

EUR/USD starts below \$1.04

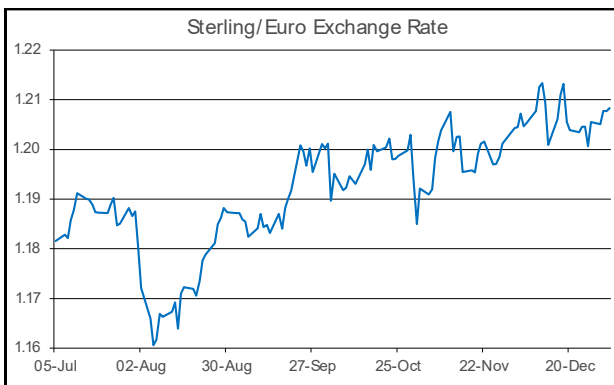
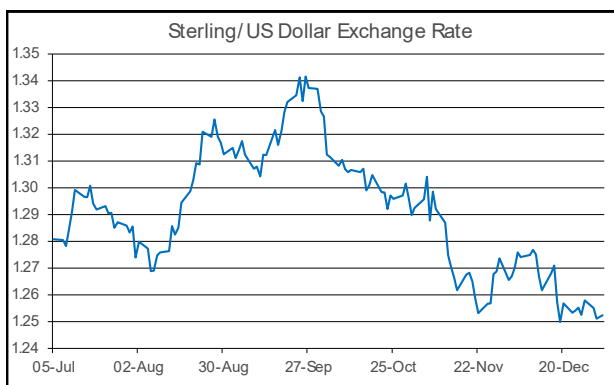
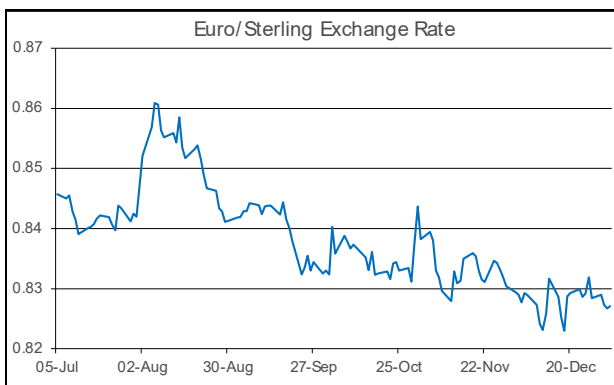
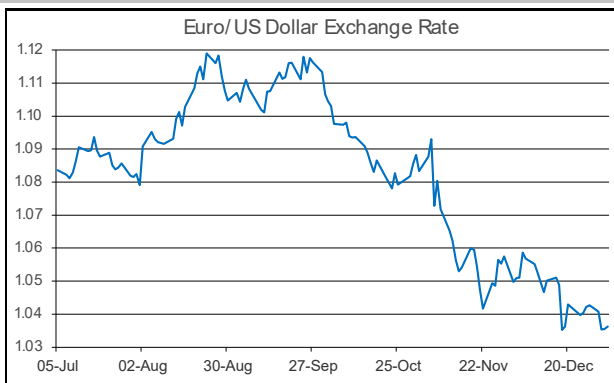
Currency-wise, the dollar remained in the ascendancy over the festive period, as markets continued to digest the more hawkish tone from the Fed at its final policy meeting of 2024. This saw EUR/USD move back below the \$1.04 handle. Meanwhile, GBP/USD edged back into the bottom half of the \$1.25-1.26 range.

At the same time, the euro was under some downward pressure during the last number of trading days in 2024. This was evidenced by EUR/GBP falling down below the 83p mark. Elsewhere, EUR/JPY moved back below the ¥163 threshold.

Looking back over 2024 from a currency view point, the final few trading days echoed the broad trends seen throughout the year. Largely owing to a sharp strengthening in the second half of the year, the dollar was the best performing of the FX majors. Elsewhere, the euro was on the defensive, losing circa 4% versus sterling and 6% against the greenback in the year.

Looking ahead, the euro may remain on the back-foot in the near-term. Markets are currently pricing-in a more aggressive path of rate cuts from the ECB compared to the Fed and BoE. Futures contracts indicate policy easing of 115bps in the Eurozone this year, versus expectations for around 45bps and 60bps of cuts, respectively, in the US and the UK. At the same time, political uncertainty amid upcoming elections in Germany, a fragile French Government and the potential impact of the incoming Trump administration, provide an unhelpful backdrop for the euro.

Turning our attention to the first full trading day of 2025, a relatively sparse data schedule suggests there will be a quiet start to the year on currency markets.



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.0367	0.20	0.14
EUR/GBP	0.827	0.10	-0.04
GBP/USD	1.2531	0.10	0.16
GBP/EUR	1.2085	-0.10	0.04
USD/JPY	156.72	-0.10	-0.29
EUR/JPY	162.51	-0.20	-0.15

* 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	4.29	4.16	4.36	4.33
EUR	3.15	2.85	2.71	2.32	2.20	2.27
GBP	4.75	4.70	4.61	4.45	4.49	4.29

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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Opening Levels

Thursday 02 January 2025
07:05 am



Euro

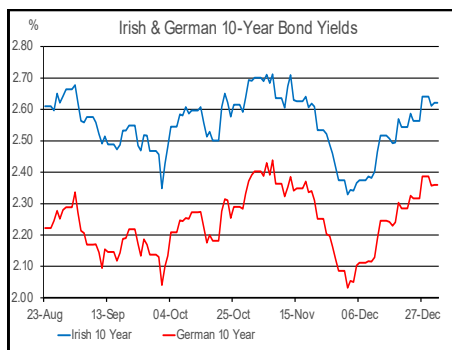
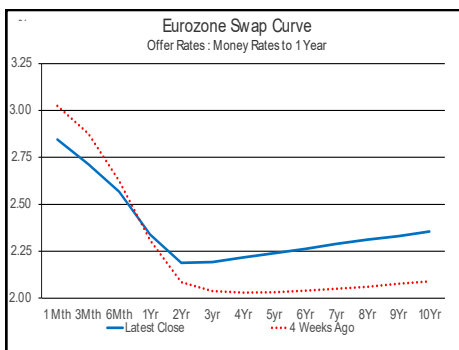
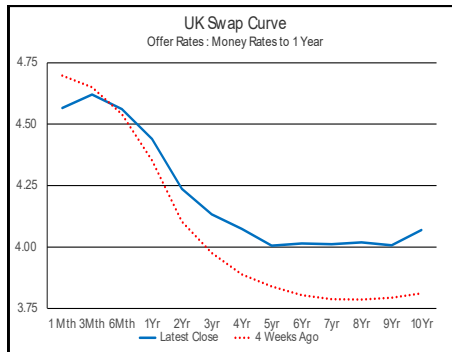
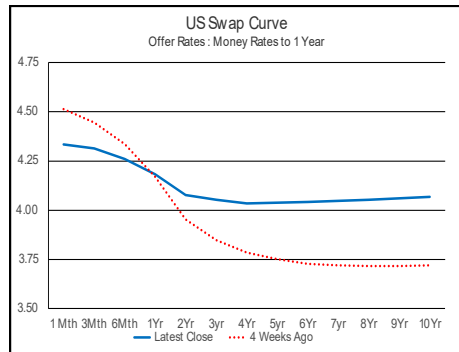
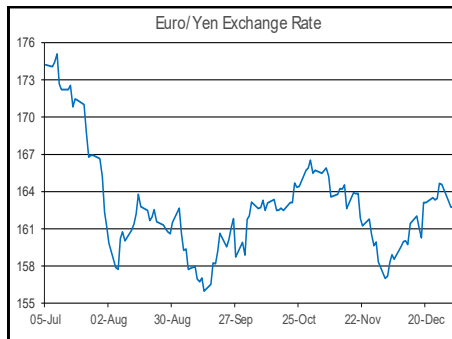
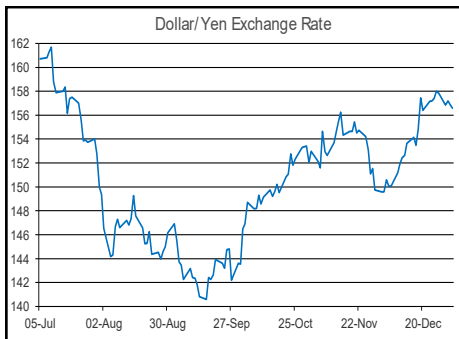
EUR/GBP	0.8271
EUR/USD	1.0363
EUR/JPY	162.28
EUR/SEK	11.4571
EUR/DKK	7.4577
EUR/NOK	11.7772
EUR/CHF	0.9374
EUR/AUD	1.668
EUR/HKD	8.0569
EUR/CAD	1.4899

Sterling

GBP/EUR	1.2083
GBP/USD	1.2524
GBP/CAD	1.8005
GBP/NZD	2.2368
GBP/JPY	196.1
GBP/SEK	13.8439
GBP/DKK	9.0101
GBP/NOK	14.2188
GBP/CHF	1.1326
GBP/AUD	2.0157

Dollar

USD/JPY	156.58
USD/CAD	1.4378
USD/CHF	0.9044
USD/CNY	7.2992
USD/BRL	6.184
USD/RUB	113.4955
USD/INR	85.78
AUD/USD	0.621
NZD/USD	0.5607



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 24
10 Year Yield %				
US	4.58	+3	+40	+0
Germany	2.36	+0	+31	+0
UK	4.57	-4	+32	+0
5 Year Swap %				
US	4.29	+0	+29	+0
Eurozone	2.24	+0	+22	+0
UK	4.28	+0	+21	+0
2 Year Swap %				
US	4.33	+0	+13	+0
Eurozone	2.19	-0	+11	-0
UK	4.49	+0	+15	+0
10 Year Government Bond Spreads to Benchmark bps				
Ireland	29	-0	-4	+0
Belgium	62	+0	+2	+0
France	83	-0	-1	+0
Italy	116	-1	-0	+0
Spain	70	-0	-0	+0
Portugal	49	-0	+3	+0
Greece	89	+1	+0	+0

Commodities				
	Close	% Change		
		Day	4 Weeks	End 24
Brent Oil	74.64	+0.34	+3.22	+0.00
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2623.8	+0.71	-0.98	+0.00

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