

Tight ranges amongst the FX majors

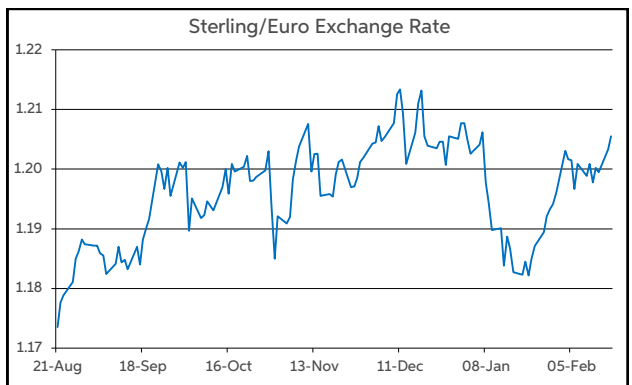
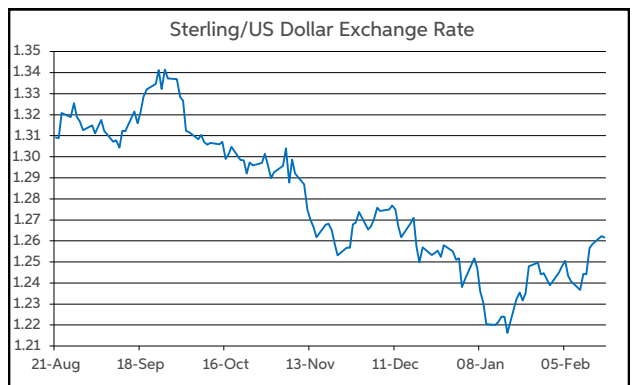
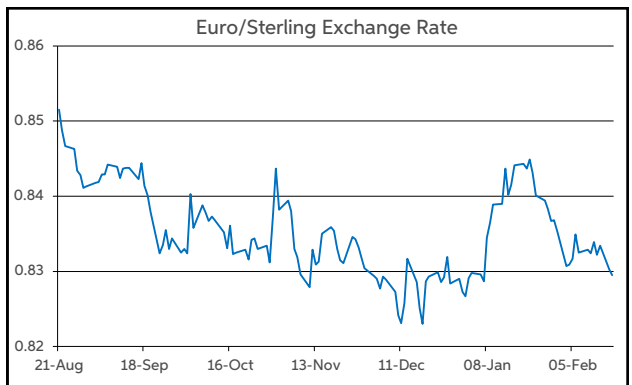
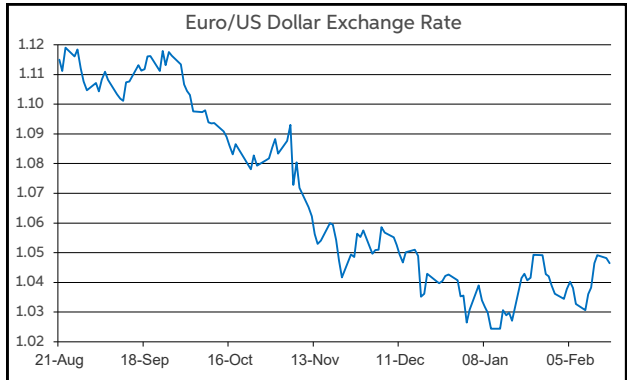
There was a generally quiet start to the week on financial markets yesterday. This was not overly surprising. US markets were closed for the President's Day holiday. Meanwhile, the macro diary on this side of the Atlantic was very sparse, with no releases of any note from either the Eurozone or UK schedules.

Against this backdrop, the positive tone to investor sentiment carried over into this week. The Euro Stoxx 50 gained 0.5% on the day. Meanwhile, on bond markets, European yields were generally 4-6bps higher over the course of the day. The German 10-year Bund yield rose by 6bps, to move up nearer to the 2.5% threshold.

Currency-wise, the majors were trading within tight ranges amid the quiet macro data/event setting. The EUR/USD pair operated in a narrow corridor just below the \$1.05 mark, which represents a notable improvement from where it commenced last week, down nearer to \$1.03. Likewise, EUR/GBP was confined to a very limited 83.0-83.4p range. The muted FX trading conditions persisted in the overnight Asia-Pacific session.

After yesterday's uneventful data schedule, there is a much busier agenda today. Indeed, already this morning, we have had a raft of UK labour market updates for Q4'24. This included the unemployment rate printing at 4.4%, slightly below expectations for 4.5%. Average earnings and employment data were also stronger than forecast. Sterling has traded higher in the initial aftermath of the UK macro news this morning, with EUR/GBP below the 83p level and GBP/USD above \$1.26. The remainder of today's macro calendar contains the German ZEW investor survey (Feb) as well as US homebuilder sentiment (Feb).

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.0464	-0.24	1.07
EUR/GBP	0.8295	-0.43	0.27
GBP/USD	1.2612	0.21	0.81
GBP/EUR	1.2052	0.43	-0.27
USD/JPY	151.8	0.19	-3.42
EUR/JPY	158.87	-0.04	-2.38

* v Previous Day's European Open
See Next Page for More Rates

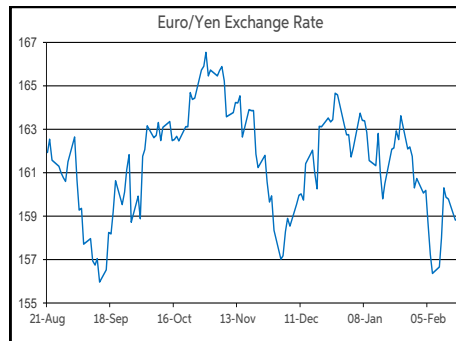
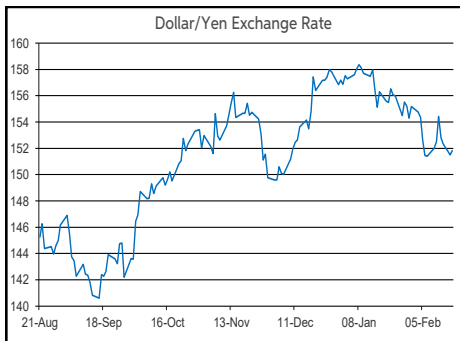
	Opening Interest Rates					
	Base Rate	Money Market		Swap Rates		
		1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	4.38	4.31	4.32	4.23	4.41	4.36
EUR	2.90	2.60	2.52	2.36	2.29	2.36
GBP	4.50	4.45	4.41	4.16	4.28	4.20

All rates quoted are indicative market rates

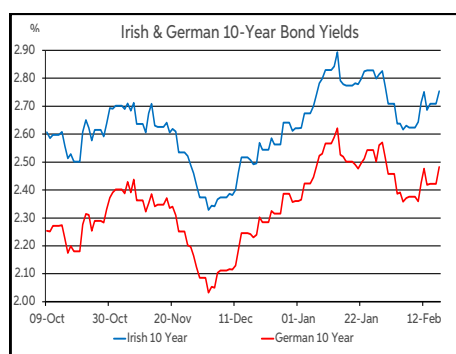
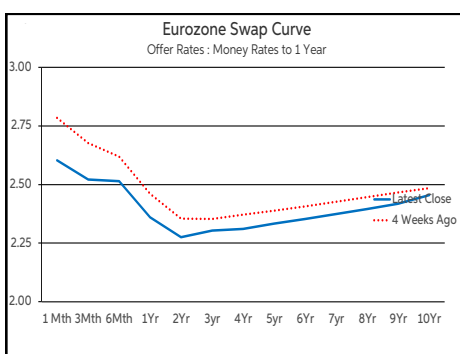
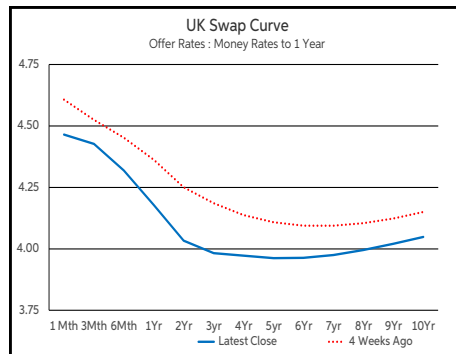
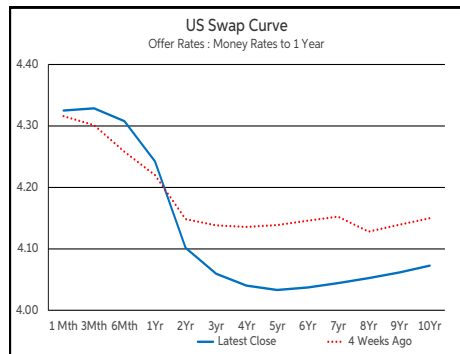
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Euro		Sterling		Dollar	
EUR/GBP	0.8295	GBP/EUR	1.2052	USD/JPY	151.8
EUR/USD	1.0464	GBP/USD	1.2612	USD/CAD	1.4181
EUR/JPY	158.87	GBP/CAD	1.7886	USD/CHF	0.9015
EUR/SEK	11.2131	GBP/NZD	2.2055	USD/CNY	7.2791
EUR/DKK	7.4589	GBP/JPY	191.45	USD/BRL	5.713
EUR/NOK	11.6384	GBP/SEK	13.5167	USD/RUB	91.3
EUR/CHF	0.9434	GBP/DKK	8.9919	USD/INR	86.945
EUR/AUD	1.6448	GBP/NOK	14.03	AUD/USD	0.6359
EUR/HKD	8.1395	GBP/CHF	1.1371	NZD/USD	0.5716
EUR/CAD	1.4837	GBP/AUD	1.9821		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 24
10 Year Yield %				
US	4.48	+0	-14	-10
Germany	2.48	+6	-1	+12
UK	4.53	+3	-13	-4
5 Year Swap %				
US	4.29	-0	-10	+0
Eurozone	2.32	+2	-6	+9
UK	4.20	-0	-14	-8
2 Year Swap %				
US	4.36	-0	-4	+3
Eurozone	2.27	+1	-8	+8
UK	4.28	-1	-18	-21
10 Year Government Bond Spreads to Benchmark bps				
Ireland	29	-1	-2	+0
Belgium	56	-1	-3	-6
France	68	-2	-12	-15
Italy	107	-3	-6	-9
Spain	66	-2	-0	-4
Portugal	50	-3	+5	+2
Greece	88	-1	+7	-1



Commodities				
	Close	% Change		
		Day	4 Weeks	End 24
Brent Oil	75.22	+0.64	-6.15	+0.78
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2897.7	+0.50	+7.00	+10.44

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