

## EUR/USD moves below \$1.09

As has been the case all week, the moves on currency markets yesterday were relatively muted. Although, the euro came under some slight downward pressure. This resulted in its main pairs testing a number of key support levels.

Data-wise, the only release of any note yesterday was the December print of Eurozone industrial production. Output dropped by a weaker than expected 2.1%, suggesting the downturn in the sector is not bottoming out as survey data had suggested. The release provided a somewhat unhelpful backdrop for the euro.

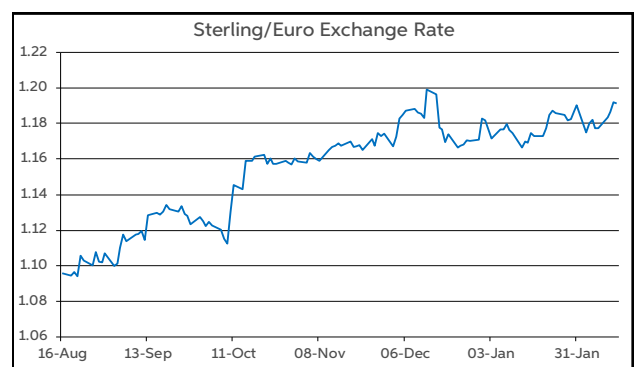
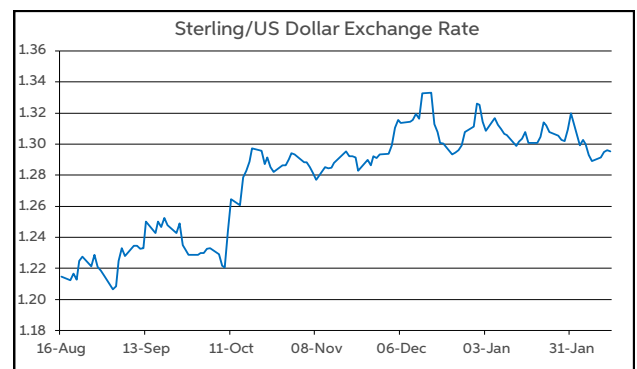
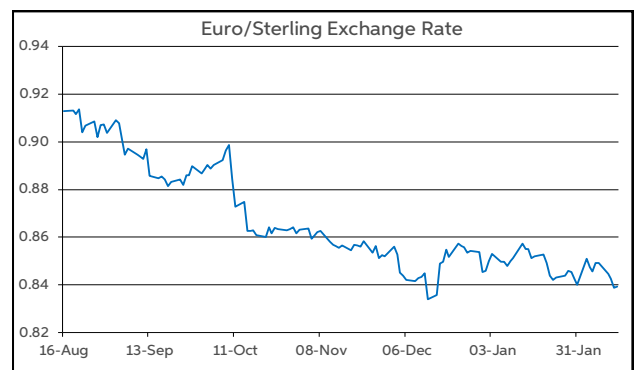
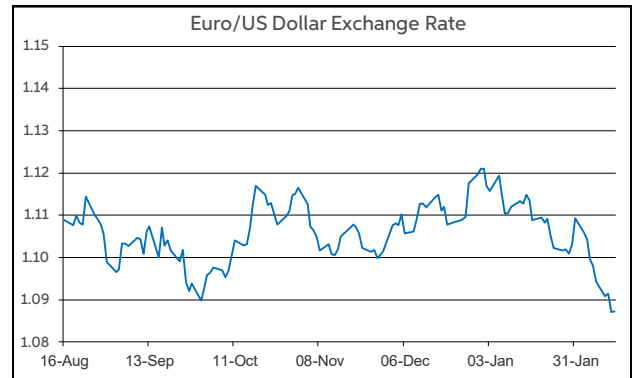
In level terms, the marginally weaker euro tone is reflected in EUR/USD opening this morning down below the important \$1.09 threshold. This represents the lowest level the pair has traded at since 2017. At the same time, EUR/GBP has moved to just below 84p. Meanwhile, GBP/USD remains at the \$1.295 mark.

Elsewhere on financial markets, investors remained in 'risk-on' mode as positive newsflow. Equities moved modestly higher as a result, with the S&P 500 finishing the day up a solid 0.6% and hitting a fresh record high for a third straight session.

Turning to the day ahead, the highlight of a very quiet data schedule is the January print of CPI in the US. Headline inflation is forecast to have ticked up from 2.3% to 2.4% on the back of higher energy prices. The core rate may have edged slightly lower from 2.3% to 2.2%. Overall though, barring a major surprise we do not foresee there being much of a reaction in the dollar.

On this side of the Atlantic, there is little out to influence the euro or sterling. Although, it will be interesting to see if the euro remains under pressure today.

**Conor Beakey, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.0874	-0.32	-3.00
EUR/GBP	0.8394	-0.26	-0.71
GBP/USD	1.2953	-0.06	-2.31
GBP/EUR	1.191	0.26	0.71
USD/JPY	109.75	-0.09	1.05
EUR/JPY	119.34	-0.43	-2.04

\* 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	1.65	1.70	1.81	1.43	1.39
EUR	0.00	-0.48	-0.41	-0.28	-0.37	-0.28
GBP	0.75	0.71	0.76	0.90	0.72	0.73

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

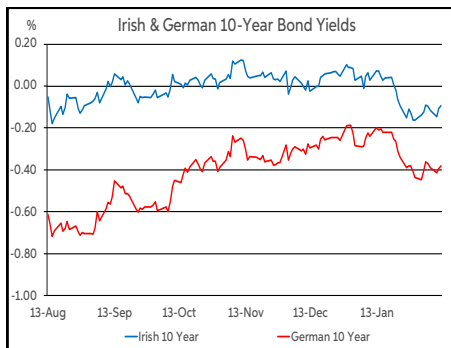
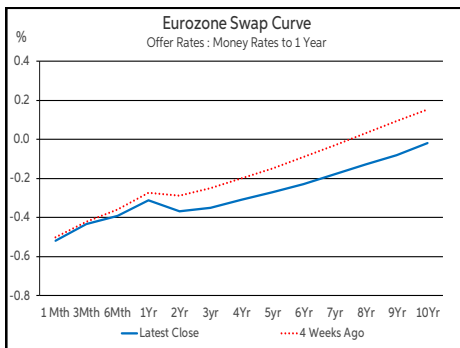
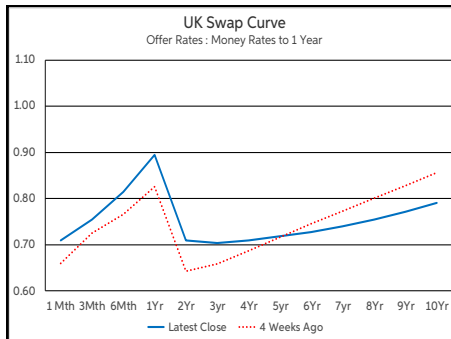
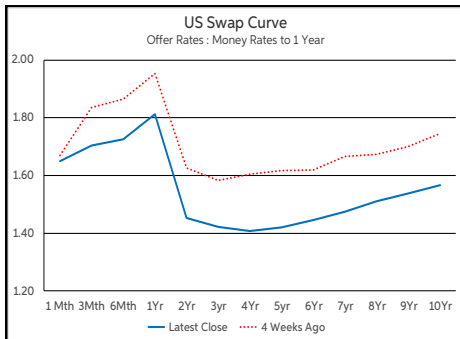
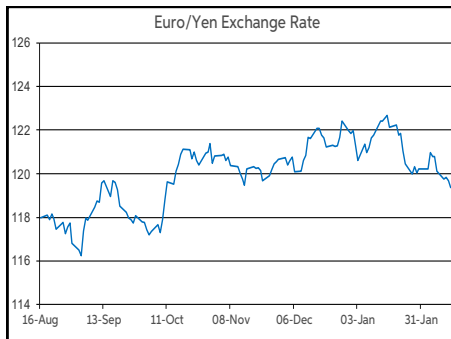
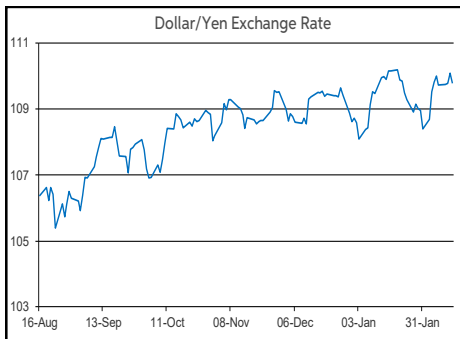
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

Thursday 13 February 2020  
07:19 am



Euro		Sterling		Dollar	
EUR/GBP	0.8394	GBP/EUR	1.191	USD/JPY	109.75
EUR/USD	1.0875	GBP/USD	1.2953	USD/CAD	1.3263
EUR/JPY	119.34	GBP/CAD	1.7179	USD/CHF	0.9767
EUR/SEK	10.4985	GBP/NZD	2.009	USD/CNY	6.9808
EUR/DKK	7.4719	GBP/JPY	142.17	USD/BRL	4.3558
EUR/NOK	10.0795	GBP/SEK	12.501	USD/RUB	63.5768
EUR/CHF	1.0623	GBP/DKK	8.9008	USD/INR	71.42
EUR/AUD	1.6188	GBP/NOK	12.0062	AUD/USD	0.6717
EUR/HKD	8.4454	GBP/CHF	1.2654	NZD/USD	0.6445
EUR/CAD	1.4422	GBP/AUD	1.9283		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 19
<b>10 Year Yield %</b>				
US	1.64	+3	-15	-28
Germany	-0.38	+1	-18	-19
UK	0.61	+4	-4	-21
Ireland	-0.09	+2	-14	-18
Belgium	-0.09	-1	-11	-17
France	-0.15	+0	-19	-27
Italy	0.90	-6	-48	-47
Spain	0.30	+3	-15	-16
Portugal	0.24	-1	-14	-18
Greece	0.93	-8	-45	-48
<b>5 Year Swap %</b>				
US	1.42	+2	-20	-29
Eurozone	-0.27	+0	-12	-15
UK	0.72	+1	+0	-17
<b>2 Year Swap %</b>				
US	1.45	+1	-17	-25
Eurozone	-0.37	-1	-8	-8
UK	0.71	+1	+7	-10
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	29	+0	+4	+1
Belgium	29	-2	+7	+2
France	24	-1	-1	-7
Italy	128	-7	-31	-28
Spain	68	+2	+3	+3
Portugal	62	-2	+4	+1
Greece	131	-9	-27	-29

Commodities				
	% Change			
	Close	Day	4 Weeks	End 19
Brent Oil	55.79	+3.30	-12.83	-15.47
West Texas Oil	51.13	+2.26	-11.63	-16.37
Gold \$	1565.9	-0.13	+0.61	+3.17

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