

All calm on FX markets

There was a quiet start to the week on currency markets yesterday. A barren macro data schedule, combined with a market holiday in the US (Presidents' Day), meant that there was nothing to provide direction. Thus the euro is showing little signs of recovery, having hit multi-year lows against the dollar and sterling last week.

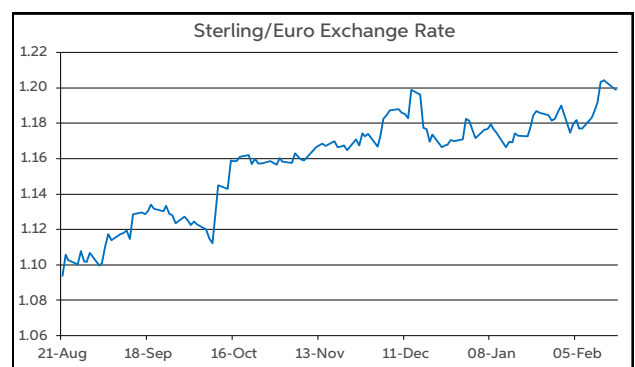
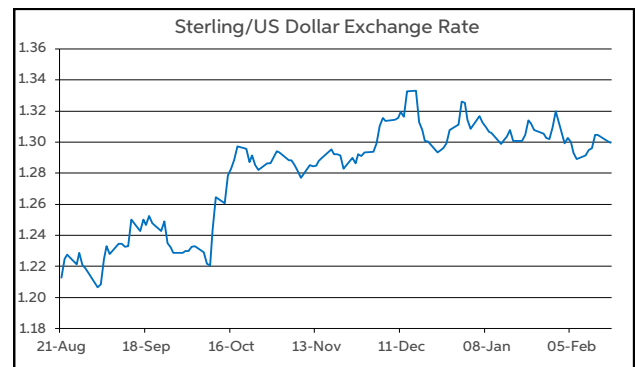
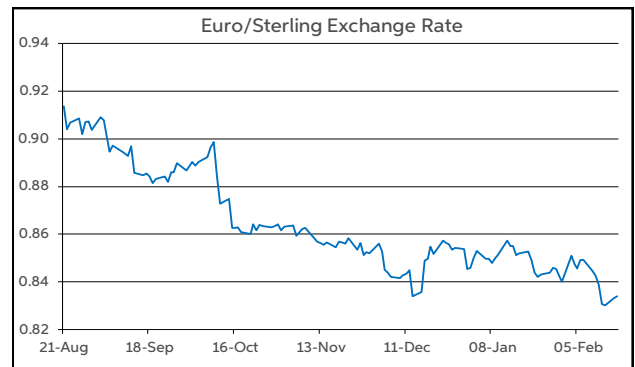
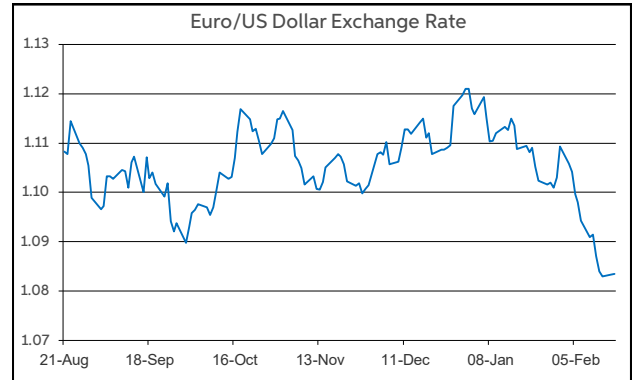
Of the limited moves to register yesterday, sterling has adopted a modestly softer tone. Although, EUR/GBP is continuing to change hands within the lower half of the 83-84p band. Cable (GBP/USD) is at the \$1.30 threshold. Meantime, EUR/USD remains in the lower half of the \$1.08-1.09 range.

Elsewhere on financial markets, equities largely traded sideways during the European session, with the Euro Stoxx 50 and FTSE 100 both finishing the day up 0.3%. Overnight, though, the Nikkei dropped by a sharp 1.2% on the back of profit warnings linked to the spread of the coronavirus.

Today, the highlight of the schedule is the Q4 labour market bulletin in the UK. Numbers in employment are forecast to have increased by 145k in the quarter, though this would still see the YoY growth rate ease to 0.9%. Meantime, the jobless rate looks to have held at 3.8%, while underlying wage inflation may edge back to 3.3%. Overall though, as the data precede December's general election, the impact on sterling could be somewhat muted, barring any significant surprises.

Meanwhile, there are only second tier releases due in both the Eurozone and the US. These include the latest readings of the German ZEW index and NAHB sentiment in the US (both February). The data are unlikely to prompt much of a reaction in their respective currencies.

Conor Beakey, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.0836	-0.04	-3.34
EUR/GBP	0.8335	0.36	-1.41
GBP/USD	1.2999	-0.37	-1.96
GBP/EUR	1.1995	-0.36	1.43
USD/JPY	109.74	-0.08	1.04
EUR/JPY	118.94	-0.10	-2.37

* v Previous Day's European Open

See Next Page for More Rates

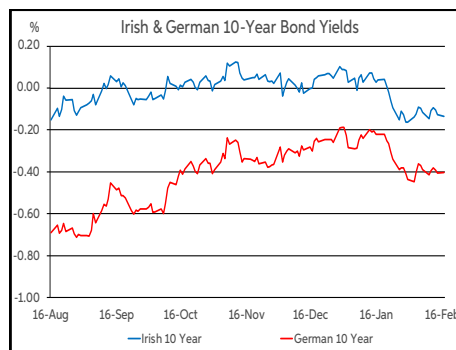
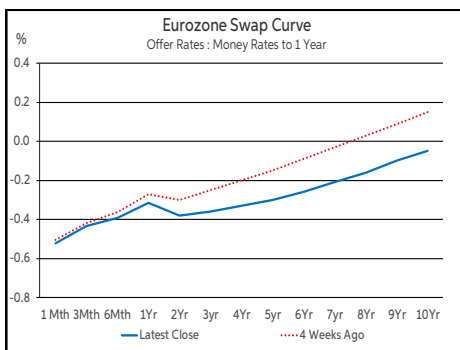
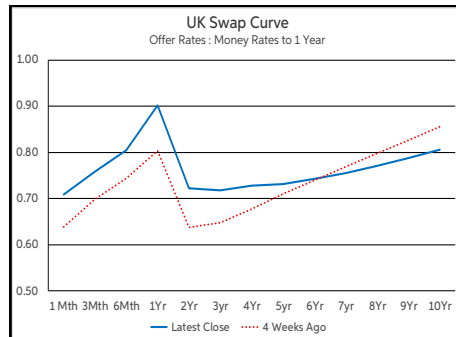
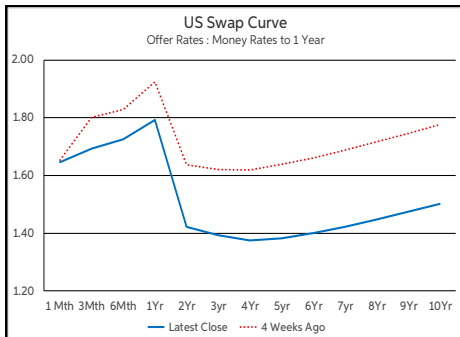
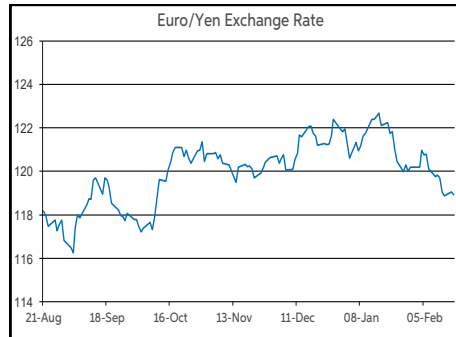
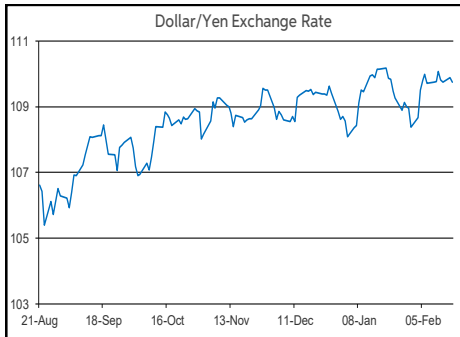
Opening Interest Rates						
Base Rate	Short Term			Long Term		
	1-Mth	3-Mth	12-Mth	2-Yr	5-Yr	
USD	1.625	1.65	1.69	1.79	1.44	1.38
EUR	0.00	-0.48	-0.41	-0.29	-0.38	-0.30
GBP	0.75	0.71	0.76	0.90	0.73	0.74

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				

Euro		Sterling		Dollar	
EUR/GBP	0.8335	GBP/EUR	1.1995	USD/JPY	109.74
EUR/USD	1.0836	GBP/USD	1.2999	USD/CAD	1.3247
EUR/JPY	118.94	GBP/CAD	1.722	USD/CHF	0.9801
EUR/SEK	10.5301	GBP/NZD	2.0263	USD/CNY	7.0025
EUR/DKK	7.4701	GBP/JPY	142.65	USD/BRL	4.3279
EUR/NOK	10.0672	GBP/SEK	12.6262	USD/RUB	63.7494
EUR/CHF	1.0622	GBP/DKK	8.9595	USD/INR	71.448
EUR/AUD	1.6203	GBP/NOK	12.0738	AUD/USD	0.6688
EUR/HKD	8.4173	GBP/CHF	1.2742	NZD/USD	0.6414
EUR/CAD	1.4356	GBP/AUD	1.9437		



Debt Markets				
	Close	Day	4 Weeks	End 19
10 Year Yield %				
US	1.59	-3	-24	-33
Germany	-0.40	+0	-18	-22
UK	0.64	+1	-1	-18
5 Year Swap %				
US	1.38	-3	-26	-33
Eurozone	-0.30	-2	-15	-18
UK	0.73	-1	+2	-16
2 Year Swap %				
US	1.42	-3	-22	-28
Eurozone	-0.38	-1	-8	-9
UK	0.72	-0	+8	-9
10 Year Government Bond Spreads to Benchmark bps				
Ireland	27	-1	+1	-1
Belgium	29	-0	+5	+2
France	23	-1	-2	-7
Italy	130	-2	-26	-26
Spain	68	-0	+3	+4
Portugal	63	-0	+4	+2
Greece	127	-4	-35	-33

Commodities				
	Close	Day	4 Weeks	End 19
Brent Oil	57.67	+0.61	-11.55	-12.62
West Texas Oil	52.03	+1.21	-11.14	-14.90
Gold \$	1581.4	-0.23	+1.25	+4.19

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