

Quiet week ahead

The moves on currency markets last week saw sterling lose some ground. This was despite the fact that UK data (incl. retail sales, employment and PMIs) continued to surprise to the upside. The modest pressure on the currency may have been linked to ongoing concerns surrounding the upcoming EU-UK trade talks.

Meanwhile, the dollar remained in the ascendancy. The currency benefitted from the release of generally firm US data. It did soften on Friday following the release of weak February PMIs, but a bout of risk aversion overnight linked to the coronavirus saw the dollar recover. For the euro, the gloomy macro outlook for the Eurozone acted as a headwind. Although, the currency was supported in the latter part of the week by solid survey data for February.

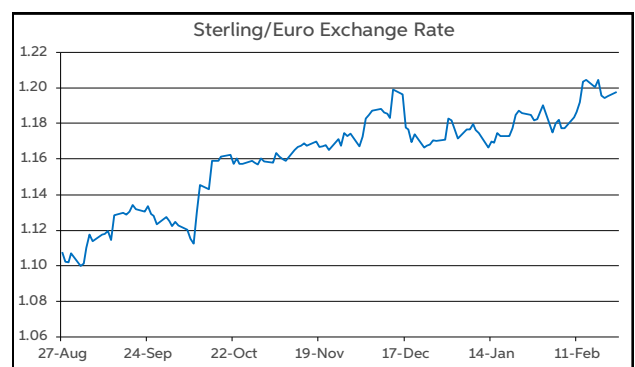
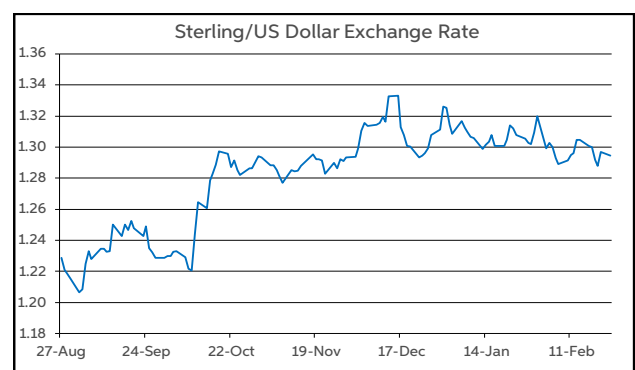
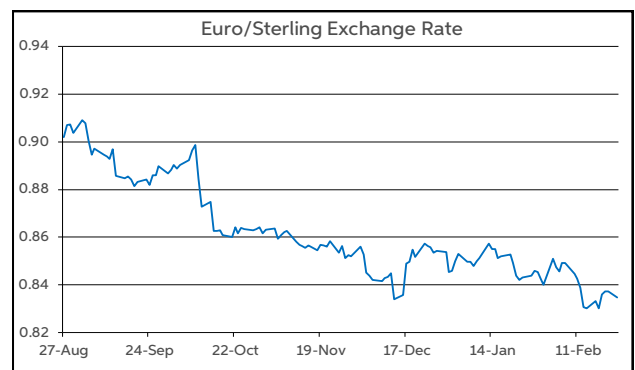
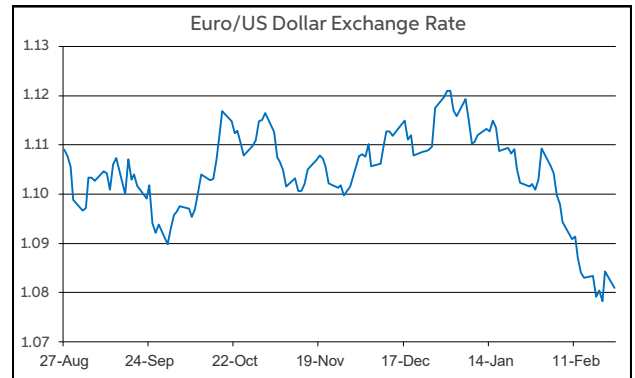
In level terms, the broad-based dollar strength sees EUR/USD open down at the \$1.08 threshold. At the same time, cable (GBP/USD) is changing hands in the lower half of the \$1.29-1.30 band. Elsewhere, EUR/GBP is trading at the midpoint of the 83-84p band.

This week, there is a sparse look to the data diary. The highlights in the Eurozone are EC sentiment indices for February, as well as the German Ifo (out today). Although, barring major surprises we would not anticipate there being a major reaction in the euro. In the UK, there is little out to provide any direction to sterling.

Across the Atlantic, the January readings of core-PCE (Fed's preferred inflation measure) and durable goods are due. However, neither release would be viewed as a major mover for the dollar.

Today, the market's focus will be on digesting the weekend news on the spread of the coronavirus. As a result, safe haven currencies may experience some support.

Conor Beakey, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.0808	0.16	-3.59
EUR/GBP	0.835	-0.23	-1.23
GBP/USD	1.2944	0.39	-2.38
GBP/EUR	1.1973	0.23	1.25
USD/JPY	111.49	-0.41	2.65
EUR/JPY	120.53	-0.26	-1.07

* 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	1.63	1.68	1.73	1.31	1.25
EUR	0.00	-0.48	-0.42	-0.29	-0.38	-0.32
GBP	0.75	0.71	0.75	0.89	0.72	0.72

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

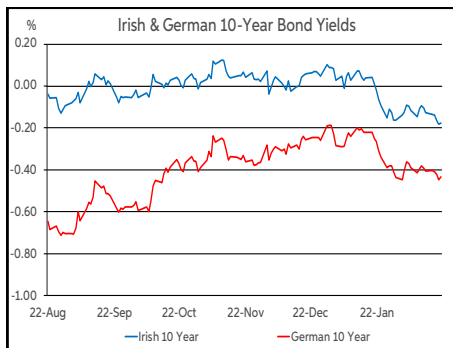
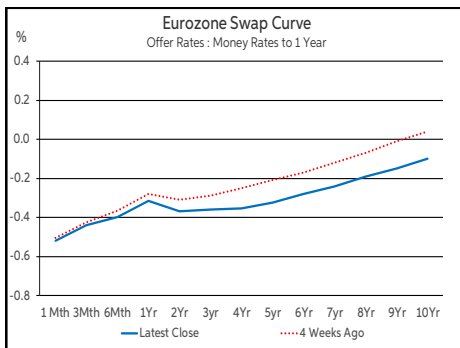
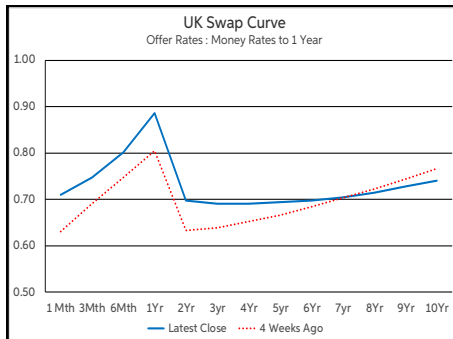
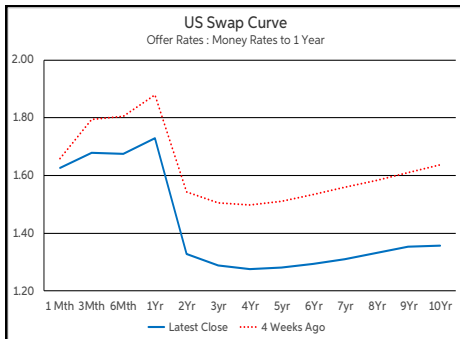
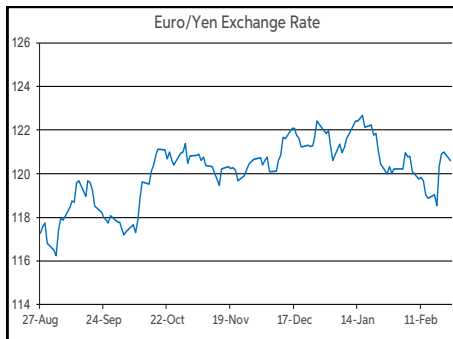
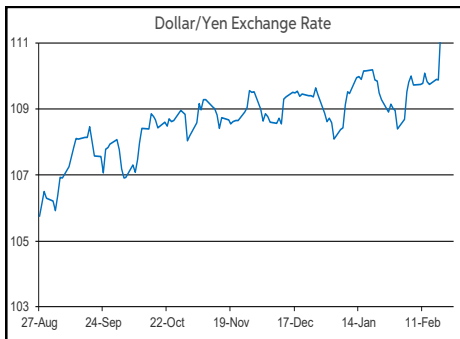
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

Monday 24 February 2020
07:15 am



Euro		Sterling		Dollar	
EUR/GBP	0.835	GBP/EUR	1.1973	USD/JPY	111.49
EUR/USD	1.0808	GBP/USD	1.2944	USD/CAD	1.3278
EUR/JPY	120.53	GBP/CAD	1.7189	USD/CHF	0.981
EUR/SEK	10.5921	GBP/NZD	2.0533	USD/CNY	7.0378
EUR/DKK	7.4693	GBP/JPY	144.31	USD/BRL	4.3878
EUR/NOK	10.1356	GBP/SEK	12.679	USD/RUB	64.813
EUR/CHF	1.0607	GBP/DKK	8.943	USD/INR	71.855
EUR/AUD	1.6402	GBP/NOK	12.1331	AUD/USD	0.6588
EUR/HKD	8.4221	GBP/CHF	1.2698	NZD/USD	0.6301
EUR/CAD	1.4356	GBP/AUD	1.9641		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 19
10 Year Yield %				
US	1.47	-5	-21	-45
Germany	-0.43	+1	-9	-25
UK	0.57	-0	+1	-25
5 Year Swap %				
US	1.28	-7	-23	-43
Eurozone	-0.33	-3	-12	-21
UK	0.69	-1	+3	-20
2 Year Swap %				
US	1.33	-9	-21	-37
Eurozone	-0.37	+0	-6	-8
UK	0.70	-2	+6	-11
10 Year Government Bond Spreads to Benchmark bps				
Ireland	26	-1	+1	-2
Belgium	29	-1	+5	+2
France	23	+0	-3	-8
Italy	134	-2	-22	-23
Spain	65	-2	-3	+0
Portugal	60	-2	-7	-1
Greece	135	-0	-28	-25

Commodities				
	% Change			
	Close	Day	4 Weeks	End 19
Brent Oil	58.5	-1.37	-3.61	-11.36
West Texas Oil	53.36	-0.76	-1.35	-12.72
Gold \$	1644.1	+1.49	+4.66	+8.32

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