

Dollar builds on gains

The dollar was holding the upper hand on currency markets last week. The currency was supported by US macro data surprising to the upside of expectations (incl. payrolls, manufacturing and non-manufacturing ISMs). This helped to assuage some concerns about the US economic outlook. From a dollar perspective, this supportive backdrop was evident in the currency up over 1% against other majors, including the euro, sterling and the yen.

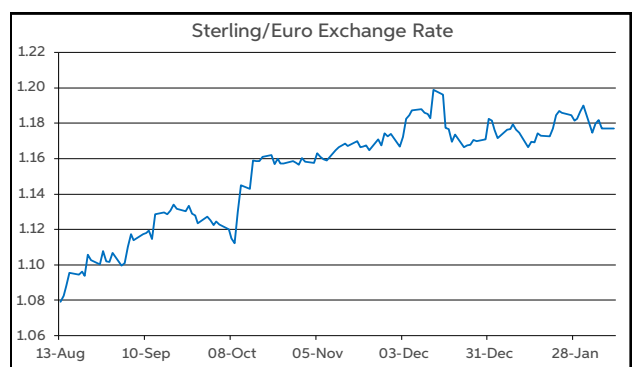
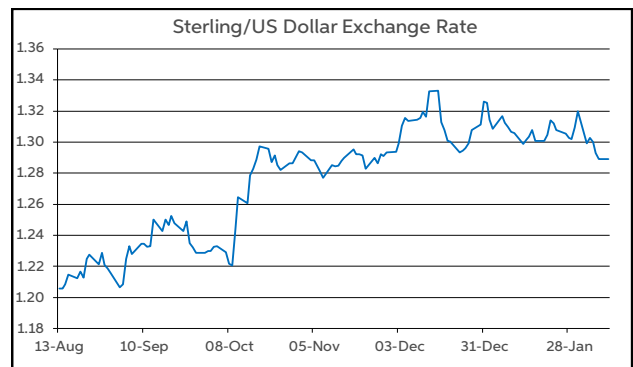
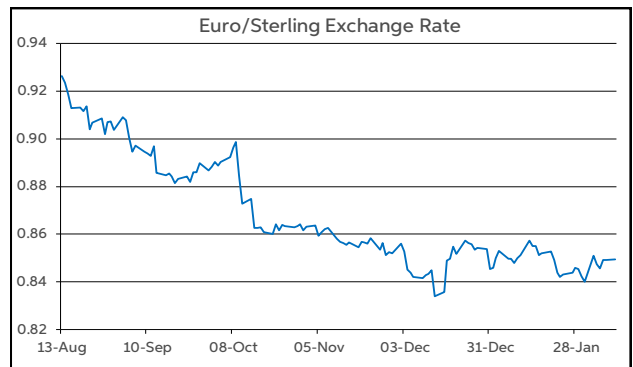
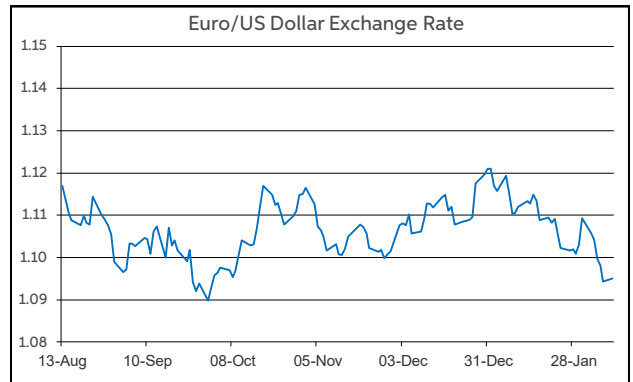
Meanwhile, sterling was on the defensive last week, giving up its post-BoE gains. The currency came under pressure as the UK and the EU outlined their respective negotiating stances ahead of the upcoming trade talks. The diverging positions served to highlight the potentially fraught and difficult negotiations that lie ahead.

In level terms, the stronger dollar has seen EUR/USD fall below the key support level of \$1.10. It starts this week near to the midpoint of the \$1.09-1.10 trading band. Meantime, the combination of a firmer dollar and a weaker sterling is reflected in cable (GBP/USD) opening this morning just below \$1.29. Elsewhere, EUR/GBP has edged slightly higher since last Monday and is changing hands this morning up near to the 85p threshold.

This week, the highlight of a busy US schedule are January retail sales. Markets will look to the release for further evidence of a strongly performing US economy. CPI data (Jan), as well as Fed Chair Powell's congressional testimony, will also attract attention. Overall, the calendar could continue to be supportive of the dollar.

Across the Atlantic, the diary is less likely to be a source of direction for the euro or sterling. Q4 GDP is due in the UK but as it pre-dates the election, it may attract less attention than usual. German GDP data for the same quarter may also be of some interest.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.095	-0.26	-2.32
EUR/GBP	0.8494	0.12	0.47
GBP/USD	1.2892	-0.38	-2.77
GBP/EUR	1.177	-0.12	-0.47
USD/JPY	109.79	-0.07	1.09
EUR/JPY	120.23	-0.36	-1.31

* v Previous Day's European Open

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Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	1.625	1.67	1.73	1.83	1.45	1.41
EUR	0.00	-0.46	-0.40	-0.27	-0.35	-0.27
GBP	0.75	0.70	0.75	0.88	0.72	0.73

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

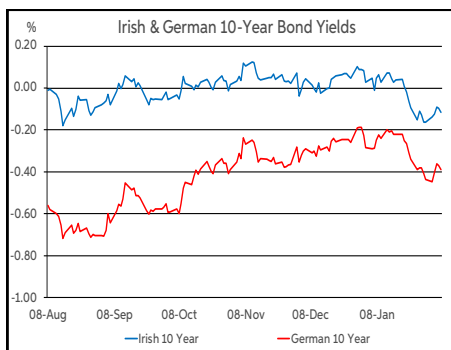
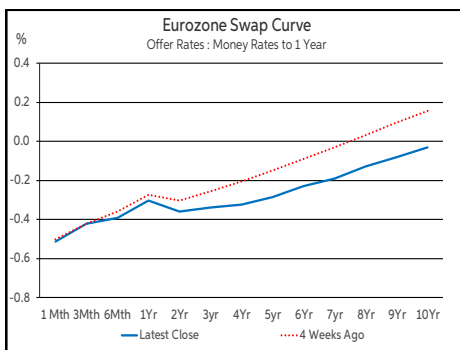
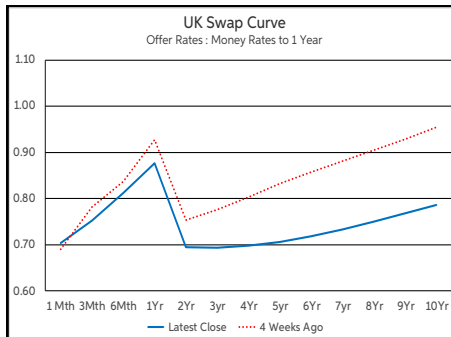
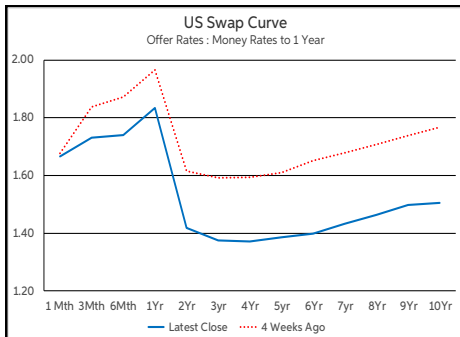
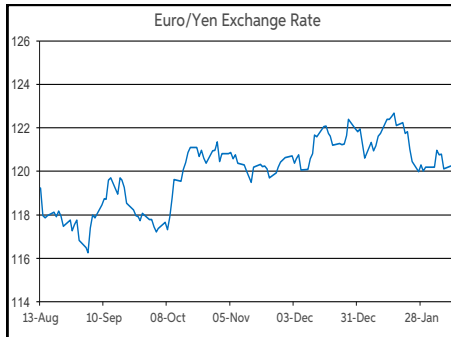
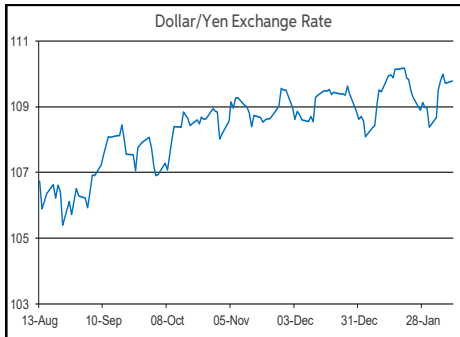
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Opening Levels

Monday 10 February 2020
07:23 am



Euro		Sterling		Dollar	
EUR/GBP	0.8494	GBP/EUR	1.177	USD/JPY	109.79
EUR/USD	1.095	GBP/USD	1.2892	USD/CAD	1.3295
EUR/JPY	120.23	GBP/CAD	1.714	USD/CHF	0.9775
EUR/SEK	10.5584	GBP/NZD	2.0108	USD/CNY	6.9811
EUR/DKK	7.4724	GBP/JPY	141.54	USD/BRL	4.3205
EUR/NOK	10.1285	GBP/SEK	12.4266	USD/RUB	63.8075
EUR/CHF	1.0705	GBP/DKK	8.7954	USD/INR	71.32
EUR/AUD	1.6348	GBP/NOK	11.925	AUD/USD	0.6697
EUR/HKD	8.5024	GBP/CHF	1.2604	NZD/USD	0.6409
EUR/CAD	1.4559	GBP/AUD	1.9246		



Debt Markets				
	Close	Day	4 Weeks	End 19
10 Year Yield %				
US	1.58	-6	-24	-34
Germany	-0.39	-2	-15	-20
UK	0.56	-1	-20	-25
Ireland	-0.12	-2	-14	-21
Belgium	-0.08	-3	-10	-16
France	-0.14	-2	-18	-26
Italy	0.94	-2	-38	-44
Spain	0.27	-2	-16	-18
Portugal	0.26	-2	-12	-16
Greece	1.01	-9	-32	-40
5 Year Swap %				
US	1.39	-9	-22	-33
Eurozone	-0.29	-5	-14	-17
UK	0.71	-2	-13	-19
2 Year Swap %				
US	1.42	-8	-20	-28
Eurozone	-0.36	-2	-6	-7
UK	0.69	-1	-6	-11
10 Year Government Bond Spreads to Benchmark bps				
Ireland	27	+0	+0	-1
Belgium	31	-1	+5	+4
France	25	-1	-3	-6
Italy	132	-0	-24	-24
Spain	66	-0	-1	+2
Portugal	64	-0	+2	+4
Greece	140	-7	-17	-20

Commodities				
	Close	Day	4 Weeks	End 19
Brent Oil	54.47	-0.84	-16.17	-17.47
West Texas Oil	50.34	-1.18	-14.71	-17.66
Gold \$	1570.7	+0.23	+0.52	+3.48

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