

Another quiet day on FX markets

The subdued tone to currency markets continued yesterday, with most of the main pairs confined to narrow ranges. Sterling did experience some modest support. This coincided with the release of UK GDP data for the fourth quarter.

The release saw Q4 growth print in line with forecasts, for a flat reading in the quarter. Although, the monthly growth rate for December, of +0.3%, beat expectations (+0.2%) and compares to -0.3% in November. This adds to other tentative signs from survey data of a possible pick-up in activity following the general election and the resulting reduced near-term Brexit uncertainty.

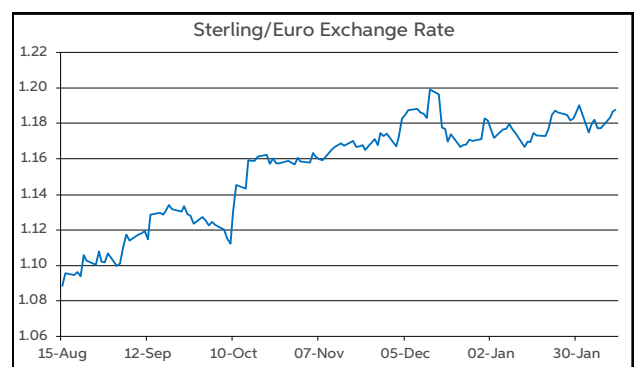
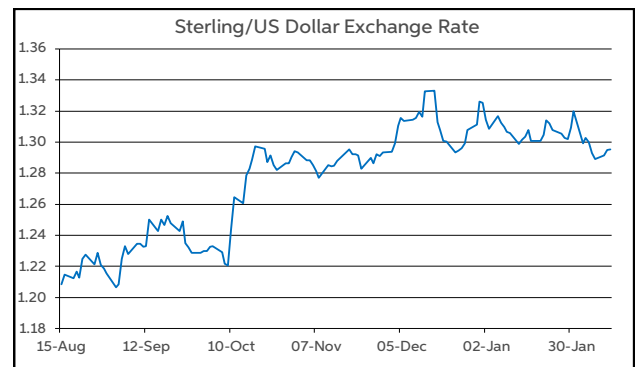
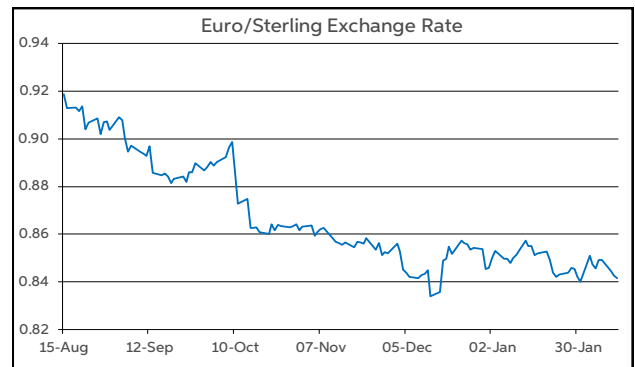
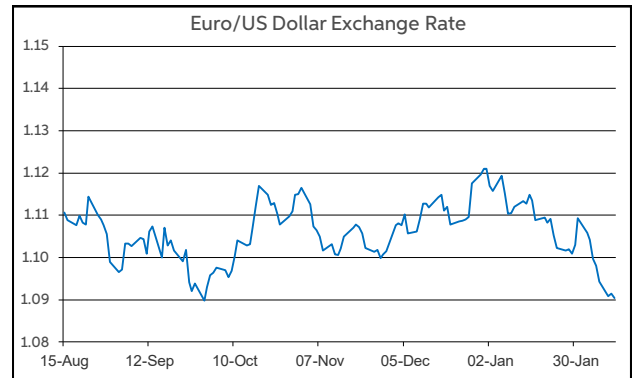
Meanwhile, as expected, Fed Chair Powell's congressional testimony was a non-event for markets. He reiterated his view that the US economy is continuing to perform strongly. Similarly, a speech by ECB President Lagarde provided no fresh policy insights and therefore was not an influence on the euro.

Overall then, the main pairs open this morning showing only modest changes over the past 24 hours. The slightly firmer sterling tone is evident in EUR/GBP trading in the lower half of the 84-85p range, while GBP/USD has edged up to the midpoint of the \$1.29-1.30 band. Meantime EUR/USD remains pinned down near the key support threshold of \$1.09.

Elsewhere on financial markets, risk appetite was supported by positive newsflow surrounding the coronavirus. This was reflected in the main equity indices finishing the day higher.

Turning to the day ahead, there is little to provide direction from a data perspective. Therefore, we could be in for another day of the main FX pairs operating within tight trading ranges.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.0904	-0.05	-2.73
EUR/GBP	0.8417	-0.38	-0.44
GBP/USD	1.2951	0.29	-2.32
GBP/EUR	1.1875	0.38	0.44
USD/JPY	109.88	0.00	1.17
EUR/JPY	119.82	-0.07	-1.65

* v Previous Day's European Open

See Next Page for More Rates

Opening Interest Rates						
Base Rate	Short Term			Long Term		
	1-Mth	3-Mth	12-Mth	2-Yr	5-Yr	
USD	1.625	1.65	1.71	1.81	1.47	1.42
EUR	0.00	-0.47	-0.40	-0.27	-0.36	-0.26
GBP	0.75	0.71	0.76	0.89	0.70	0.70

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

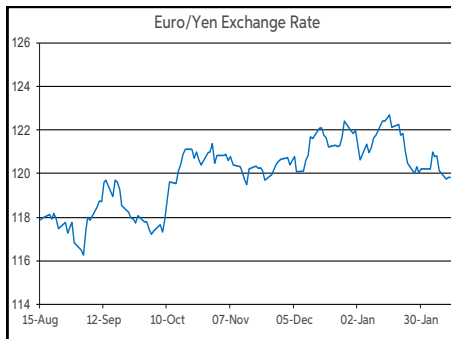
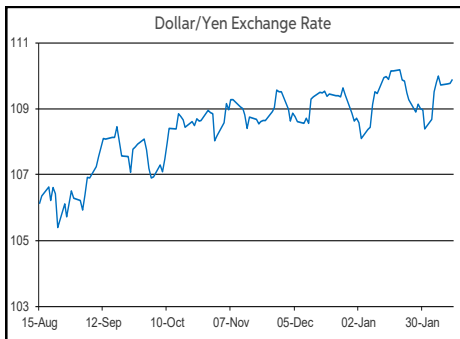
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

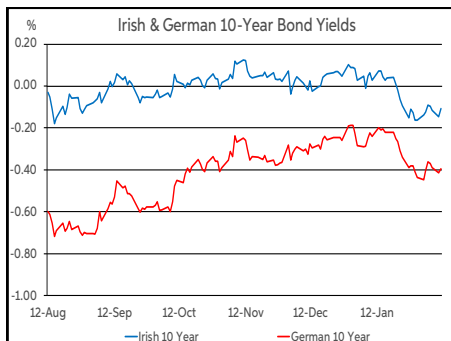
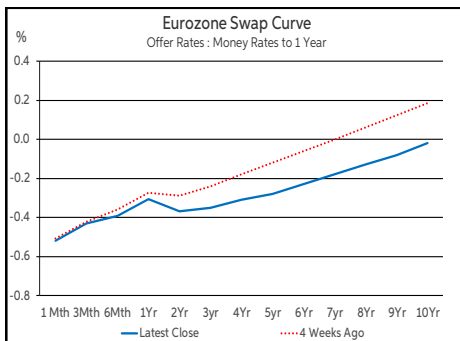
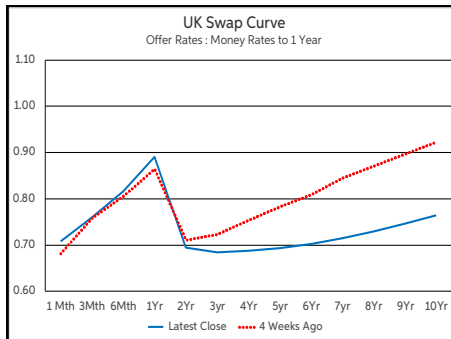
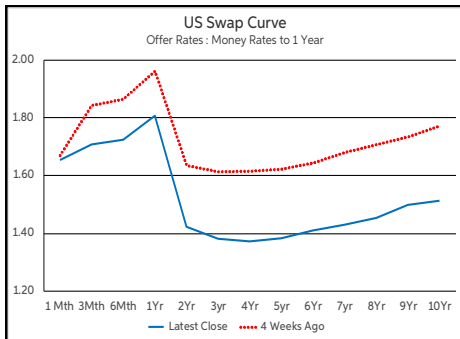
Wednesday 12 February 2020
07:27 am



Euro		Sterling		Dollar	
EUR/GBP	0.8417	GBP/EUR	1.1878	USD/JPY	109.88
EUR/USD	1.0904	GBP/USD	1.2954	USD/CAD	1.3277
EUR/JPY	119.82	GBP/CAD	1.7198	USD/CHF	0.9762
EUR/SEK	10.5054	GBP/NZD	2.0042	USD/CNY	6.966
EUR/DKK	7.4717	GBP/JPY	142.34	USD/BRL	4.3318
EUR/NOK	10.073	GBP/SEK	12.4745	USD/RUB	63.0027
EUR/CHF	1.0646	GBP/DKK	8.8751	USD/INR	71.262
EUR/AUD	1.6207	GBP/NOK	11.9619	AUD/USD	0.6727
EUR/HKD	8.4687	GBP/CHF	1.2642	NZD/USD	0.646
EUR/CAD	1.4471	GBP/AUD	1.9253		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 19
10 Year Yield %				
US	1.60	+4	-21	-32
Germany	-0.39	+2	-18	-21
UK	0.56	+1	-15	-26
Ireland	-0.11	+4	-18	-20
Belgium	-0.08	+2	-13	-16
France	-0.15	+2	-23	-27
Italy	0.96	+2	-42	-41
Spain	0.26	+1	-21	-19
Portugal	0.25	+1	-16	-17
Greece	1.01	+0	-37	-40
5 Year Swap %				
US	1.38	+1	-24	-33
Eurozone	-0.28	-1	-16	-16
UK	0.69	-0	-9	-20
2 Year Swap %				
US	1.42	+0	-21	-28
Eurozone	-0.37	-2	-8	-8
UK	0.69	+1	-2	-12
10 Year Government Bond Spreads to Benchmark bps				
Ireland	29	+2	+0	+1
Belgium	31	+0	+5	+4
France	25	+0	-4	-6
Italy	136	+1	-24	-20
Spain	66	-1	-2	+1
Portugal	65	-1	+2	+4
Greece	140	-2	-19	-20



Commodities				
	% Change			
	Close	Day	4 Weeks	End 19
Brent Oil	54.01	+1.39	-16.25	-18.17
West Texas Oil	50	+0.83	-14.30	-18.22
Gold \$	1568.0	-0.30	+1.38	+3.31

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