

## Flash PMIs due today

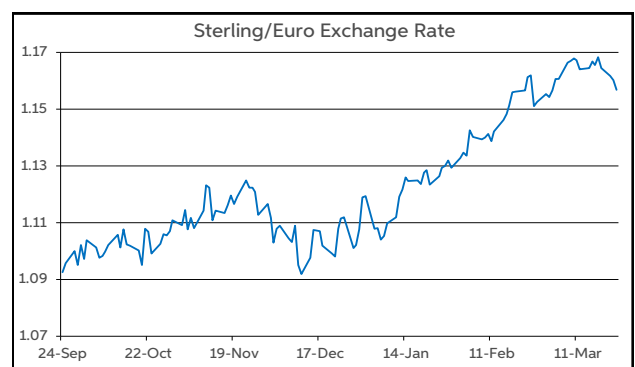
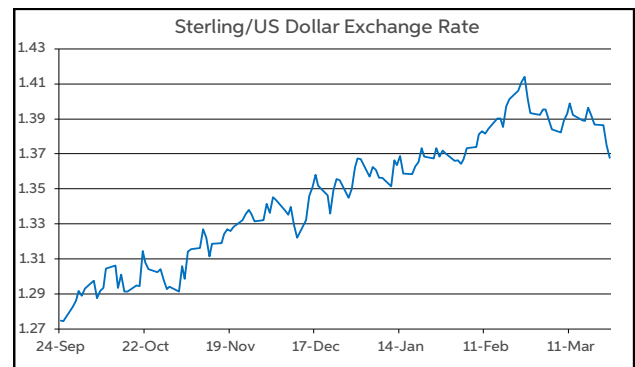
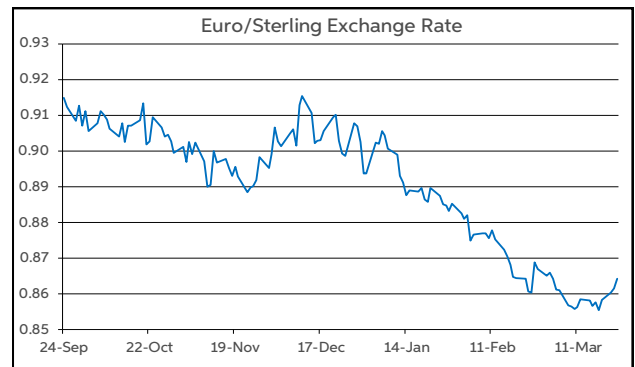
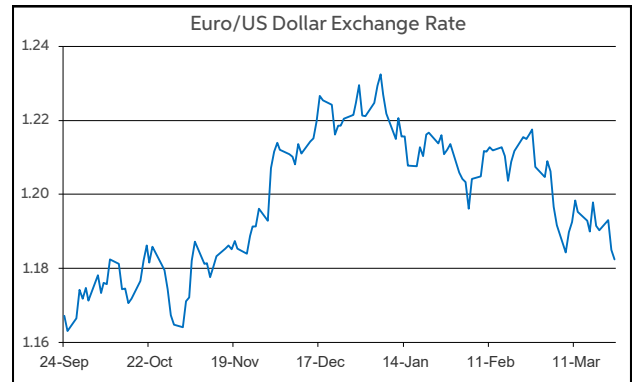
There was a risk-off tone to market proceedings yesterday, as restrictions on activity were extended and tightened in Germany. This comes on the heels of increased restrictions announced in France and Italy last week. The Eurostoxx 50 edged lower, while across the Atlantic, the S&P 500 closed down 0.8%. Benchmark sovereign bond yields moved lower across the board, with the 10 Year US Treasury yield falling to 1.62%. Elsewhere, oil prices declined by about 4%. Currency-wise, safe haven currencies such as the Japanese yen, and the US dollar registered some support.

A sparse data schedule yesterday meant that the main focus was on a joint appearance in Congress by Fed Chair Powell and Treasury Secretary Yellen in the US. Both policymakers reiterated that higher inflation forecast for this year is likely to be transitory. However, as neither participant made any new comments on the outlook, their remarks did not impact on currency markets.

Already this morning, UK CPI for February has been released. It printed below expectations at 0.4%. The weaker than expected data has resulted in sterling coming under some mild downward pressure as proceedings get underway. This is reflected in EUR/GBP rising to 86.4p in early trading. Meanwhile, GBP/USD has fallen below \$1.37 threshold. The firmer dollar is evidenced by EUR/USD opening in the bottom half of the \$1.18-1.19 range.

A busy data schedule for the remainder of the day includes the Flash PMIs for March in the US, UK and Eurozone. The forecast is for a large divergence between sectors to remain in the Eurozone. In the UK, the services sector is projected to move back into expansion mode. Meanwhile, both indices are forecast to print well above the key 50 threshold in the US.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1823	-0.84	-3.19
EUR/GBP	0.864	0.23	-3.32
GBP/USD	1.3679	-1.08	0.04
GBP/EUR	1.1568	-0.23	3.44
USD/JPY	108.61	-0.12	5.20
EUR/JPY	128.42	-0.96	1.79

\* 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	0.28	0.92
EUR	0.00	-0.55	-0.54	-0.52	-0.50	-0.35
GBP	0.10	0.05	0.08	0.11	0.29	0.66

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

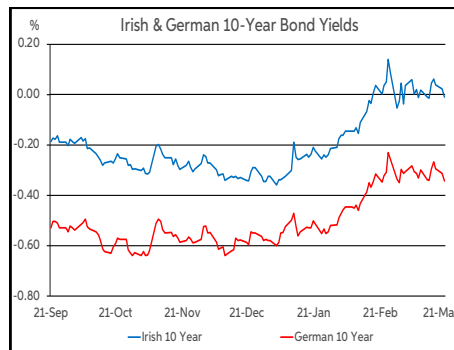
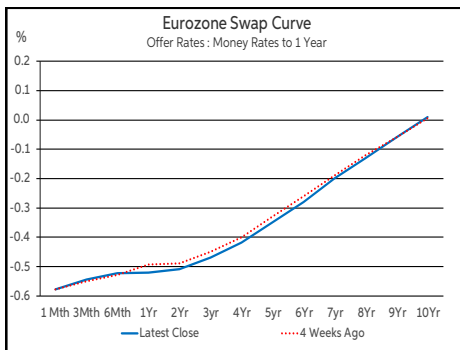
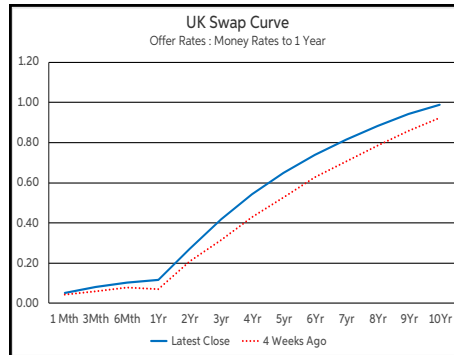
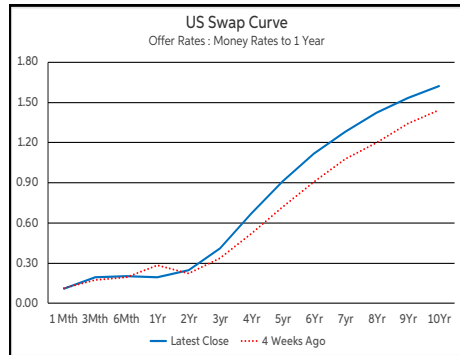
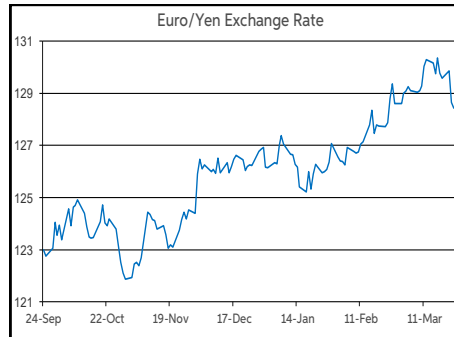
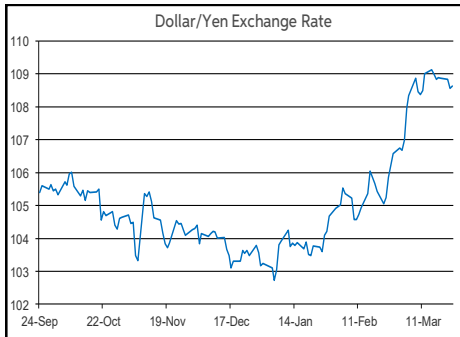
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

Wednesday 24 March 2021  
07:28 am



Euro		Sterling		Dollar	
EUR/GBP	0.8641	GBP/EUR	1.1567	USD/JPY	108.61
EUR/USD	1.1821	GBP/USD	1.3679	USD/CAD	1.26
EUR/JPY	128.42	GBP/CAD	1.7237	USD/CHF	0.9358
EUR/SEK	10.1912	GBP/NZD	1.9627	USD/CNY	6.5246
EUR/DKK	7.4359	GBP/JPY	148.57	USD/BRL	5.5214
EUR/NOK	10.252	GBP/SEK	11.7905	USD/RUB	76.31
EUR/CHF	1.1065	GBP/DKK	8.6019	USD/INR	72.6725
EUR/AUD	1.558	GBP/NOK	11.8654	AUD/USD	0.7588
EUR/HKD	9.1839	GBP/CHF	1.28	NZD/USD	0.6967
EUR/CAD	1.4896	GBP/AUD	1.8026		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
<b>10 Year Yield %</b>				
US	1.62	-7	+28	+71
Germany	-0.34	-3	-2	+23
UK	0.76	-5	+5	+57
Ireland	0.02	-3	-4	+32
Belgium	-0.02	-3	-1	+37
France	-0.09	-3	-3	+25
Italy	0.60	-4	-4	+8
Spain	0.30	-4	-6	+25
Portugal	0.18	-5	-8	+12
Greece	0.87	-4	-6	+25
<b>5 Year Swap %</b>				
US	0.91	-4	+23	+49
Eurozone	-0.35	-2	-1	+11
UK	0.65	-3	+13	+46
<b>2 Year Swap %</b>				
US	0.25	-0	+6	+5
Eurozone	-0.51	-1	-1	+2
UK	0.27	-1	+7	+24
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	36	-0	-2	+9
Belgium	33	+0	+1	+13
France	25	-0	-1	+1
Italy	95	-1	-2	-15
Spain	65	-1	-4	+2
Portugal	52	-2	-6	-12
Greece	122	-1	-3	+1

Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	60.79	-5.93	-7.01	+17.36
West Texas Oil	57.75	-6.07	-6.34	+19.44
Gold \$	1727.1	-0.67	-4.32	-8.93

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