

## Dollar edges slightly higher

There was a cautious tone to risk sentiment yesterday on both sides of the Atlantic. On equity markets, the Euro Stoxx 50 shed 1.3% amid some disappointing corporate earnings reports and further tariff related newsflow. Meantime, the S&P 500 rallied late on to finish 0.2% higher on the day.

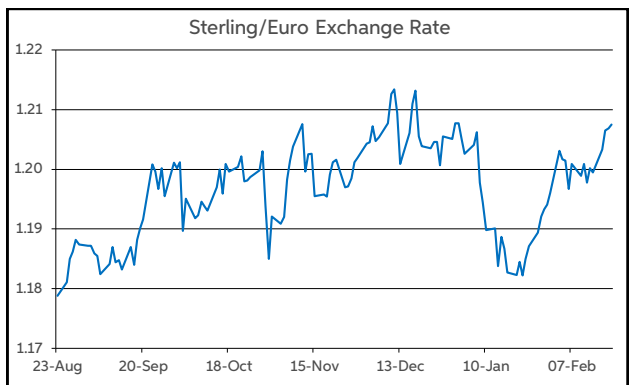
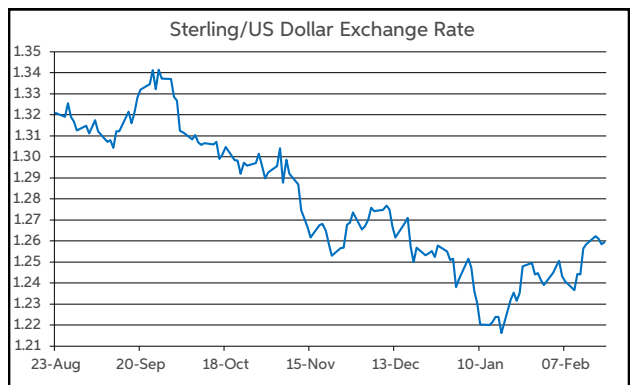
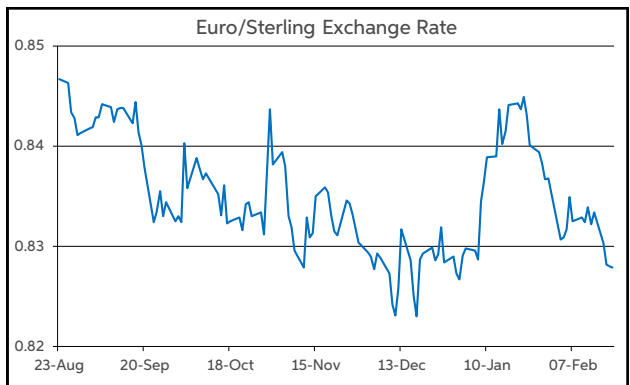
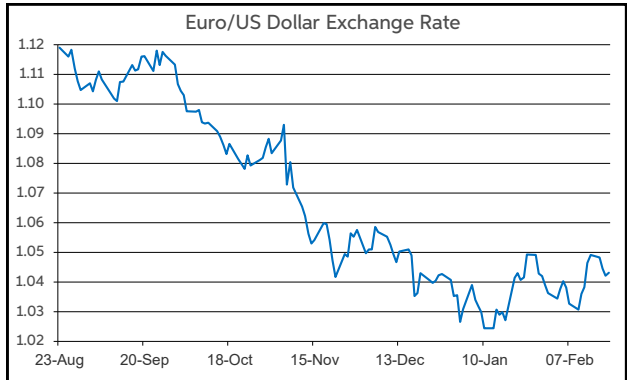
Data-wise, the calendar was relatively sparse following the early morning release of UK CPI data for January, which showed both the headline and core rates jumped to 3.0% and 3.7%, respectively. On the monetary policy front, ECB official Schnabel struck a hawkish tone yesterday. Schnabel noted that the risks to the inflation outlook were skewed to the upside and suggested the ECB is moving closer to halting its cutting cycle. Elsewhere, the Fed FOMC meeting minutes provided little new insight on the outlook for US rates.

Against this backdrop, there was a modest firming in Eurozone market rate expectations of circa 5bps yesterday. UK futures contracts also hardened, with markets now pricing in just 50bps of policy easing this year (compared to 60bps earlier in the week). In contrast, US futures contracts were little changed.

On forex markets, the dollar was in the ascendancy amid the weaker tone to risk appetite. Overall, the dollar gained a modest 0.2% versus the euro and sterling. This is reflected by EUR/USD opening this morning back near \$1.04. GBP/USD is down below the \$1.26 threshold. EUR/GBP remains in the top half of 82-83p.

Turning to the day ahead, the main release of note will be the flash reading of Eurozone consumer confidence for February. In the US, the latest weekly initial jobless claims figures are due.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.0431	-0.23	0.75
EUR/GBP	0.8279	-0.02	0.07
GBP/USD	1.2594	-0.22	0.66
GBP/EUR	1.2072	0.02	-0.07
USD/JPY	150.07	-1.11	-4.52
EUR/JPY	156.58	-1.32	-3.79

\* 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	4.38	4.31	4.32	4.22	4.40	4.37
EUR	2.90	2.62	2.52	2.36	2.30	2.36
GBP	4.50	4.45	4.44	4.22	4.33	4.27

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

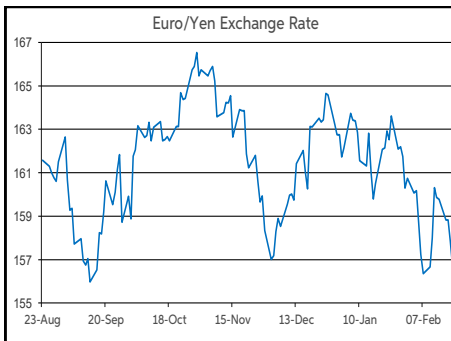
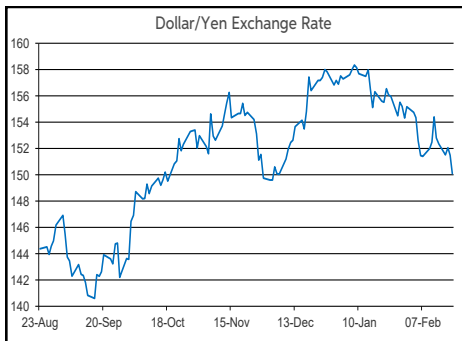
FX Spot	Karl Cooke Shane Gargan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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# Opening Levels

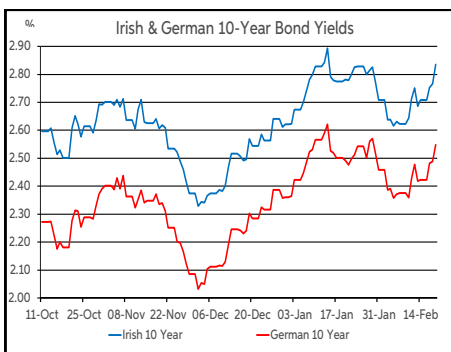
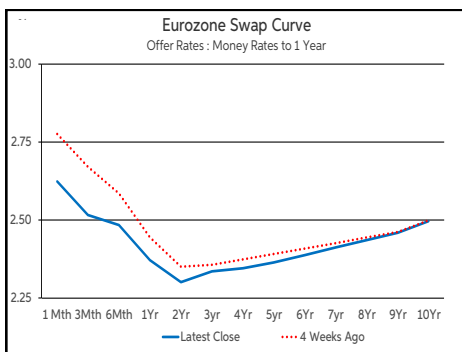
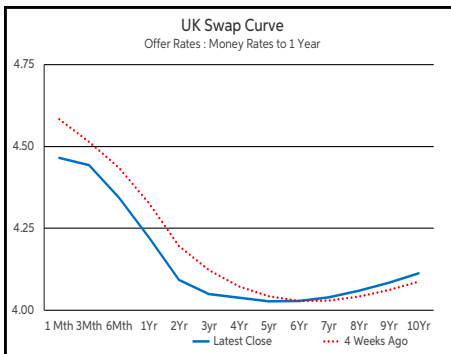
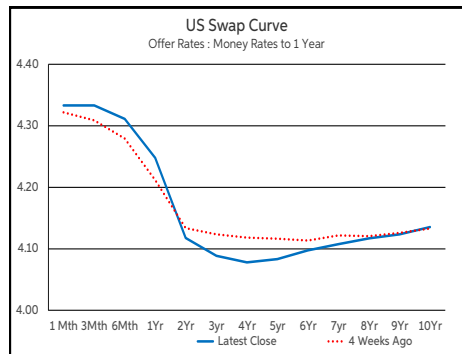
Thursday 20 February 2025  
07:51 am



Euro		Sterling		Dollar	
EUR/GBP	0.8279	GBP/EUR	1.2072	USD/JPY	150.07
EUR/USD	1.0431	GBP/USD	1.2594	USD/CAD	1.4227
EUR/JPY	156.58	GBP/CAD	1.7916	USD/CHF	0.9025
EUR/SEK	11.1633	GBP/NZD	2.2007	USD/CNY	7.269
EUR/DKK	7.4585	GBP/JPY	189	USD/BRL	5.7214
EUR/NOK	11.5805	GBP/SEK	13.479	USD/RUB	88.45
EUR/CHF	0.9415	GBP/DKK	9.0062	USD/INR	86.6225
EUR/AUD	1.6385	GBP/NOK	13.9837	AUD/USD	0.6363
EUR/HKD	8.1138	GBP/CHF	1.137	NZD/USD	0.572
EUR/CAD	1.4838	GBP/AUD	1.9784		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 24
<b>10 Year Yield %</b>				
US	4.54	-1	-6	-4
Germany	2.55	+6	+5	+19
UK	4.61	+5	-2	+4
<b>5 Year Swap %</b>				
US	4.34	-3	-4	+5
Eurozone	2.35	+2	-3	+12
UK	4.26	+4	-4	-2
<b>2 Year Swap %</b>				
US	4.38	-3	-1	+4
Eurozone	2.30	+3	-5	+10
UK	4.33	+2	-10	-15
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	31	+1	-1	+2
Belgium	57	+1	-6	-5
France	69	+2	-8	-14
Italy	109	+3	-1	-7
Spain	67	+1	+2	-3
Portugal	52	+1	+8	+3
Greece	89	+2	+12	+0



Commodities				
	% Change			
	Close	Day	4 Weeks	End 24
Brent Oil	76.04	+0.26	-3.75	+1.88
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2932.6	-0.10	+6.45	+11.77

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