

Narrow FX trading

There was a generally cautious mood to investor sentiment at the start of the week yesterday. The Euro Stoxx 50 registered a modest 0.4% gain. Meanwhile at the closing bell on Wall Street last night, the S&P 500 finished flat for the day.

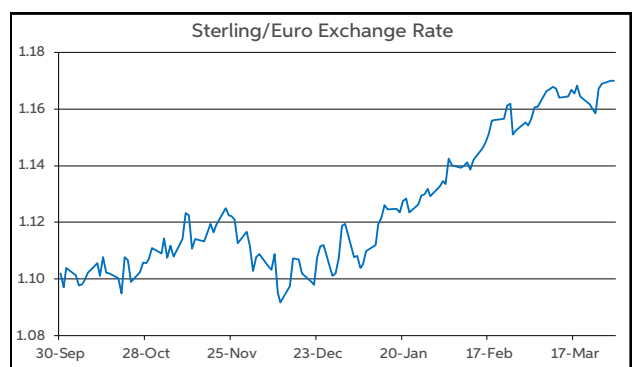
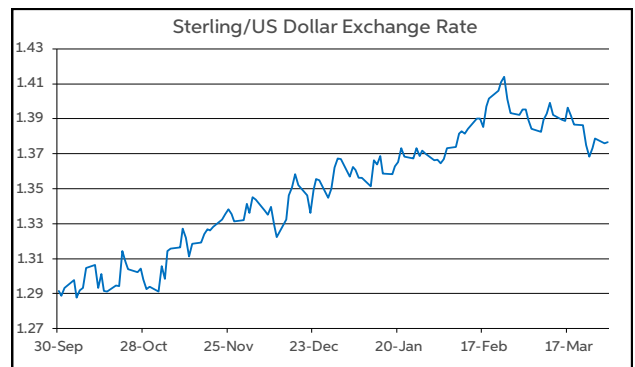
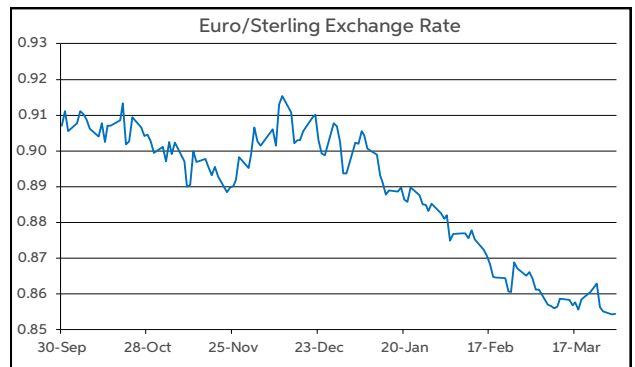
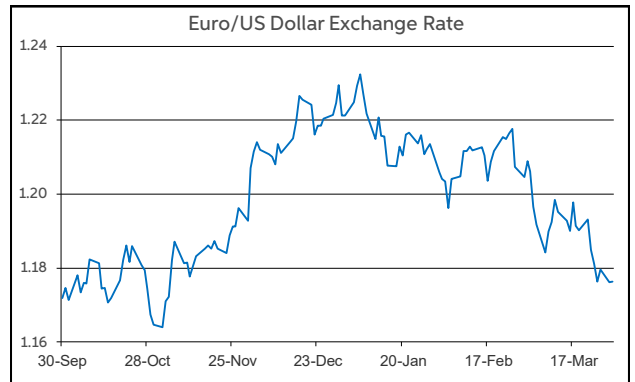
On fixed income markets, yields ticked higher amid the subdued tone to risk appetite. This included the 10 year US treasury yield edging back above the 1.7% threshold. Meanwhile, on the currency front, the main pairs were changing hands within very tight ranges. This was not overly surprising given the dearth of data releases on either side of the Atlantic.

Of the limited FX action to register, sterling started yesterday with some slight upward momentum. This was against the backdrop of the UK economy beginning its gradually easing back of restrictions that were put in place to deal with the pandemic. In level terms, this was reflected in EUR/GBP falling to a new year to date low, down at the 85p mark. At the same time, cable (GBP/USD) regained the \$1.38 handle.

However, sterling was unable to sustain these gains. EUR/GBP opens this morning back up near to the midpoint of 85-86p, while GBP/USD is back below \$1.38. Elsewhere, the EUR/USD pair has had an uneventful 24 hours, with trading confined to the upper half of the \$1.17-1.18 band.

Looking ahead to today, the macro diary has a somewhat busier look to it. The highlights being the Eurozone EC sentiment indices, German inflation figures and US consumer confidence (all March). However, barring major surprises, none of the above may have a significant bearing on FX direction today.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1762	-0.13	-3.69
EUR/GBP	0.8543	-0.08	-4.41
GBP/USD	1.3767	-0.04	0.69
GBP/EUR	1.1701	0.08	4.61
USD/JPY	109.94	0.37	6.49
EUR/JPY	129.33	0.23	2.51

* 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	0.20	0.30	1.03
EUR	0.00	-0.55	-0.54	-0.52	-0.49	-0.32
GBP	0.10	0.05	0.09	0.12	0.28	0.65

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

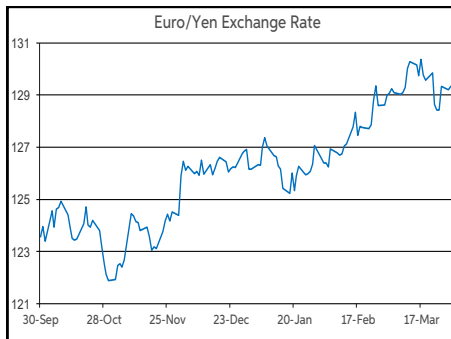
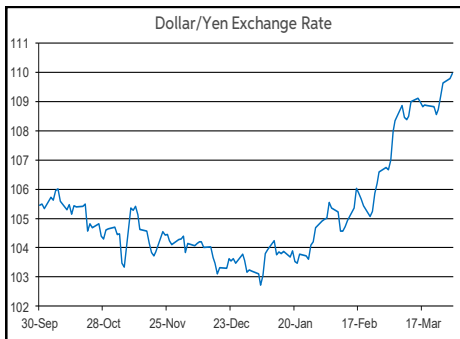
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

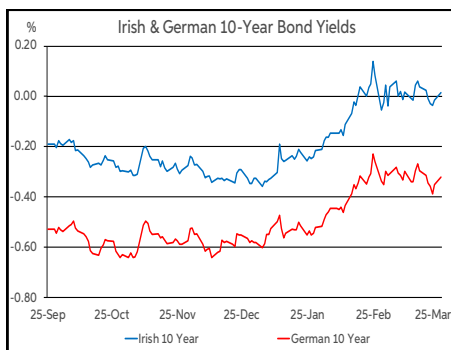
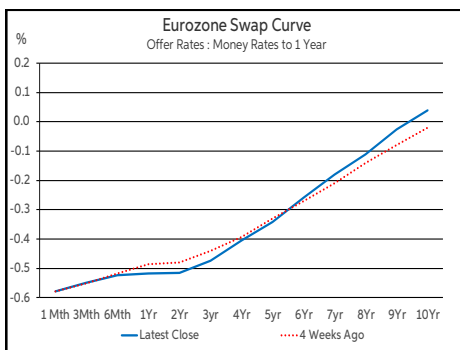
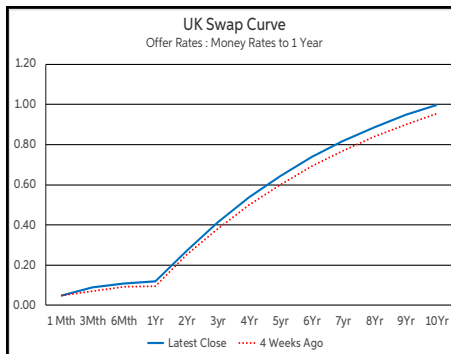
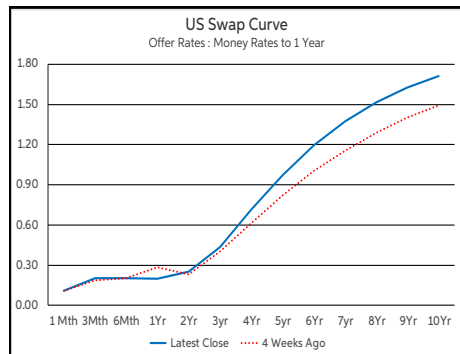
Tuesday 30 March 2021
07:18 am



Euro		Sterling		Dollar	
EUR/GBP	0.8543	GBP/EUR	1.1702	USD/JPY	109.94
EUR/USD	1.1763	GBP/USD	1.3768	USD/CAD	1.259
EUR/JPY	129.33	GBP/CAD	1.7327	USD/CHF	0.9398
EUR/SEK	10.2228	GBP/NZD	1.9607	USD/CNY	6.5663
EUR/DKK	7.436	GBP/JPY	151.38	USD/BRL	5.7819
EUR/NOK	10.0526	GBP/SEK	11.9624	USD/RUB	75.4299
EUR/CHF	1.1054	GBP/DKK	8.7031	USD/INR	72.845
EUR/AUD	1.5371	GBP/NOK	11.764	AUD/USD	0.765
EUR/HKD	9.1436	GBP/CHF	1.2941	NZD/USD	0.7021
EUR/CAD	1.4808	GBP/AUD	1.7995		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.72	+4	+29	+80
Germany	-0.32	+3	+1	+26
UK	0.79	+3	+3	+59
Ireland	0.04	+3	+4	+35
Belgium	-0.01	+3	+3	+38
France	-0.07	+3	+3	+27
Italy	0.64	+3	-2	+12
Spain	0.32	+3	-2	+26
Portugal	0.20	+2	-3	+14
Greece	0.87	-1	-16	+24
5 Year Swap %				
US	0.97	+2	+19	+55
Eurozone	-0.34	+1	-0	+12
UK	0.64	+1	+5	+45
2 Year Swap %				
US	0.25	-1	+4	+6
Eurozone	-0.52	-0	-3	+1
UK	0.27	+0	+3	+24
10 Year Government Bond Spreads to Benchmark bps				
Ireland	36	+0	+3	+9
Belgium	31	+0	+2	+12
France	25	+1	+1	+2
Italy	96	-0	-4	-14
Spain	64	+0	-3	+1
Portugal	52	-1	-4	-12
Greece	119	-4	-18	-2



Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	64.98	+0.63	+2.03	+25.44
West Texas Oil	61.49	+0.92	+1.57	+27.18
Gold \$	1712.0	-1.15	-0.69	-9.73

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