

EUR/USD falls below \$1.18

Risk appetite was mixed across markets yesterday. In Europe, the Eurostoxx 50 finished flat for the day, while across the Atlantic the S&P 500 gained 0.5%. Eurozone sovereign bond yields also edged lower, while the US Treasury yield curve steepened, as long end yields moved higher.

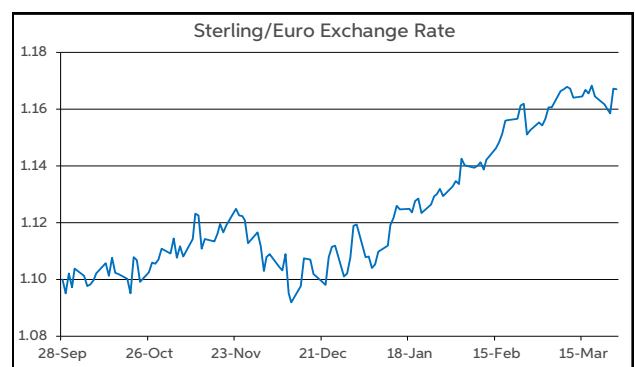
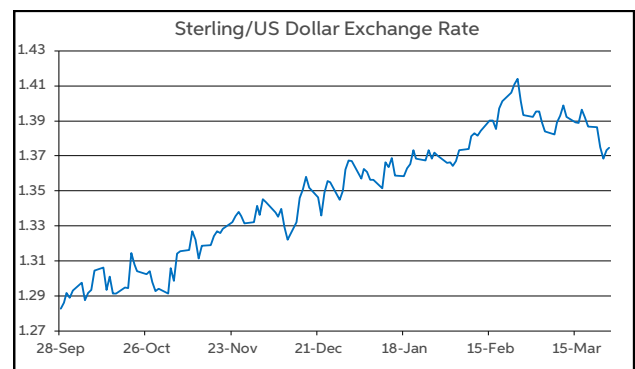
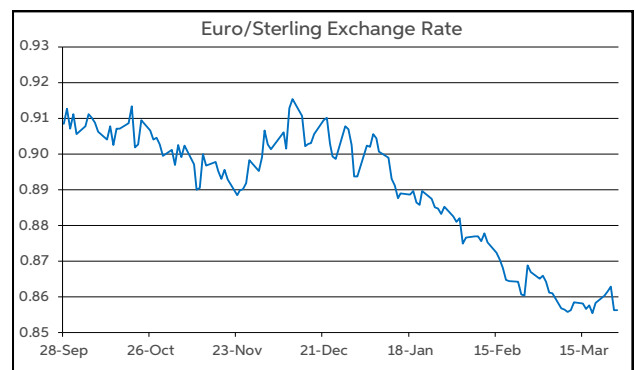
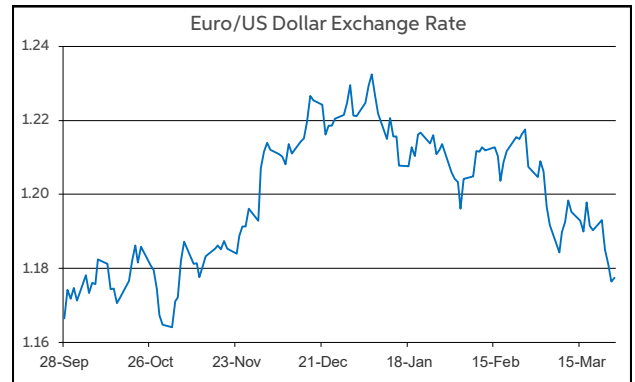
Currency-wise, the euro came under some downward pressure. The slower pace of vaccine rollout and the recent rise in Covid-19 cases, leading to the extension and tightening of restrictions in the region continued to weigh on the currency.

In level terms, the weaker euro tone over the past 24 hours is reflected in EUR/USD opening this morning below the \$1.18 threshold, for the first time since November 2020. The euro has also lost ground against sterling with EUR/GBP changing hands back below the 86p mark. Meanwhile, a modestly firmer sterling is evident in GBP/USD regaining the \$1.37 handle, operating near to the midpoint of the \$1.37-1.38 range.

Turning to today, already this morning, UK retail sales for February have printed in line with the consensus, rising by 2.1% following a sharp fall of 8.2% in January. However, the release has not impacted sterling so far in early trading.

Later today, the March reading of the German Ifo is expected to see the index edge higher. Meanwhile, in the US, consumption and income data is projected to pullback somewhat, after rising sharply in January. Core-PCE, the Fed's preferred measure of inflation is projected to remain unchanged at 1.5% in February. However, barring any significant surprise, the data is unlikely to impact the respective currencies.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1777	-0.36	-3.57
EUR/GBP	0.8567	-0.72	-4.14
GBP/USD	1.3744	0.36	0.52
GBP/EUR	1.1669	0.72	4.32
USD/JPY	109.27	0.31	5.84
EUR/JPY	128.69	-0.05	2.01

* 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	0.20	0.19	0.27	0.95
EUR	0.00	-0.55	-0.54	-0.52	-0.50	-0.36
GBP	0.10	0.05	0.09	0.12	0.27	0.63

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

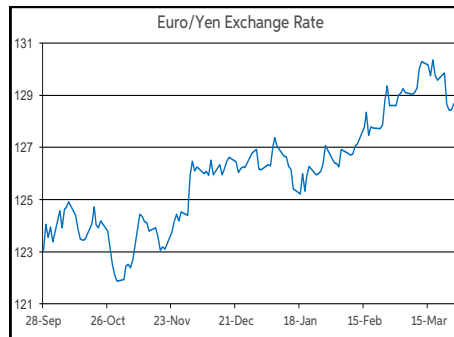
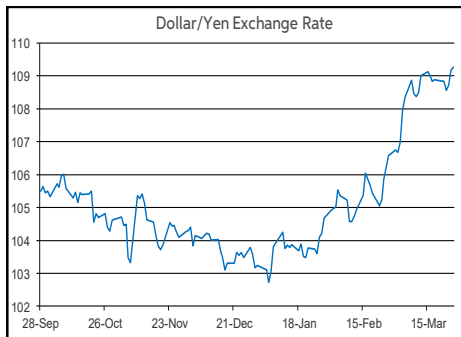
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

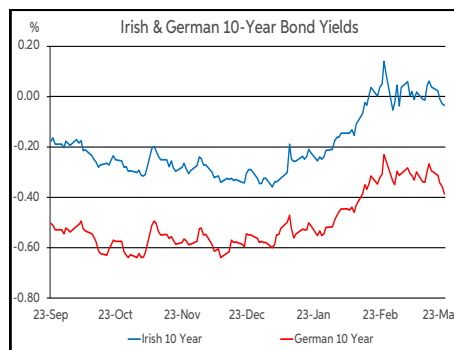
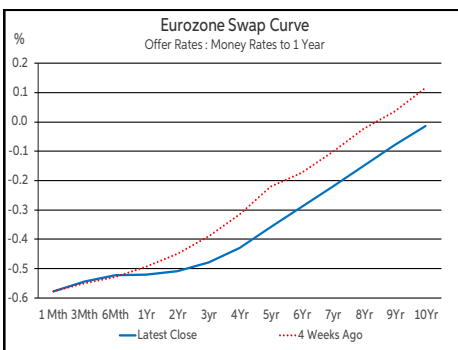
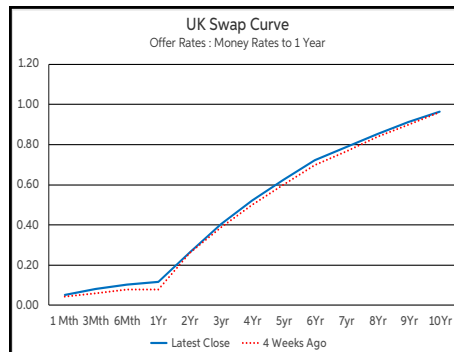
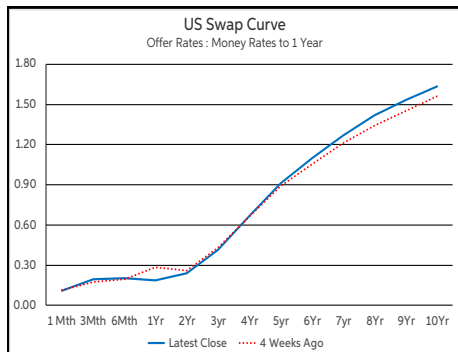
Friday 26 March 2021
07:09 am



Euro		Sterling		Dollar	
EUR/GBP	0.8567	GBP/EUR	1.1669	USD/JPY	109.26
EUR/USD	1.1776	GBP/USD	1.3745	USD/CAD	1.2576
EUR/JPY	128.69	GBP/CAD	1.7278	USD/CHF	0.9404
EUR/SEK	10.1798	GBP/NZD	1.9714	USD/CNY	6.5439
EUR/DKK	7.4358	GBP/JPY	150.18	USD/BRL	5.6491
EUR/NOK	10.1325	GBP/SEK	11.8814	USD/RUB	75.7068
EUR/CHF	1.1076	GBP/DKK	8.678	USD/INR	72.438
EUR/AUD	1.5463	GBP/NOK	11.8242	AUD/USD	0.7613
EUR/HKD	9.1476	GBP/CHF	1.2927	NZD/USD	0.6969
EUR/CAD	1.4809	GBP/AUD	1.8052		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.63	+2	+10	+72
Germany	-0.39	-3	-16	+19
UK	0.73	-2	-5	+54
Ireland	-0.02	-1	-18	+29
Belgium	-0.07	-3	-16	+32
France	-0.14	-3	-16	+21
Italy	0.58	-2	-23	+6
Spain	0.27	-1	-21	+21
Portugal	0.15	-1	-22	+9
Greece	0.86	-0	-26	+23
5 Year Swap %				
US	0.91	+2	+6	+49
Eurozone	-0.36	-0	-13	+10
UK	0.63	-1	+4	+44
2 Year Swap %				
US	0.24	-1	+2	+5
Eurozone	-0.51	+0	-5	+2
UK	0.26	-0	+1	+24
10 Year Government Bond Spreads to Benchmark bps				
Ireland	37	+2	-2	+10
Belgium	32	+0	-1	+13
France	25	+0	-1	+2
Italy	96	+1	-7	-13
Spain	65	+2	-6	+2
Portugal	54	+2	-6	-10
Greece	124	+3	-11	+4



Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	61.95	-3.82	-7.37	+19.59
West Texas Oil	58.47	-4.34	-7.82	+20.93
Gold \$	1726.8	-0.42	-2.43	-8.95

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