

Narrow FX range trading persists

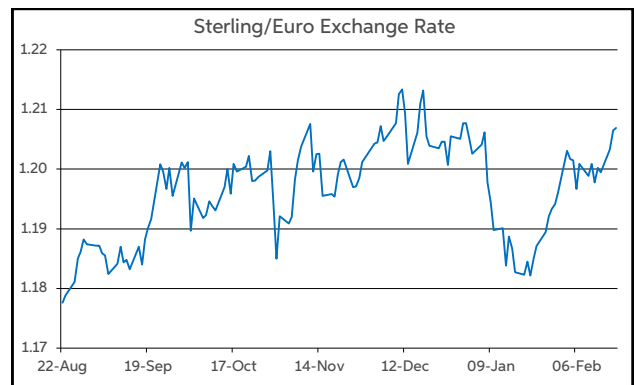
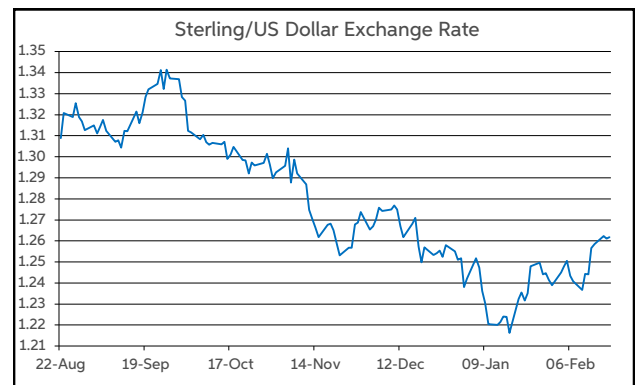
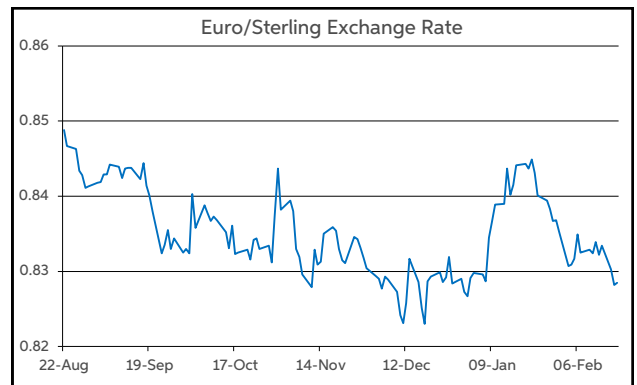
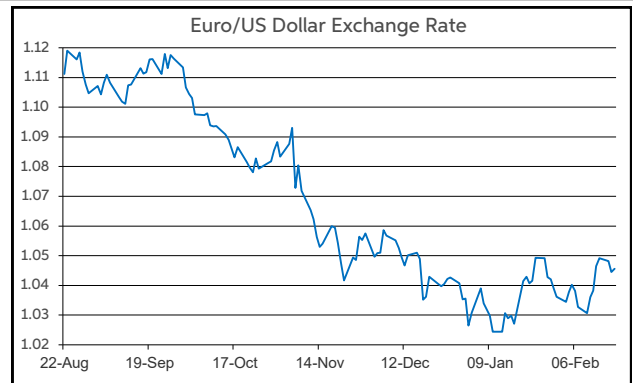
The action on financial markets remained generally muted yesterday. This was despite US markets reopening after their long weekend (President's Day holiday). The lacklustre moves were evident on equity markets. In Europe, the Euro Stoxx 50 gained 0.3% on the day. Meanwhile, at the closing bell on Wall Street last night, the S&P 500 was 0.2% higher.

Data-wise, after the early morning release of UK labour market updates, the remainder of yesterday's schedule featured lower tier macro numbers and therefore, as expected, had no directional impact on markets. The German ZEW survey of investor sentiment for February surprised to the upside of forecasts. Meanwhile, on the US diary, the news was mixed. The Empire manufacturing survey (Feb) printed ahead of expectations, while homebuilder sentiment (Feb) disappointed versus the consensus.

From a currency perspective, the majors were once again confined to narrow ranges. Sterling started the day on the front foot in the aftermath of the aforementioned labour market data being stronger than anticipated. It has managed to retain this modestly firmer tone over the past 24 hours. In level terms, this is reflected in EUR/GBP opening this morning below the 83p threshold and GBP/USD remaining above \$1.26. Elsewhere, EUR/USD continues to operate in the upper half of the \$1.04-1.05 trading band.

Once again, the UK has gotten today's macro calendar underway with the 7am release of CPI inflation for January. The headline rate registered a 3.0% reading (f'cast for 2.8%), while the core rate was in line with expectations, at 3.7%. The data has not generated much of a reaction from sterling. Later today, attention will turn to the US diary with housing starts (Jan) and Fed minutes due.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2024
EUR/USD	1.0456	0.01	0.99
EUR/GBP	0.8285	-0.14	0.15
GBP/USD	1.2618	0.17	0.86
GBP/EUR	1.2066	0.14	-0.14
USD/JPY	151.71	-0.18	-3.48
EUR/JPY	158.64	-0.18	-2.53

* 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	4.32	4.33	4.24	4.44	4.40
EUR	2.90	2.62	2.51	2.35	2.28	2.34
GBP	4.50	4.45	4.41	4.18	4.31	4.23

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

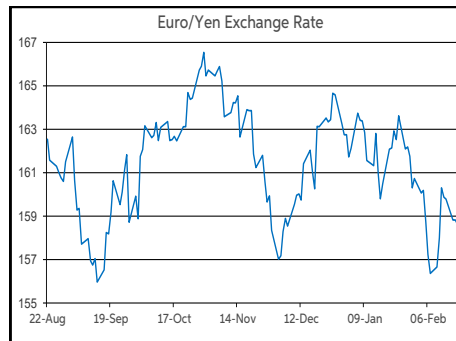
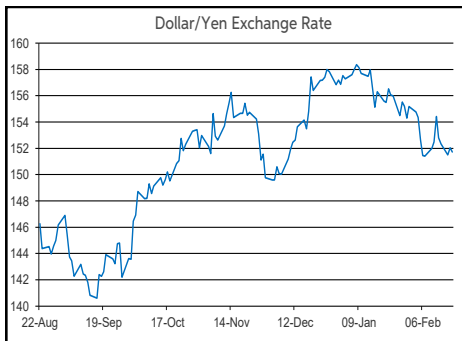
FX Spot	Karl Cooke Shane Gargan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

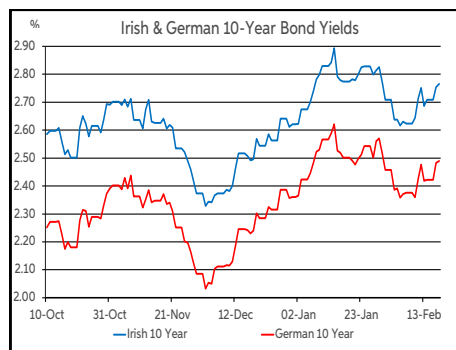
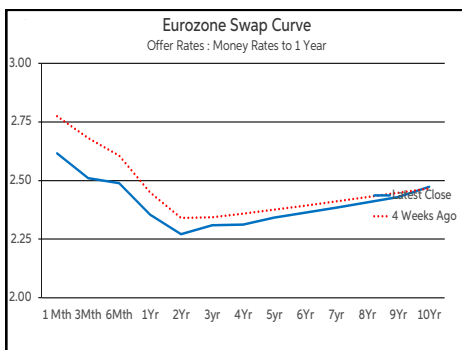
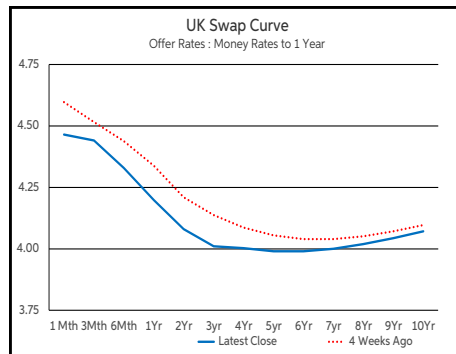
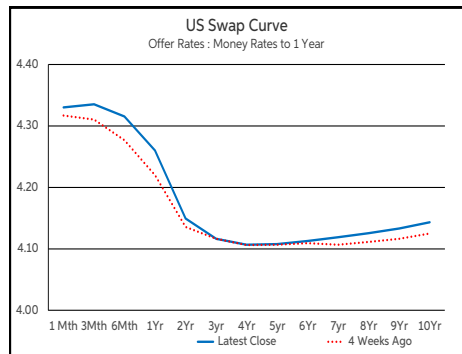
Wednesday 19 February 2025
07:19 am



Euro		Sterling		Dollar	
EUR/GBP	0.8285	GBP/EUR	1.2066	USD/JPY	151.71
EUR/USD	1.0456	GBP/USD	1.2618	USD/CAD	1.4177
EUR/JPY	158.64	GBP/CAD	1.7888	USD/CHF	0.9031
EUR/SEK	11.1978	GBP/NZD	2.2031	USD/CNY	7.2831
EUR/DKK	7.4586	GBP/JPY	191.4	USD/BRL	5.6892
EUR/NOK	11.643	GBP/SEK	13.5123	USD/RUB	91.55
EUR/CHF	0.9442	GBP/DKK	8.9988	USD/INR	86.875
EUR/AUD	1.6425	GBP/NOK	14.052	AUD/USD	0.6363
EUR/HKD	8.1283	GBP/CHF	1.1395	NZD/USD	0.5724
EUR/CAD	1.4821	GBP/AUD	1.9822		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 24
10 Year Yield %				
US	4.54	+7	-3	-3
Germany	2.49	+1	+1	+13
UK	4.56	+3	-3	-1
5 Year Swap %				
US	4.37	+7	+3	+8
Eurozone	2.33	+1	-4	+10
UK	4.23	+3	-6	-6
2 Year Swap %				
US	4.40	+4	+3	+7
Eurozone	2.26	-1	-8	+7
UK	4.31	+3	-13	-18
10 Year Government Bond Spreads to Benchmark bps				
Ireland	30	+0	-3	+1
Belgium	56	-0	-2	-6
France	67	-1	-13	-16
Italy	106	-1	-6	-10
Spain	65	-1	-1	-5
Portugal	51	+0	+6	+2
Greece	87	-1	+6	-2



Commodities				
	Close	% Change		
		Day	4 Weeks	End 24
Brent Oil	75.84	+0.82	-4.35	+1.61
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2935.6	+1.31	+6.97	+11.88

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