

## Euro slightly softer, EUR/USD at \$1.09

It was a largely uneventful start to the week on financial markets yesterday. A quiet data calendar meant there was little to provide direction. Indeed, the scant macro highlights from the diary were Italian industrial production (December) and the Eurozone Sentix index (February).

Investor sentiment was holding a mixed tone yesterday. European equity markets tended to trade sideways. However, at the closing bell last night on Wall Street, the S&P 500 managed to finish with a 0.7% gain on the day.

On the currency front, the moves were also confined to fairly tight ranges. Of the limited action to register over the past 24 hours, the euro is modestly lower over the period.

In level terms, the softer euro tone is evident in EUR/USD opening this morning pinned down at the key support level of \$1.09. Meanwhile, EUR/GBP is changing hands at the midpoint of the 84-85p band. Elsewhere, GBP/USD starts the day at \$1.29.

Turning to the day ahead, the only macro release of any note is the Q4 print of UK GDP. Growth is expected to be flat but weak macro data in the quarter pose some downside risk to this forecast. Ultimately, though, given that the data pre-date the UK general election in December, the impact on sterling could be limited. Meantime, there is little out to influence the euro.

In the US, Fed Chair Powell's semi-annual congressional testimony may be of some interest. However, we expect that he will continue to emphasise that the central bank is on hold. Therefore, his comments are unlikely to generate much of a dollar reaction.

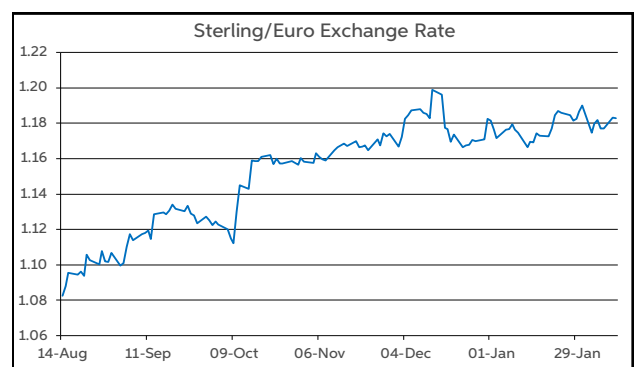
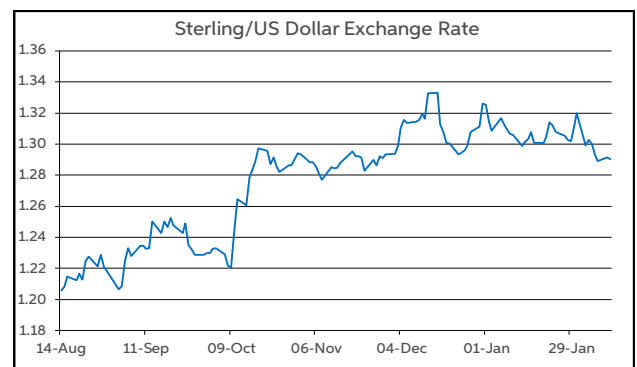
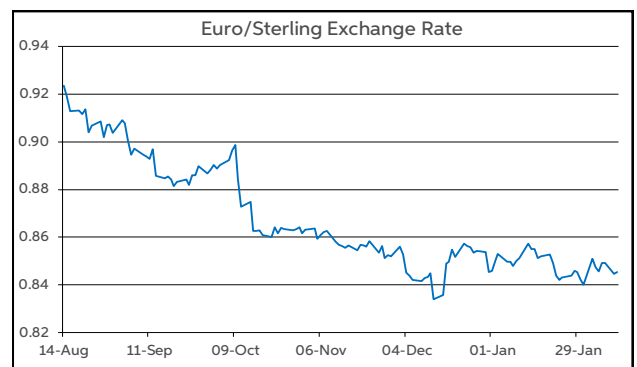
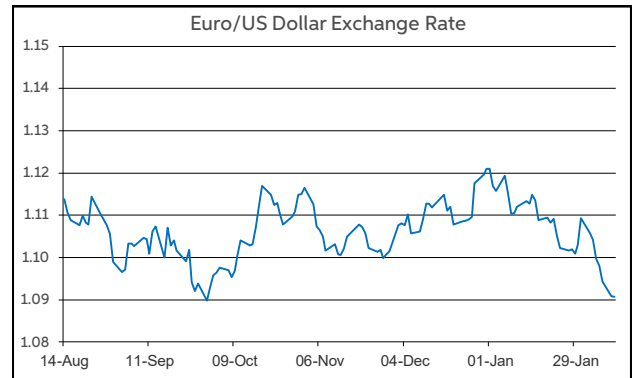
**John Fahey, Senior Economist, AIB**

Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.0909	-0.40	-2.69
EUR/GBP	0.845	-0.44	-0.05
GBP/USD	1.2906	-0.01	-2.66
GBP/EUR	1.1828	0.44	0.05
USD/JPY	109.88	0.11	1.17
EUR/JPY	119.87	-0.32	-1.61

\* 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	1.66	1.71	1.80	1.44	1.38
EUR	0.00	-0.46	-0.40	-0.27	-0.36	-0.27
GBP	0.75	0.70	0.75	0.88	0.69	0.69

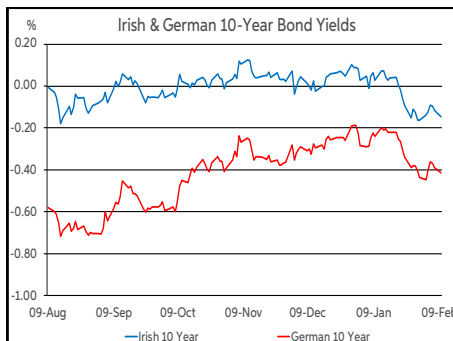
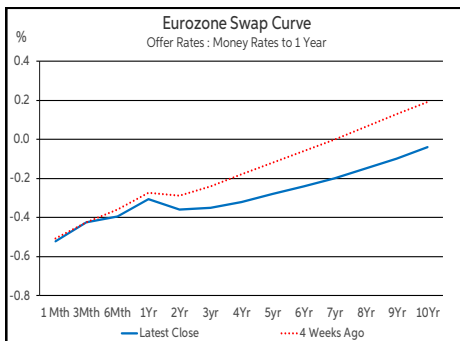
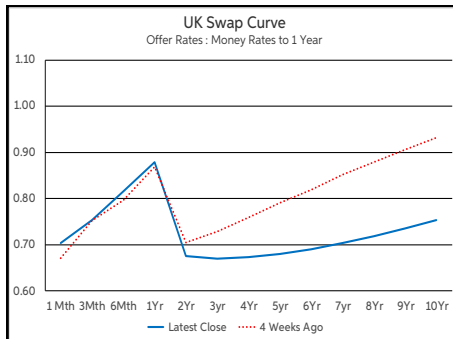
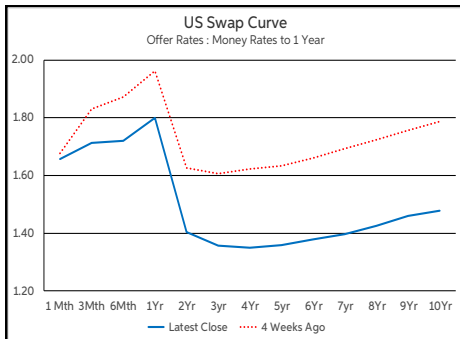
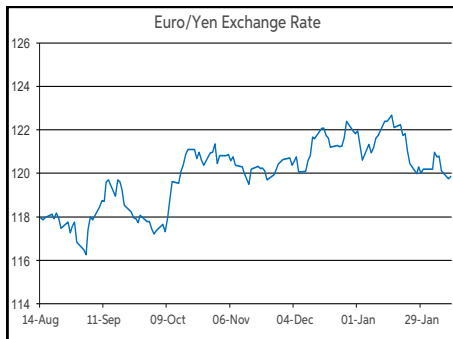
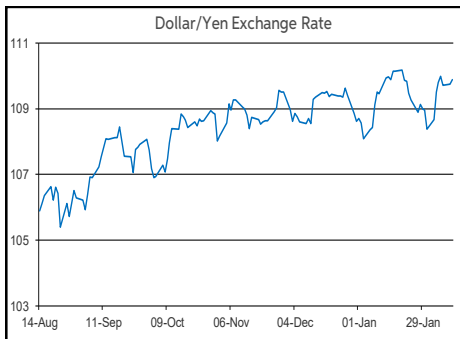


All rates quoted are indicative market rates

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

Euro		Sterling		Dollar	
EUR/GBP	0.8452	GBP/EUR	1.1828	USD/JPY	109.88
EUR/USD	1.0909	GBP/USD	1.2906	USD/CAD	1.3291
EUR/JPY	119.87	GBP/CAD	1.7148	USD/CHF	0.9782
EUR/SEK	10.5448	GBP/NZD	2.0183	USD/CNY	6.9751
EUR/DKK	7.4723	GBP/JPY	141.81	USD/BRL	4.3245
EUR/NOK	10.1115	GBP/SEK	12.469	USD/RUB	63.97
EUR/CHF	1.0673	GBP/DKK	8.8402	USD/INR	71.24
EUR/AUD	1.6248	GBP/NOK	11.964	AUD/USD	0.6713
EUR/HKD	8.47	GBP/CHF	1.2626	NZD/USD	0.639
EUR/CAD	1.4499	GBP/AUD	1.9222		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 19
<b>10 Year Yield %</b>				
US	1.56	-2	-28	-36
Germany	-0.41	-2	-21	-22
UK	0.55	-1	-19	-27
Ireland	-0.15	-3	-22	-23
Belgium	-0.11	-2	-17	-19
France	-0.17	-3	-25	-29
Italy	0.94	+0	-43	-43
Spain	0.25	-2	-22	-20
Portugal	0.24	-1	-18	-18
Greece	1.00	-1	-36	-41
<b>5 Year Swap %</b>				
US	1.36	-6	-28	-35
Eurozone	-0.28	-1	-16	-16
UK	0.68	-4	-11	-21
<b>2 Year Swap %</b>				
US	1.40	-4	-22	-30
Eurozone	-0.36	-0	-7	-7
UK	0.68	-3	-3	-13
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	27	-1	-0	-1
Belgium	31	+0	+5	+4
France	25	-0	-4	-6
Italy	135	+3	-22	-21
Spain	66	+0	-1	+2
Portugal	66	+1	+4	+5
Greece	142	+2	-15	-18

Commodities				
	% Change			
	Close	Day	4 Weeks	End 19
Brent Oil	53.27	-2.20	-17.02	-19.29
West Texas Oil	49.59	-1.49	-14.75	-18.89
Gold \$	1572.7	+0.13	+1.56	+3.62

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