

Dollar continues to edge higher

The potential for US economic outperformance dominated market newsflow yesterday. This was against the backdrop of US vaccine eligibility being expanded further, forecast beating macro data, and further details emerging regarding President Biden's infrastructure plan (which he will outline later today). However, on Wall Street the S&P 500 finished the day down 0.3%, while in Europe, the Eurostoxx 50 gained 1.1%.

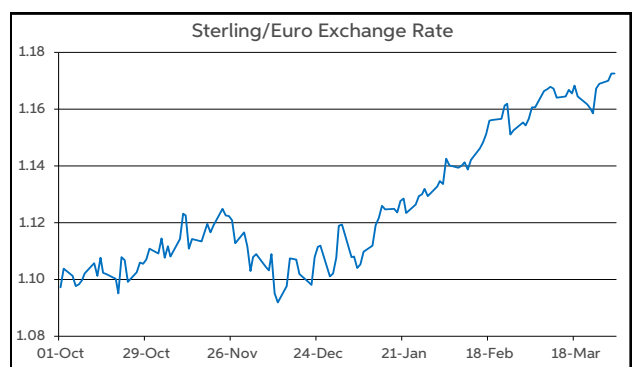
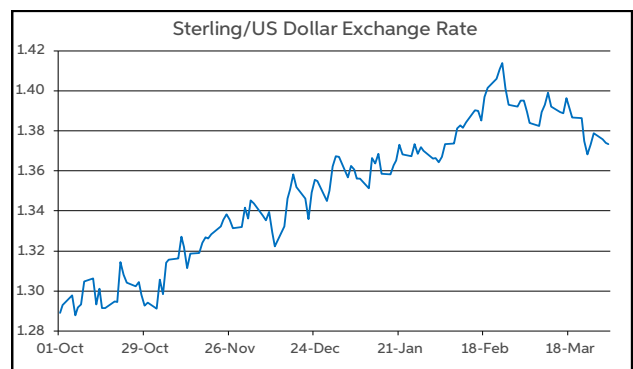
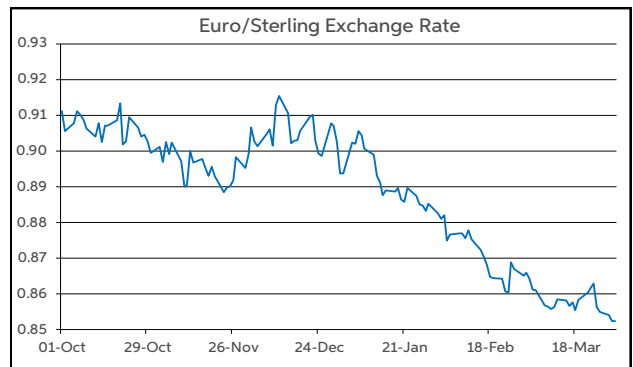
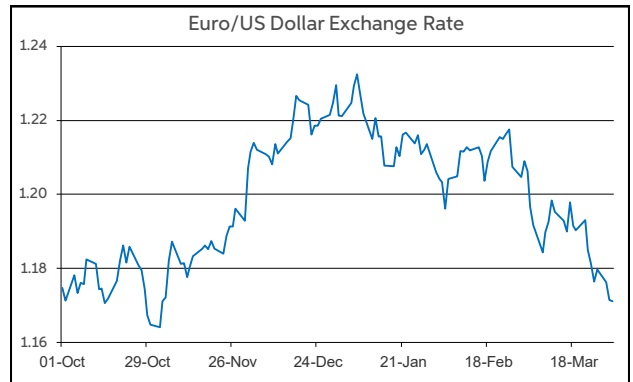
On bond markets, US Treasury yields continued to make headlines, with the 10 Year yield rising to 1.77% at one point, its highest level since January 2020. Currency-wise, the dollar was slightly firmer, supported by the prospects of stronger US growth.

Data-wise, the March reading of US consumer confidence rocketed to 109.7 from 90.4 as the latest round of fiscal transfers and the pickup in pace of the vaccine rollout led to an increase in consumer expectations. Elsewhere, the Eurozone EC sentiment indices for March all beat expectations. Meanwhile, German HICP inflation rose to 2% in line with the consensus.

In level terms, the firmer dollar tone is reflected in EUR/USD opening this morning down near the \$1.17 handle. GBP/USD has also moved lower, and is changing hands below the midpoint of the \$1.37-1.38 range. Meantime, EUR/GBP starts today in the bottom half of the 85-86p band.

Turning to today, UK GDP has been revised higher to 1.3% from 1% in Q4. Later today, the Eurozone reading of inflation for March is due. The forecast is for the headline rate to rise to 1.3% from 0.9%. However, barring any major surprises, the release is unlikely to impact the euro.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1713	-0.42	-4.09
EUR/GBP	0.8525	-0.13	-4.61
GBP/USD	1.3738	-0.31	0.48
GBP/EUR	1.1725	0.13	4.83
USD/JPY	110.71	0.70	7.24
EUR/JPY	129.69	0.29	2.80

* 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	-0.54	-0.49	-0.30
GBP	0.10	0.05	0.09	0.12	0.29	0.69

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

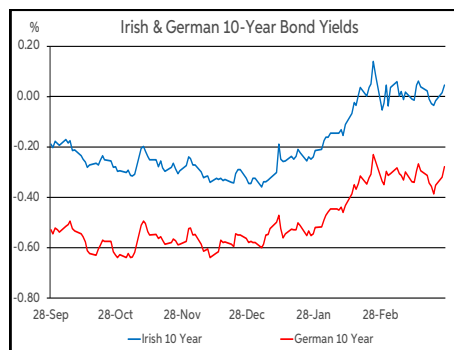
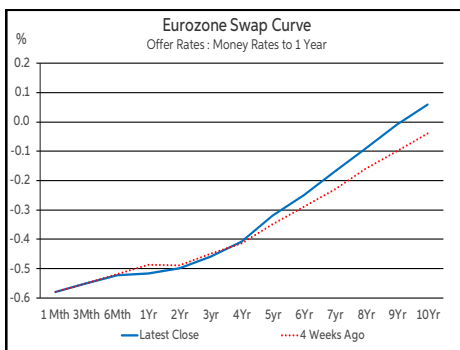
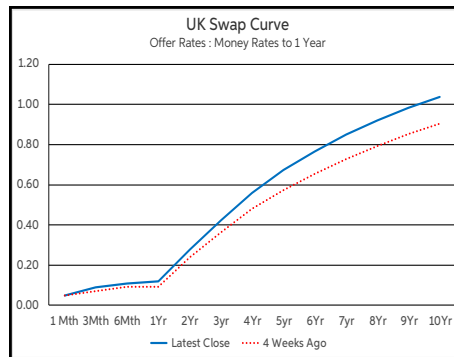
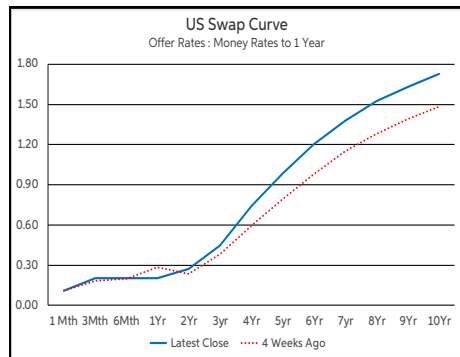
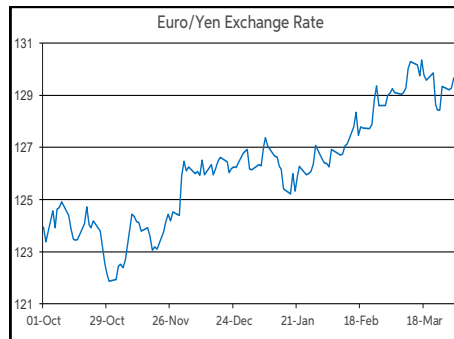
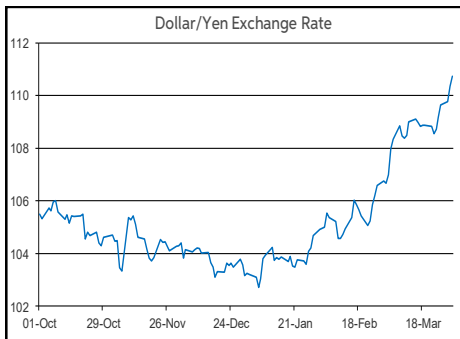
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

Wednesday 31 March 2021
07:30 am



Euro		Sterling		Dollar	
EUR/GBP	0.8525	GBP/EUR	1.1725	USD/JPY	110.71
EUR/USD	1.1713	GBP/USD	1.3738	USD/CAD	1.2617
EUR/JPY	129.69	GBP/CAD	1.7335	USD/CHF	0.9434
EUR/SEK	10.2375	GBP/NZD	1.97	USD/CNY	6.5613
EUR/DKK	7.4372	GBP/JPY	152.09	USD/BRL	5.7729
EUR/NOK	10.0162	GBP/SEK	12.0028	USD/RUB	75.823
EUR/CHF	1.1051	GBP/DKK	8.7203	USD/INR	73.51
EUR/AUD	1.5406	GBP/NOK	11.743	AUD/USD	0.7601
EUR/HKD	9.1074	GBP/CHF	1.296	NZD/USD	0.6972
EUR/CAD	1.4781	GBP/AUD	1.8072		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.71	-1	+31	+79
Germany	-0.28	+4	+7	+30
UK	0.83	+4	+14	+63
Ireland	0.08	+4	+8	+38
Belgium	0.03	+4	+8	+41
France	-0.04	+3	+7	+30
Italy	0.68	+4	-0	+16
Spain	0.35	+3	+1	+29
Portugal	0.24	+4	+2	+18
Greece	0.90	+4	-10	+28
5 Year Swap %				
US	0.98	+1	+23	+56
Eurozone	-0.32	+2	+4	+14
UK	0.67	+3	+11	+48
2 Year Swap %				
US	0.27	+1	+8	+8
Eurozone	-0.50	+2	+0	+3
UK	0.28	+1	+4	+25
10 Year Government Bond Spreads to Benchmark bps				
Ireland	36	-1	+1	+8
Belgium	31	-0	+1	+12
France	24	-1	-0	+1
Italy	96	+0	-7	-14
Spain	63	-1	-7	-0
Portugal	52	-0	-5	-12
Greece	118	-1	-17	-2

Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	64.14	-1.29	+2.30	+23.82
West Texas Oil	60.55	-1.53	+1.42	+25.23
Gold \$	1684.8	-1.59	-3.07	-11.16

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.