

## Dollar slightly softer

Equity markets in Europe continued to move higher yesterday, with the Euro Stoxx 50 up by 0.8%. Meanwhile, at the close on Wall Street the S&P 500 finished 0.3% higher. On bond markets, yields moved lower in the Eurozone and the UK. US Treasury yields were unchanged for the day. Elsewhere, oil prices rose by 1%, with Brent Crude rising above \$85bbl.

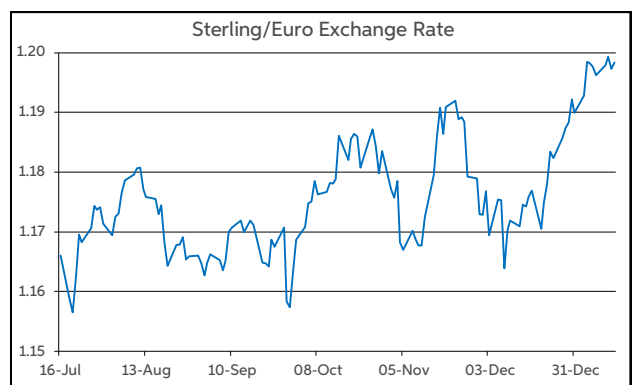
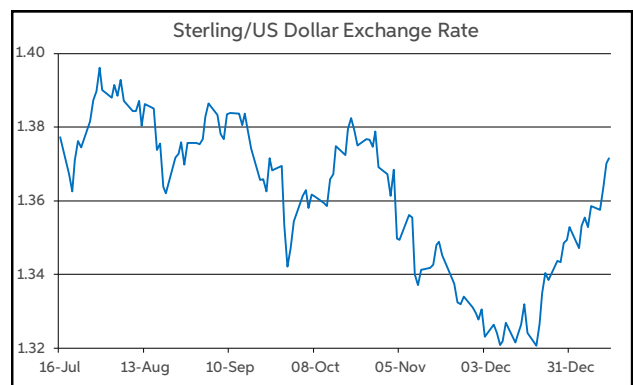
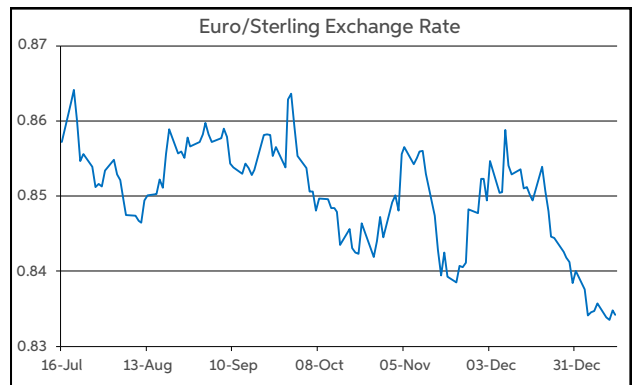
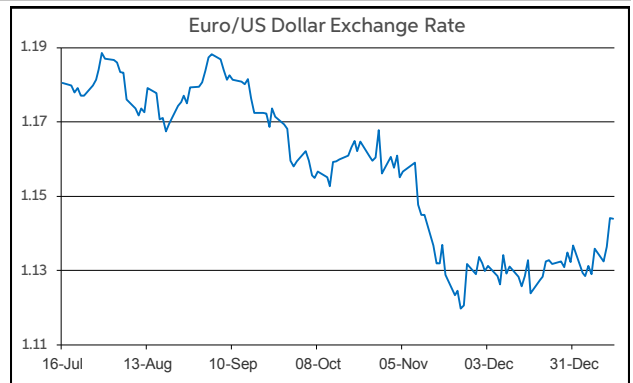
On the currency front, the recent softer tone to the dollar continued on the exchanges. The currency lost circa 0.6% against the euro, sterling and yen. The move lower for the dollar coincided with US CPI inflation data printing broadly in line with the consensus in December.

The CPI figures showed headline US inflation rising to 7% in December as expected, its highest level in almost 40 years. The core rate rose by slightly more than forecast though, jumping to 5.5% from 4.9% (and vs 5.4% f'cast). However, currency markets appeared to have been braced for a higher than anticipated reading, with the dollar moving lower following the release.

The softer tone to the dollar is evidenced by EUR/USD opening this morning up near to the midpoint of the \$1.14-1.15 range. Meanwhile, GBP/USD is changing hands up above the \$1.37 handle. EUR/GBP continues to operate just below the half way mark of the 83-84p corridor.

Ahead today, there is a quiet data schedule on both sides of the Atlantic. However, from a dollar perspective, speeches from a plethora of US Fed officials will garner close attention from the market, as the central bank continues to move towards tightening monetary policy.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.1443	0.62	0.66
EUR/GBP	0.8342	0.06	-0.69
GBP/USD	1.3716	0.55	1.38
GBP/EUR	1.1985	-0.06	0.70
USD/JPY	114.55	-0.69	-0.46
EUR/JPY	131.08	-0.08	0.16

\* 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	0.24	0.63	1.12	1.60
EUR	0.00	-0.56	-0.56	-0.48	-0.23	0.11
GBP	0.25	0.28	0.50	1.09	1.34	1.42

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

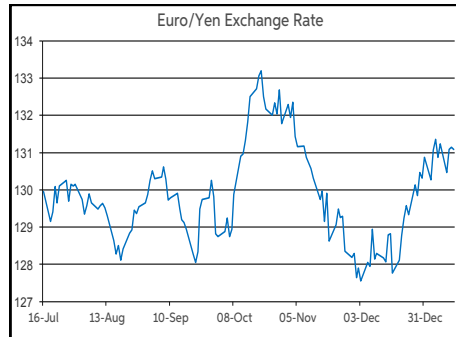
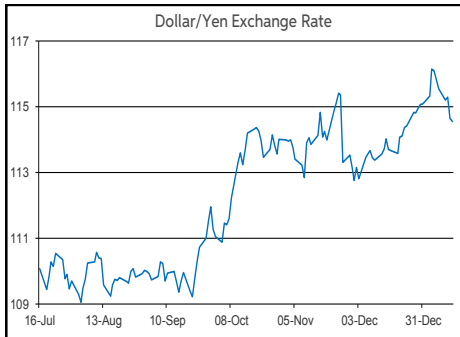
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# Opening Levels

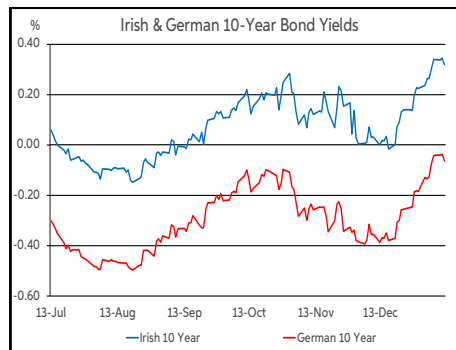
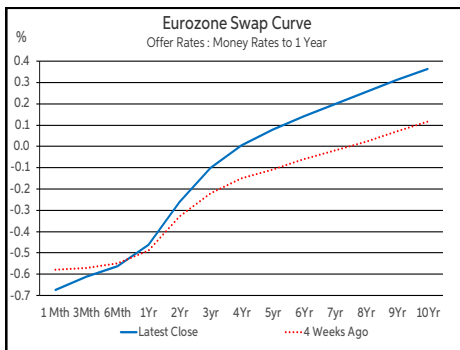
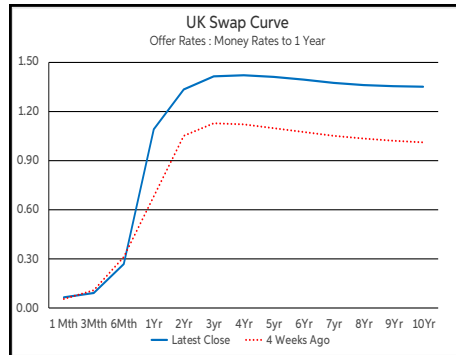
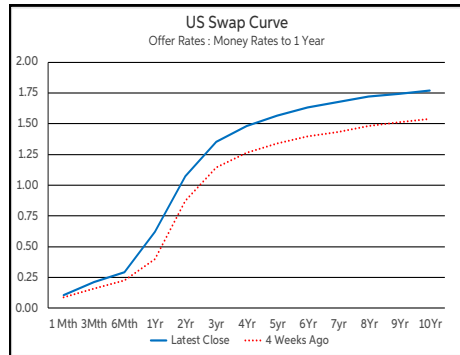
Thursday 13 January 2022  
07:15 am



Euro		Sterling		Dollar	
EUR/GBP	0.8342	GBP/EUR	1.1985	USD/JPY	114.55
EUR/USD	1.1443	GBP/USD	1.3716	USD/CAD	1.2499
EUR/JPY	131.08	GBP/CAD	1.7141	USD/CHF	0.9138
EUR/SEK	10.2348	GBP/NZD	1.9992	USD/CNY	6.3619
EUR/DKK	7.4403	GBP/JPY	157.12	USD/BRL	5.5338
EUR/NOK	9.9135	GBP/SEK	12.2659	USD/RUB	74.5742
EUR/CHF	1.0458	GBP/DKK	8.9167	USD/INR	73.96
EUR/AUD	1.5701	GBP/NOK	11.8847	AUD/USD	0.7287
EUR/HKD	8.9127	GBP/CHF	1.2534	NZD/USD	0.6858
EUR/CAD	1.4301	GBP/AUD	1.8819		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
<b>10 Year Yield %</b>				
US	1.75	+1	+29	+24
Germany	-0.06	-3	+31	+12
UK	1.14	-3	+40	+17
<b>Ireland</b>				
Ireland	0.34	-4	+26	+9
Belgium	0.26	-3	+29	+8
France	0.27	-2	+29	+8
Italy	1.33	-5	+41	+15
Spain	0.64	-3	+29	+4
Portugal	0.57	-4	+30	+9
Greece	1.53	-6	+29	+22
<b>5 Year Swap %</b>				
US	1.57	+0	+27	+23
Eurozone	0.08	-2	+20	+7
UK	1.41	-4	+32	+14
<b>2 Year Swap %</b>				
US	1.07	+1	+24	+13
Eurozone	-0.26	-1	+8	+4
UK	1.33	-3	+29	+14
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	40	-1	-5	-3
Belgium	32	-0	-2	-4
France	33	+0	-2	-4
Italy	139	-2	+10	+2
Spain	69	-1	-2	-8
Portugal	63	-1	-0	-4
Greece	159	-3	-1	+9



Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	84.67	+1.13	+14.60	+8.86
West Texas Oil	82.51	+1.65	+16.39	+9.53
Gold \$	1825.3	+0.18	+2.72	-0.17

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