	-4	+4	-9
Spain	67	-1	+9	+4
Portugal	57	-1	+6	-6
Greece	121	-3	-2	+0



Commodities				
	Close	Day	4 Weeks	End 20
Brent Oil	67.52	-1.06	+10.53	+30.35
West Texas Oil	64.02	-1.55	+9.74	+32.41
Gold \$	1715.4	+2.03	-6.62	-9.55

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