

Busy US data schedule today

A sparse macro calendar yesterday, contributed to a subdued day on markets. At the margin, news that a host of European nations have temporarily stopped administering the AstraZeneca vaccine was somewhat unhelpful for risk appetite. Benchmark sovereign yields edged lower by 1-3bps. Meanwhile, on equity markets, the Eurostoxx 50 finished flat for the day, though, the S&P 500 gained 0.6%. Currency-wise, there was a slightly softer tone to sterling.

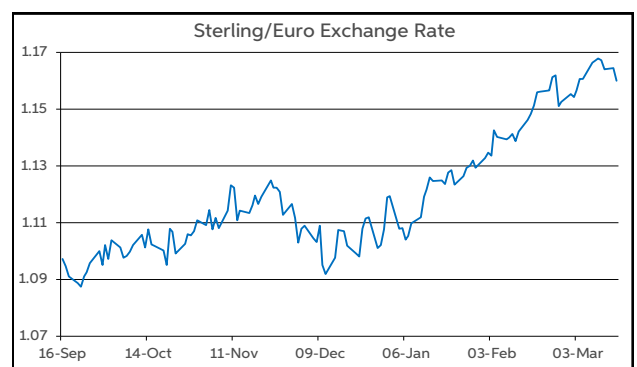
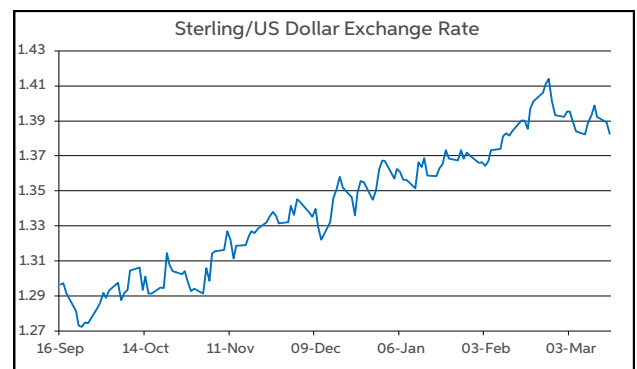
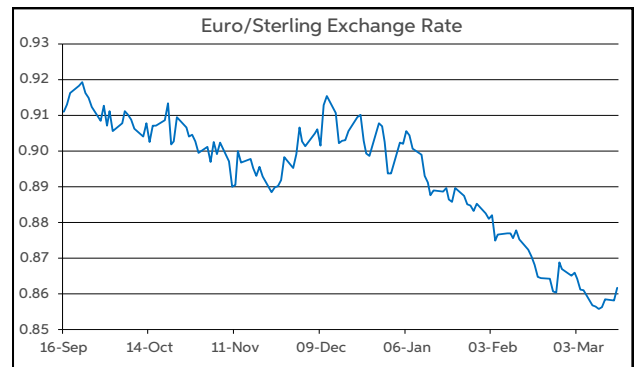
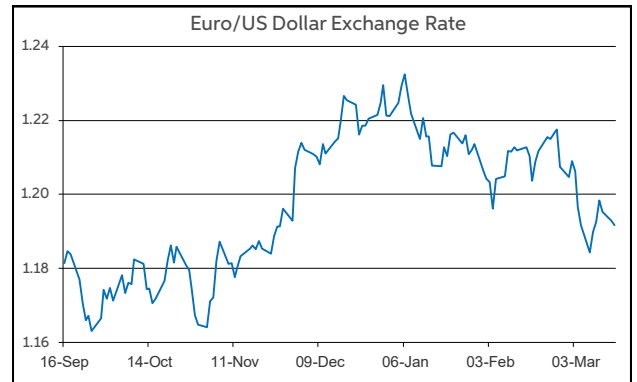
Elsewhere, Brexit tensions continued to simmer as the EU started formal legal proceedings against the UK. This is in response to the UK unilaterally extending certain grace periods for trade between Great Britain and Northern Ireland, without official EU certification. The move by the European Commission was widely anticipated.

In level terms, the softer tone to sterling is reflected in EUR/GBP opening this morning above the 86p threshold. Cable (GBP/USD) starts today below the midpoint of \$1.38-1.39. Meanwhile, EUR/USD is operating in the bottom half of the \$1.19-1.20 range.

Data-wise, there is a busy US schedule ahead today. Retail sales are expected to fall by 0.5% in February, having jumped by 5.3% in January as households spent their December stimulus payments. Additional fiscal transfers as part of the latest stimulus package are likely to result in further increases in the months ahead.

Industrial production for February is also due. The forecast is for output to rise by 0.3% in the month, as US manufacturing continues to perform strongly. Homebuilder sentiment for March will be released as well. In the Eurozone, the German ZEW is expected to remain on its recent upward trend. However, barring any surprises, the data is unlikely to impact the euro or dollar.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1917	-0.12	-2.42
EUR/GBP	0.8618	0.47	-3.57
GBP/USD	1.3829	-0.56	1.14
GBP/EUR	1.16	-0.46	3.70
USD/JPY	109.21	-0.05	5.78
EUR/JPY	130.16	-0.18	3.17

* 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	0.92
EUR	0.00	-0.55	-0.54	-0.51	-0.49	-0.33
GBP	0.10	0.05	0.08	0.10	0.27	0.64

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

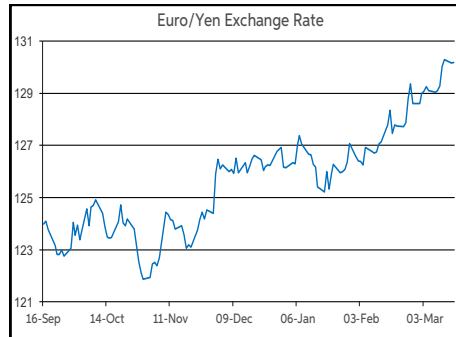
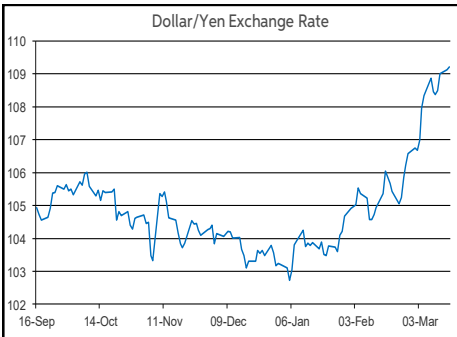
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

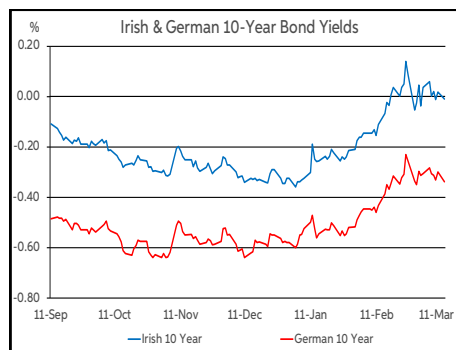
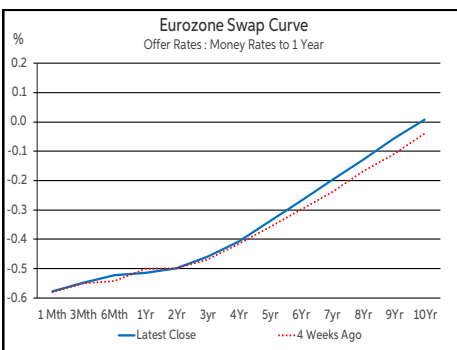
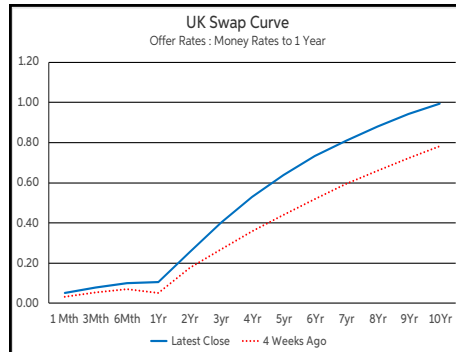
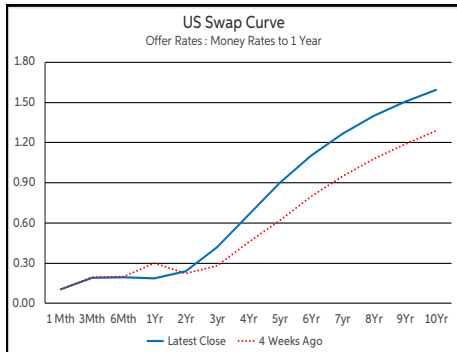
Tuesday 16 March 2021
07:29 am



Euro		Sterling		Dollar	
EUR/GBP	0.8618	GBP/EUR	1.16	USD/JPY	109.21
EUR/USD	1.1917	GBP/USD	1.3829	USD/CAD	1.2489
EUR/JPY	130.16	GBP/CAD	1.7272	USD/CHF	0.9275
EUR/SEK	10.1682	GBP/NZD	1.9239	USD/CNY	6.5004
EUR/DKK	7.4358	GBP/JPY	151.02	USD/BRL	5.6156
EUR/NOK	10.098	GBP/SEK	11.7924	USD/RUB	72.932
EUR/CHF	1.1053	GBP/DKK	8.6274	USD/INR	72.57
EUR/AUD	1.5409	GBP/NOK	11.7116	AUD/USD	0.7731
EUR/HKD	9.2537	GBP/CHF	1.2827	NZD/USD	0.7186
EUR/CAD	1.4889	GBP/AUD	1.7879		



Debt Markets				
	Close	Day	4 Weeks	End 20
10 Year Yield %				
US	1.61	-2	+40	+69
Germany	-0.34	-4	+5	+24
UK	0.80	-3	+23	+60
5 Year Swap %				
US	0.90	-0	+31	+48
Eurozone	-0.34	-2	+3	+12
UK	0.64	-1	+20	+45
2 Year Swap %				
US	0.24	+0	+5	+5
Eurozone	-0.50	-1	+1	+3
UK	0.26	-0	+9	+23
10 Year Government Bond Spreads to Benchmark bps				
Ireland	35	+2	+2	+8
Belgium	32	+2	+2	+13
France	25	+1	+2	+1
Italy	94	+1	+3	-16
Spain	64	+1	+6	+1
Portugal	52	+2	-2	-12
Greece	116	+4	+1	-4



Commodities				
	Close	Day	4 Weeks	End 20
Brent Oil	68.88	-0.49	+8.82	+32.97
West Texas Oil	65.36	-0.35	+9.85	+35.18
Gold \$	1731.8	+0.31	-4.77	-8.68

This publication is for information purposes and is not an invitation to deal. The information is believed to be reliable but is not guaranteed. Any expressions of opinions are subject to change without notice. This publication is not to be reproduced in whole or in part without prior permission. In the Republic of Ireland it is distributed by Allied Irish Banks, p.l.c. In the UK it is distributed by Allied Irish Banks, p.l.c. and Allied Irish Bank (GB). In Northern Ireland it is distributed by Allied Irish Bank (NI). In the United States of America it is distributed by Allied Irish Banks, p.l.c. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland. Allied Irish Bank (GB) and AIB (NI) are trade marks used under licence by AIB Group (UK) p.l.c. (a wholly owned subsidiary of Allied Irish Banks, p.l.c.), incorporated in Northern Ireland. Registered Office 92 Ann Street, Belfast BT1 3HH. Registered Number NI018800. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In the United States of America, Allied Irish Banks, p.l.c., New York Branch, is a branch licensed by the New York State Department of Financial Services. Deposits and other investment products are not FDIC insured, they are not guaranteed by any bank and they may lose value. Please note that telephone calls may be recorded in line with market practice.