

Cautious tone to start the week

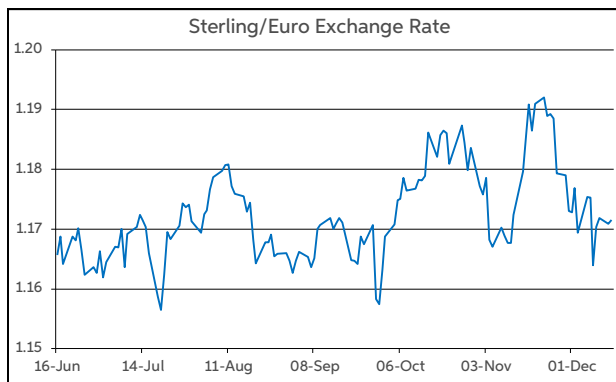
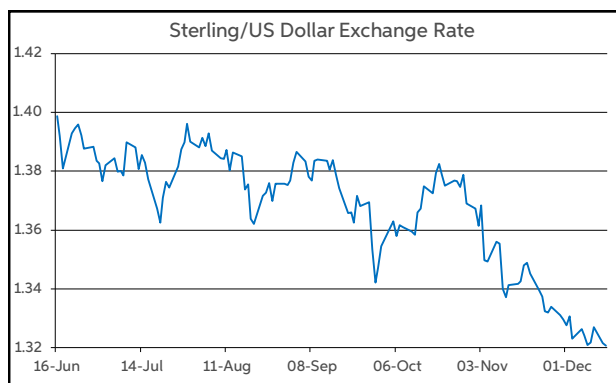
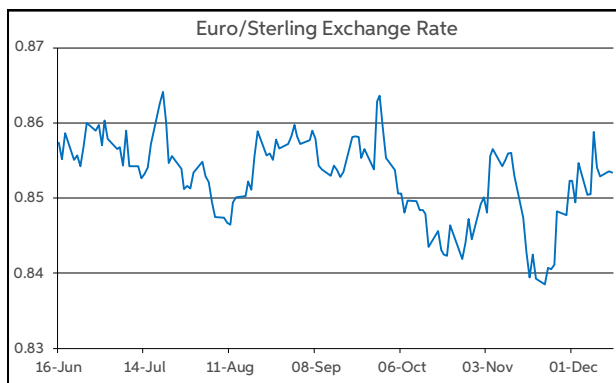
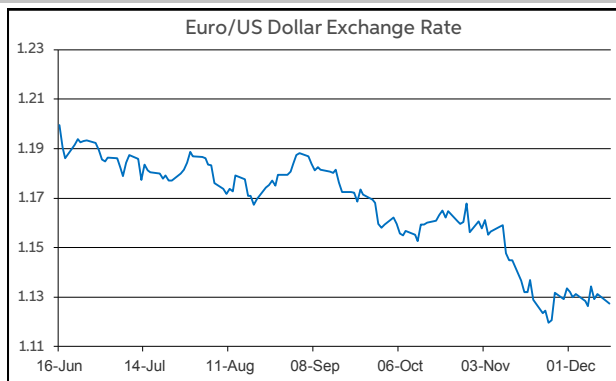
There was a cautious tone to investor sentiment at the start of the week yesterday. This follows last week's strong improvement in risk appetite. Most of the main equity indices drifted downwards against the backdrop of on-going Covid related uncertainty. In Europe, the Euro Stoxx 50 was down by 0.4%. At the closing bell on Wall Street last night, the S&P 500 was 0.9% lower. Meanwhile, bond yields moved lower amid the risk averse environment, with the 10-year US Treasury yield falling down towards the 1.4% level.

On the currency front, the action was contained within tight ranges. This was the case for all the main pairs. Data-wise, the calendar was very sparse, meaning there was no macro updates for the markets to digest. There was also an element of 'wait-and-see' given the policy setting meetings of the ECB, Fed and BoE are all due later in the week.

The EUR/USD pair spent yesterday in a narrow range just below the \$1.13 threshold. The moves in EUR/GBP were similarly limited, with the pair operating in the lower half of the 85-86p trading band. GBP/USD was changing hands in and around the midpoint of \$1.32-1.33. Overnight, the subdued trading has continued, although the dollar starts this morning holding a slightly firmer tone on the exchanges, including GBP/USD nearer to \$1.32.

Already this morning, we have got a raft of UK labour market data for October. This is the first full set of job metrics available for the post-furlough scheme period. Overall, the data show little initial impact from the scheme ending. The unemployment rate, as expected printed at 4.2% (from 4.3%). The remainder of the day's macro diary is quiet. Therefore, it could be another day of relatively narrow range trading for the main FX pairs.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1272	-0.22	-7.70
EUR/GBP	0.8532	0.07	-4.53
GBP/USD	1.3211	-0.29	-3.38
GBP/EUR	1.1717	-0.07	4.75
USD/JPY	113.63	0.12	10.06
EUR/JPY	128.1	-0.09	1.54

* 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	0.41	0.86	1.32
EUR	0.00	-0.58	-0.59	-0.50	-0.36	-0.13
GBP	0.10	0.06	0.09	0.66	0.98	1.03

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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Opening Levels

Tuesday 14 December 2021
07:16 am



Euro

EUR/GBP	0.8532
EUR/USD	1.1272
EUR/JPY	128.1
EUR/SEK	10.2563
EUR/DKK	7.4363
EUR/NOK	10.1946
EUR/CHF	1.0408
EUR/AUD	1.5833
EUR/HKD	8.7949
EUR/CAD	1.4431

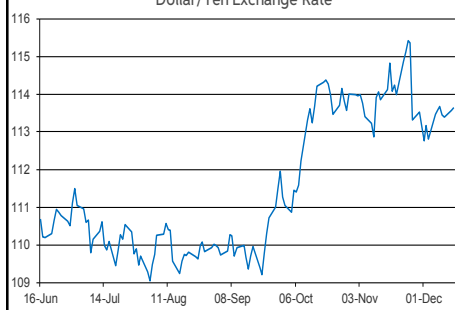
Sterling

GBP/EUR	1.1717
GBP/USD	1.3211
GBP/CAD	1.6912
GBP/NZD	1.9567
GBP/JPY	150.12
GBP/SEK	12.0192
GBP/DKK	8.7119
GBP/NOK	11.9416
GBP/CHF	1.2196
GBP/AUD	1.8552

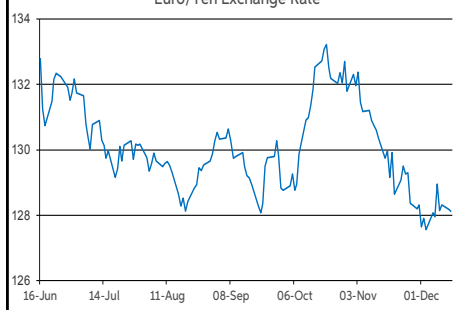
Dollar

USD/JPY	113.63
USD/CAD	1.2801
USD/CHF	0.923
USD/CNY	6.363
USD/BRL	5.6804
USD/RUB	73.4507
USD/INR	75.8725
AUD/USD	0.712
NZD/USD	0.675

Dollar/Yen Exchange Rate

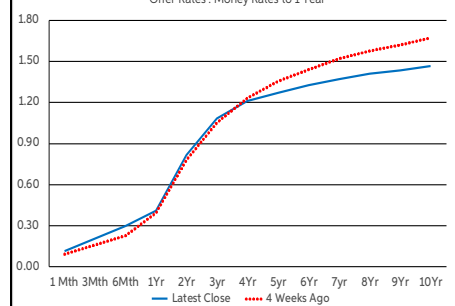


Euro/Yen Exchange Rate



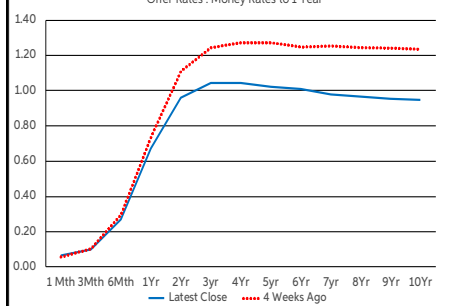
US Swap Curve

Offer Rates : Money Rates to 1 Year



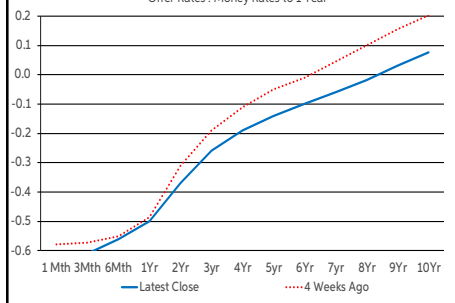
UK Swap Curve

Offer Rates : Money Rates to 1 Year

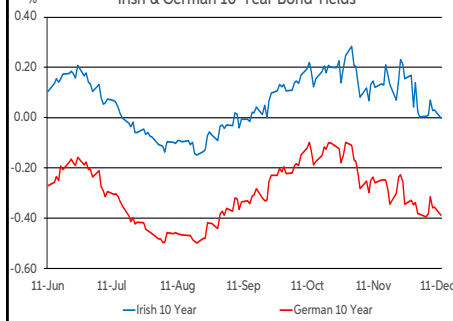


Eurozone Swap Curve

Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



Debt Markets

	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.41	-7	-20	+50
Germany	-0.38	-3	-14	+20
UK	0.70	-5	-26	+50
Ireland	0.03	-7	-17	+33
Belgium	-0.05	-3	-14	+34
France	-0.03	-4	-15	+31
Italy	0.91	-6	-9	+39
Spain	0.32	-6	-16	+26
Portugal	0.26	-5	-11	+20
Greece	1.36	-2	+13	+73
5 Year Swap %				
US	1.27	-5	-5	+85
Eurozone	-0.14	-2	-8	+32
UK	1.02	-4	-24	+83
2 Year Swap %				
US	0.81	-3	+7	+62
Eurozone	-0.37	-1	-5	+16
UK	0.96	-1	-14	+93
10 Year Government Bond Spreads to Benchmark bps				
Ireland	41	-4	-4	+14
Belgium	33	+0	-0	+14
France	35	-1	-2	+11
Italy	129	-3	+4	+20
Spain	70	-3	-3	+7
Portugal	64	-2	+2	+1
Greece	174	+1	+27	+54

Commodities

	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	74.39	-1.01	-9.34	+43.61
West Texas Oil	71.19	-0.73	-11.95	+47.24
Gold \$	1786.9	+0.25	-4.05	-5.78

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