

Euro starts the week slightly firmer

The week on financial markets got off to a relatively quiet start yesterday. The recent sell off on bond markets took a breather. This was reflected in a modest decline in yields. The 10 year US Treasury yield fell back below the 1.7% threshold. Meanwhile, the fall in bond yields corresponded with the main equity indices eking out some gains on the day, aided by a recovery in tech stocks, which had been suffering from the rising yield environment. At the close on Wall Street, the S&P 500 was up 0.7% on the day.

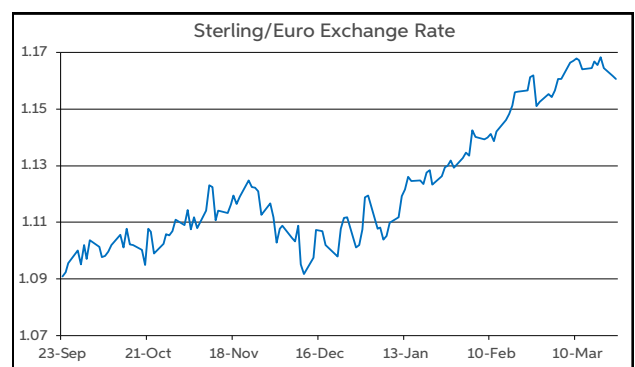
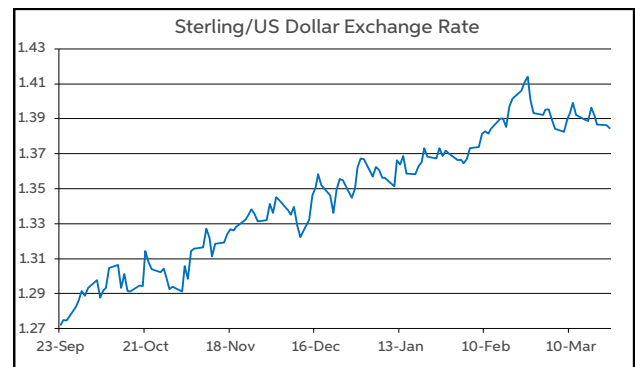
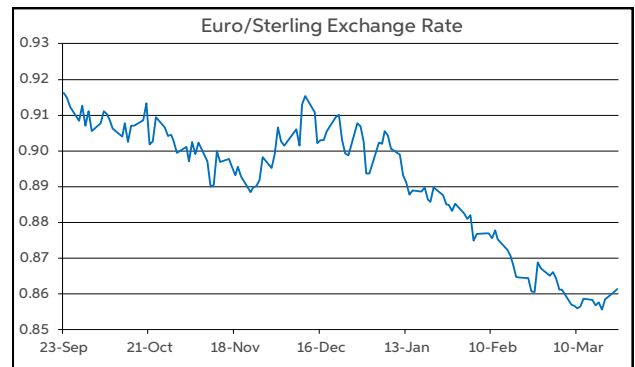
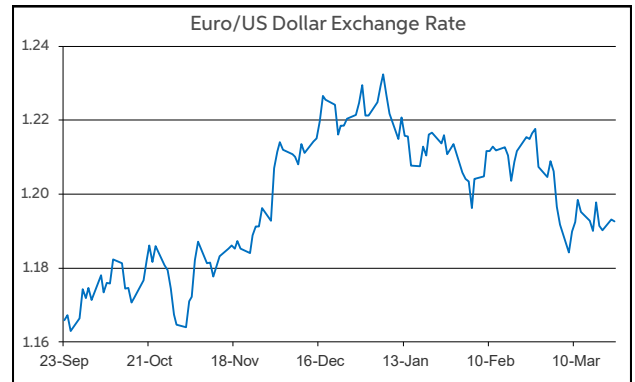
On the currency front, the main pairs remained confined to fairly narrow ranges. Of the limited action to register, the euro was holding a marginally firmer tone for much of yesterday. There was no standout reason for this as the macro diary was quiet. Indeed, the only release of note was US existing home sales for February. They printed below expectations, but the dollar was largely unreactive to the news.

In level terms, the slight gains for the euro over the past 24 hours are reflected in EUR/USD opening this morning back above \$1.19 and EUR/GBP just above the 86p mark. Elsewhere, GBP/USD continues to change hands around the midpoint of \$1.38-1.39.

Already this morning, we have had the main macro data event of the day, with a raft of UK labour market metrics for January/February released. This included the unemployment rate, falling unexpectedly to 5.0% (from 5.1%) versus a 5.2% forecast. There has been no reaction from sterling so far to the data.

The only other release of note today is US new home sales (Feb). Overall then, the main FX pairs could spend today trading within relatively tight ranges near to their current levels.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1926	0.28	-2.35
EUR/GBP	0.8611	0.30	-3.65
GBP/USD	1.3848	-0.04	1.28
GBP/EUR	1.1608	-0.30	3.79
USD/JPY	108.71	-0.08	5.30
EUR/JPY	129.66	0.19	2.77

* 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	0.26	0.96
EUR	0.00	-0.55	-0.54	-0.52	-0.50	-0.34
GBP	0.10	0.05	0.08	0.12	0.29	0.68

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

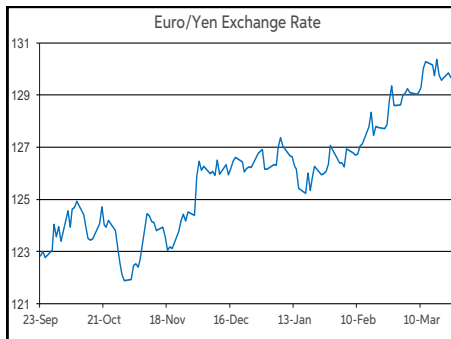
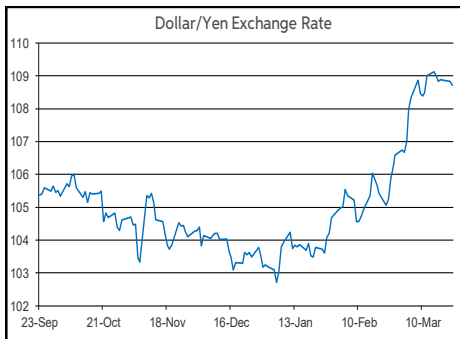
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

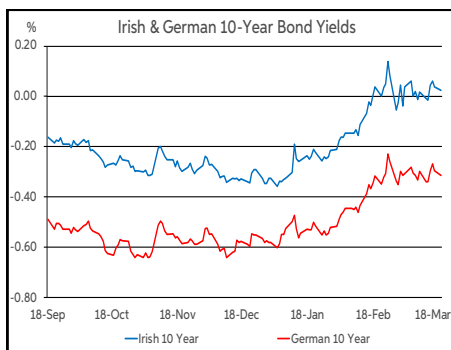
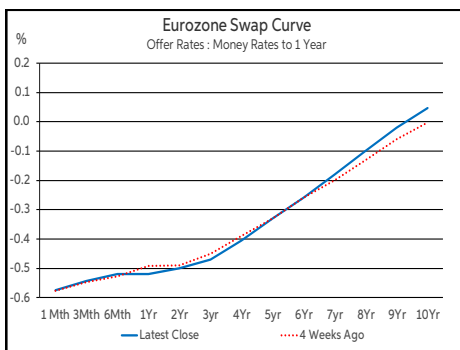
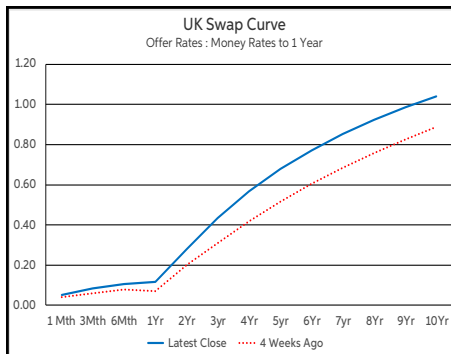
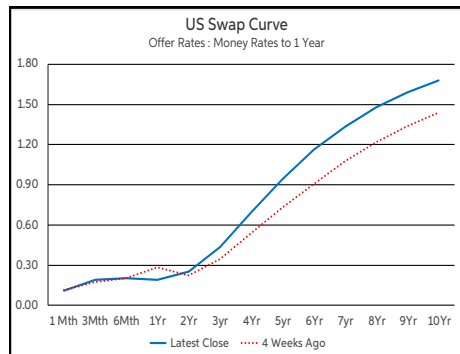
Tuesday 23 March 2021
07:23 am



Euro		Sterling		Dollar	
EUR/GBP	0.8611	GBP/EUR	1.1608	USD/JPY	108.71
EUR/USD	1.1926	GBP/USD	1.3848	USD/CAD	1.2539
EUR/JPY	129.66	GBP/CAD	1.7362	USD/CHF	0.9241
EUR/SEK	10.1757	GBP/NZD	1.9557	USD/CNY	6.5093
EUR/DKK	7.4358	GBP/JPY	150.54	USD/BRL	5.5067
EUR/NOK	10.153	GBP/SEK	11.8085	USD/RUB	75.2207
EUR/CHF	1.1024	GBP/DKK	8.6321	USD/INR	72.317
EUR/AUD	1.5495	GBP/NOK	11.7837	AUD/USD	0.7695
EUR/HKD	9.262	GBP/CHF	1.2796	NZD/USD	0.7078
EUR/CAD	1.4957	GBP/AUD	1.7988		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.69	-4	+33	+78
Germany	-0.31	-2	+4	+27
UK	0.82	-3	+14	+62
Ireland	0.05	-1	+3	+35
Belgium	0.01	-1	+5	+40
France	-0.06	-1	+4	+28
Italy	0.65	-2	+5	+13
Spain	0.34	-1	+2	+29
Portugal	0.23	-1	+1	+17
Greece	0.92	-2	+2	+29
5 Year Swap %				
US	0.94	-1	+24	+52
Eurozone	-0.33	+0	+1	+13
UK	0.68	-1	+17	+49
2 Year Swap %				
US	0.25	-1	+6	+6
Eurozone	-0.50	+0	+0	+3
UK	0.28	+0	+9	+25
10 Year Government Bond Spreads to Benchmark bps				
Ireland	36	+0	-1	+9
Belgium	32	+1	+1	+13
France	25	+0	+0	+2
Italy	96	-1	+1	-14
Spain	65	+1	-2	+2
Portugal	54	+1	-3	-10
Greece	123	+0	-1	+2



Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	64.62	+0.14	-0.95	+24.75
West Texas Oil	61.48	+0.08	-0.31	+27.16
Gold \$	1738.7	-0.35	-3.87	-8.32

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