

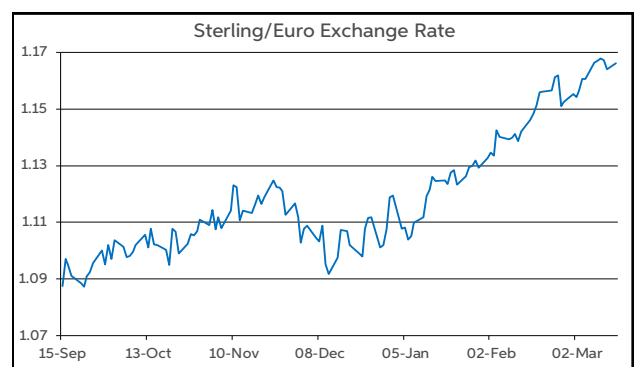
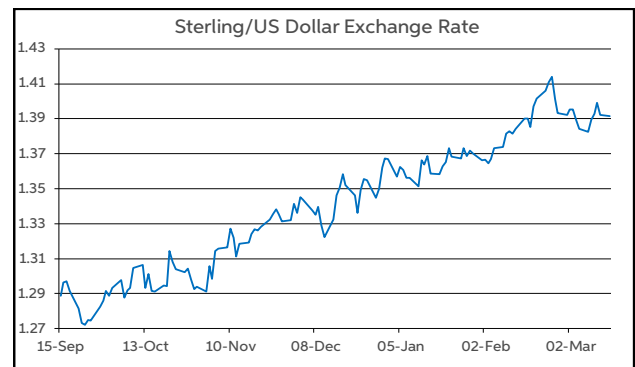
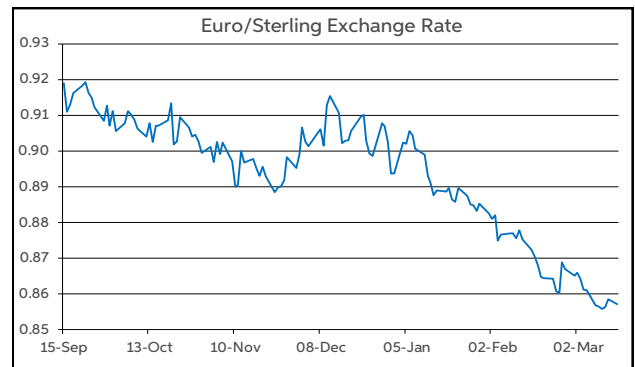
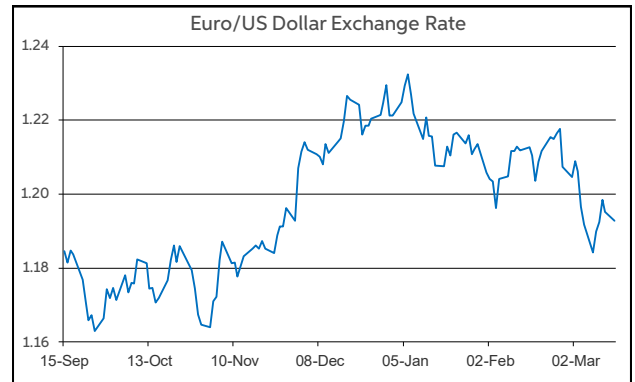
Central Bank theme this week

The action on financial markets last week saw the main equity indices register strong gains. At the close on Wall Street on Friday, the S&P 500 index was up circa 2.5% on the week. Meanwhile, on bond markets the ECB's announcement that it will increase the pace of its monthly PEPP purchases saw Eurozone yields fall, most notably in periphery markets. Meantime, US yields moved higher, with the closely watched 10 year Treasury yield ending the week at 1.62%.

On the currency front, the main pairs moved within relatively tight ranges for much of the week. The dollar remained supported by the higher US yield backdrop, although it did edge slightly back from its recent highs versus the euro and sterling. Data-wise, the weekly diary was sparse and had no impact. Meantime, the euro was largely unreactive to the ECB meeting outcome. So as trading gets underway this morning, EUR/USD is changing hands in the bottom half of \$1.19-1.20, having traded as low as \$1.184 last week. Meanwhile, the EUR/GBP pair continues to change hands within the 85-86p trading range. Elsewhere, cable (GBP/USD) is operating just above the \$1.39 handle.

This week, there is a central bank theme to the macro diary, including the March meetings of the US Fed and BoE. While no policy changes are expected from either, they do pose some event risk for their respective currencies. Both central banks have tried to assuage market concerns that policy will not be tightened early in this cycle. Despite this, futures contracts have recently moved to price in the possibility of rate hikes in H2'22 in the US and UK. Data-wise, a busy US schedule includes retail sales and industrial production (both Feb). Meanwhile, the Eurozone and UK data calendars are quiet this week.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1928	-0.28	-2.33
EUR/GBP	0.8571	0.14	-4.10
GBP/USD	1.3914	-0.43	1.76
GBP/EUR	1.1663	-0.14	4.27
USD/JPY	109.23	0.45	5.80
EUR/JPY	130.3	0.17	3.28

* 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	0.19	0.19	0.27	0.94
EUR	0.00	-0.55	-0.54	-0.53	-0.47	-0.31
GBP	0.10	0.05	0.08	0.11	0.25	0.65

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

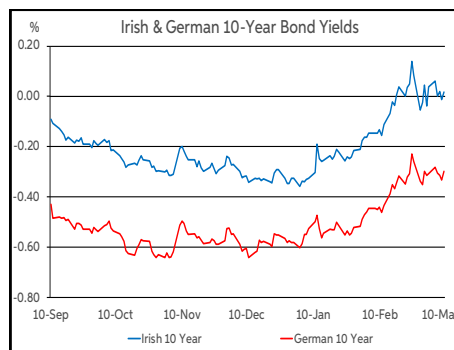
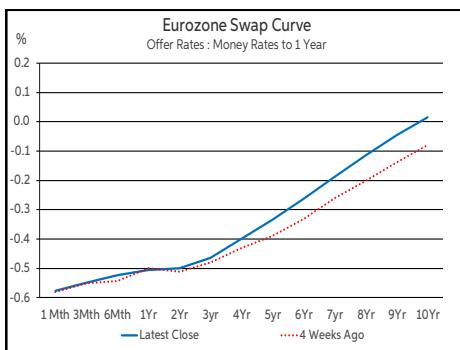
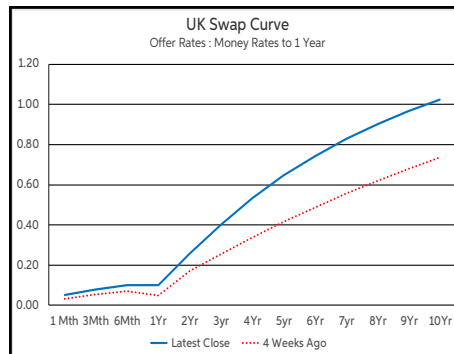
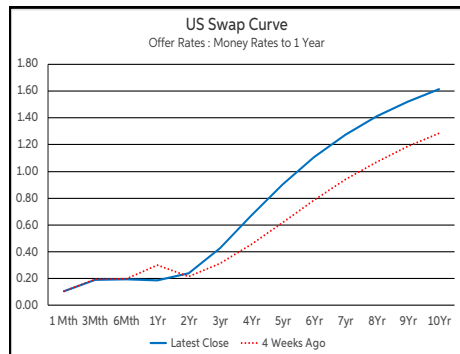
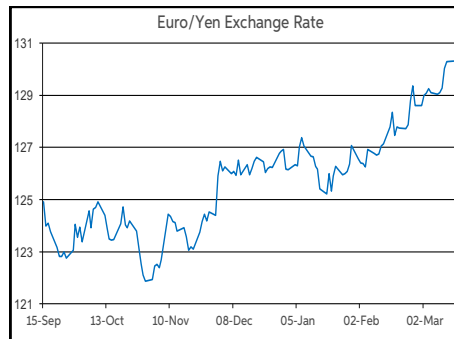
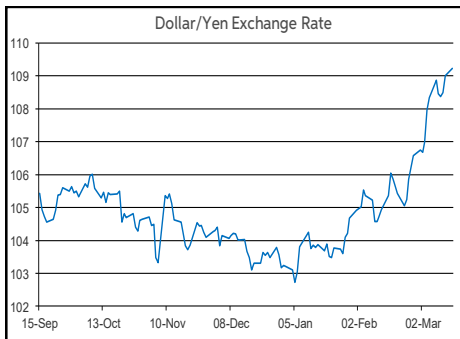
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

Monday 15 March 2021
07:20 am



Euro		Sterling		Dollar	
EUR/GBP	0.8571	GBP/EUR	1.1663	USD/JPY	109.23
EUR/USD	1.1928	GBP/USD	1.3914	USD/CAD	1.2481
EUR/JPY	130.3	GBP/CAD	1.7364	USD/CHF	0.9307
EUR/SEK	10.1383	GBP/NZD	1.9348	USD/CNY	6.5044
EUR/DKK	7.4362	GBP/JPY	151.98	USD/BRL	5.5518
EUR/NOK	10.0785	GBP/SEK	11.8224	USD/RUB	73.29
EUR/CHF	1.1105	GBP/DKK	8.6734	USD/INR	72.64
EUR/AUD	1.5424	GBP/NOK	11.7544	AUD/USD	0.7733
EUR/HKD	9.2606	GBP/CHF	1.2952	NZD/USD	0.719
EUR/CAD	1.4887	GBP/AUD	1.7992		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.62	+9	+41	+71
Germany	-0.30	+4	+14	+28
UK	0.83	+9	+31	+63
Ireland	0.04	+3	+13	+35
Belgium	0.01	+3	+14	+39
France	-0.06	+4	+14	+29
Italy	0.63	+3	+15	+11
Spain	0.33	+2	+17	+28
Portugal	0.21	+2	+10	+15
Greece	0.83	+4	+8	+20
5 Year Swap %				
US	0.90	+7	+33	+48
Eurozone	-0.33	+0	+7	+13
UK	0.65	+5	+24	+46
2 Year Swap %				
US	0.24	+2	+6	+5
Eurozone	-0.50	+0	+2	+3
UK	0.26	+1	+10	+23
10 Year Government Bond Spreads to Benchmark bps				
Ireland	34	-1	-0	+7
Belgium	31	-0	+1	+11
France	24	-0	+1	+1
Italy	93	-1	+1	-17
Spain	63	-2	+4	-0
Portugal	50	-1	-4	-13
Greece	112	+1	-6	-8

Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	69.22	-0.59	+10.88	+33.63
West Texas Oil	65.59	-0.65	+10.24	+35.66
Gold \$	1726.4	+0.29	-5.32	-8.97

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