

Busy UK data schedule ahead this week

Last week, a quiet macro calendar meant there was little new information to provide fresh impetus for markets. Against this backdrop, trading conditions were relatively calm throughout the week. Overall, the Euro Stoxx 50 rose by 1.3%, while the S&P 500 gained 1.4%, registering a new all-time high and moving above the 5,000 level for the first time in the process.

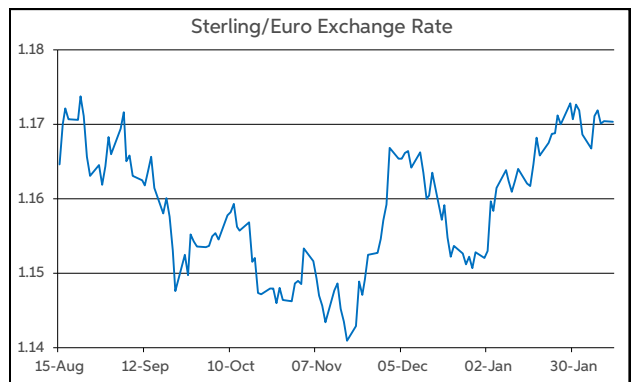
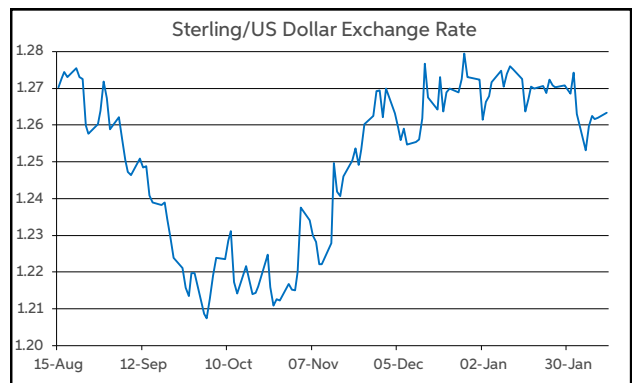
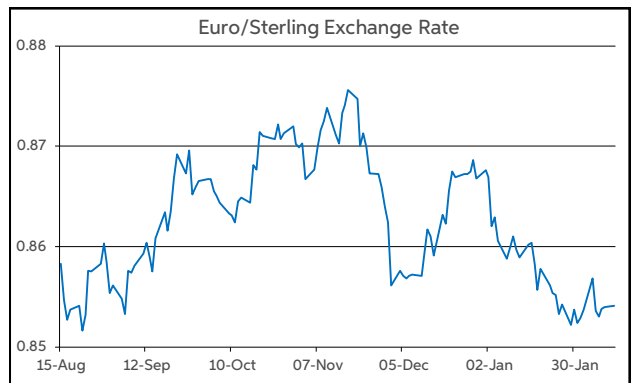
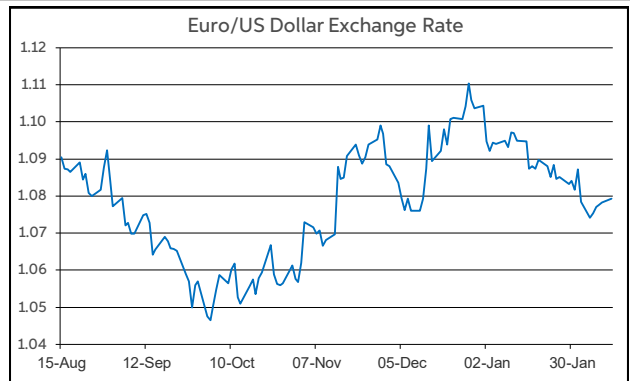
On bond markets, yields climbed circa 5-15bps higher across the board. This followed a modest firming in market rate expectations, amid remarks from a number of central bank officials. Most notably, investors have scaled back the magnitude of rate cuts anticipated by year end to around 110-115bps in the US and Eurozone, and to 70bps in the UK. Elsewhere, oil prices rose by 5% last week, with Brent crude up near \$82 per barrel.

Currency-wise, the main FX pairs remained confined to very tight ranges. Of the limited price action to register, the yen was under some downward pressure. The Japanese currency fell by circa 0.7% against the euro, dollar and sterling.

In level terms, EUR/USD starts this week just below the \$1.08 mark. GBP/USD is in the lower half of the \$1.26-1.27 corridor. Meanwhile, EUR/GBP remains between 85-86p. Elsewhere, EUR/JPY is trading at the ¥161 threshold.

Turning to the week ahead, a busy UK data schedule includes updates on inflation, the labour market and GDP. The releases, dotted throughout the week pose some event risk for sterling. From a dollar viewpoint, CPI inflation for January is due. In relation to the euro, the data docket is unlikely to have a major influence on the currency, though, remarks from ECB officials could.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0793	0.22	-2.20
EUR/GBP	0.8541	0.04	-1.47
GBP/USD	1.2632	0.15	-0.76
GBP/EUR	1.1703	-0.04	1.49
USD/JPY	149.18	-0.13	5.76
EUR/JPY	161.03	0.07	3.47

* 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	5.38	5.44	5.57	5.15	4.64	4.17
EUR	4.50	3.84	3.89	3.61	3.11	2.77
GBP	5.25	5.18	5.19	4.99	4.79	4.25

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

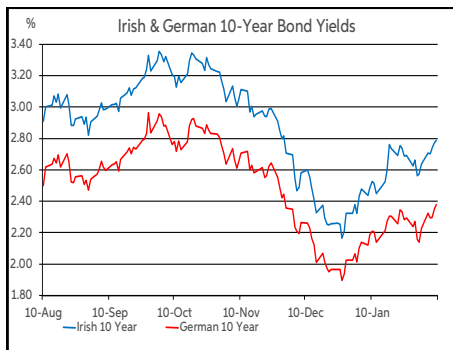
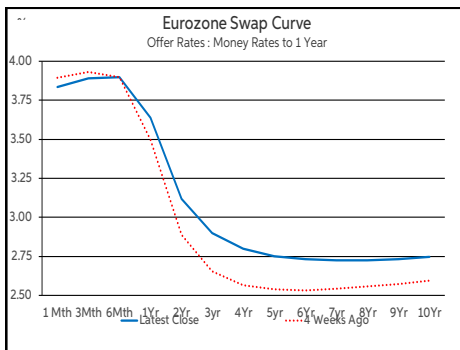
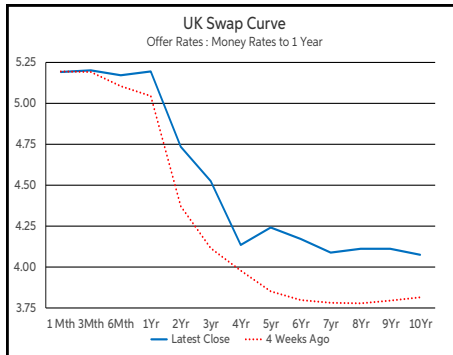
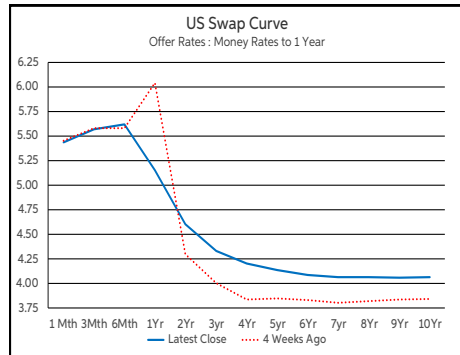
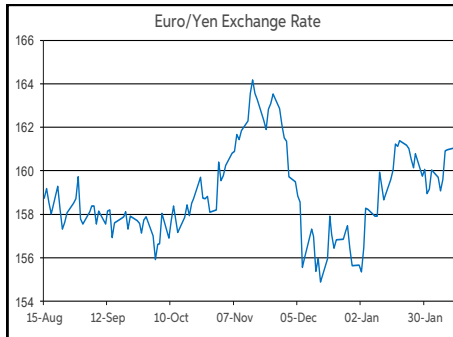
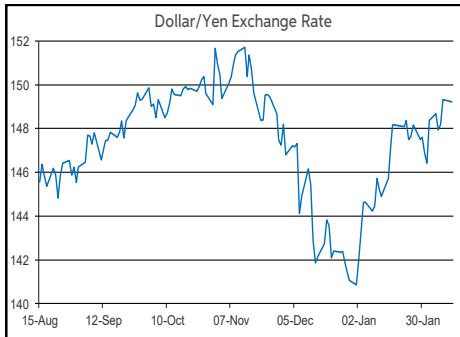
FX Spot	Karl Cooke Shane Gargan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
---------	----------------------------	------------	------------	------------------	---------------------------	-----------------	-----------------------------------

Opening Levels

Monday 12 February 2024
07:02 am



Euro		Sterling		Dollar	
EUR/GBP	0.8541	GBP/EUR	1.1703	USD/JPY	149.18
EUR/USD	1.0793	GBP/USD	1.2632	USD/CAD	1.3458
EUR/JPY	161.03	GBP/CAD	1.7003	USD/CHF	0.8741
EUR/SEK	11.28	GBP/NZD	2.0597	USD/CNY	7.1929
EUR/DKK	7.4553	GBP/JPY	188.44	USD/BRL	4.9536
EUR/NOK	11.3724	GBP/SEK	13.2021	USD/RUB	90.985
EUR/CHF	0.9435	GBP/DKK	8.7251	USD/INR	82.995
EUR/AUD	1.6547	GBP/NOK	13.3122	AUD/USD	0.6522
EUR/HKD	8.4412	GBP/CHF	1.1044	NZD/USD	0.6131
EUR/CAD	1.4526	GBP/AUD	1.9369		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 23
10 Year Yield %				
US	4.18	+2	+24	+31
Germany	2.38	+2	+24	+35
UK	4.09	+3	+29	+55
Ireland				
Ireland	2.85	+2	+37	+46
Belgium	3.01	+3	+23	+33
France	2.90	+3	+22	+34
Italy	3.97	+4	+24	+27
Spain	3.37	+9	+28	+38
Portugal	3.10	+2	+23	+32
Greece	3.44	+5	+20	+37
5 Year Swap %				
US	4.14	+3	+33	+35
Eurozone	2.75	+4	+22	+32
UK	4.24	+9	+40	+59
2 Year Swap %				
US	4.61	+4	+35	+27
Eurozone	3.12	+4	+24	+32
UK	4.73	+3	+37	+47
10 Year Government Bond Spreads to Benchmark bps				
Ireland	47	-1	+14	+11
Belgium	63	+0	-1	-2
France	52	+1	-2	-1
Italy	159	+1	+0	-8
Spain	99	+6	+4	+3
Portugal	72	-0	-1	-4
Greece	106	+3	-4	+1

Commodities				
	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	82.19	+0.69	+4.98	+6.68
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2024.2	-0.44	-1.20	-1.86

This publication is for information purposes and is not an invitation to deal. The information is believed to be reliable but is not guaranteed. Any expressions of opinions are subject to change without notice. This publication is not to be reproduced in whole or in part without prior permission. In the Republic of Ireland it is distributed by Allied Irish Banks, p.l.c. In the UK it is distributed by Allied Irish Banks, p.l.c. and Allied Irish Bank (GB). In Northern Ireland it is distributed by Allied Irish Bank (NI). In the United States of America it is distributed by Allied Irish Banks, p.l.c. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland. Allied Irish Bank (GB) and AIB (NI) are trade marks used under licence by AIB Group (UK) p.l.c. (a wholly owned subsidiary of Allied Irish Banks, p.l.c.), incorporated in Northern Ireland. Registered Office 92 Ann Street, Belfast BT1 3HH. Registered Number NI018800. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In the United States of America, Allied Irish Banks, p.l.c., New York Branch, is a branch licensed by the New York State Department of Financial Services. Deposits and other investment products are not FDIC insured, they are not guaranteed by any bank and they may lose value. Please note that telephone calls may be recorded in line with market practice.