

EUR/USD back above \$1.09

As has been the case all week, the action on markets yesterday was driven by headlines concerning the spread of the coronavirus. The first case of 'unknown origin' was confirmed in the US, which acted as a headwind for the dollar.

Sterling also remained on the back foot yesterday. Concerns surrounding the capacity of the UK economy to absorb the impact of the coronavirus may have weighed on the currency. This meant the currency more than gave up its gains from Tuesday.

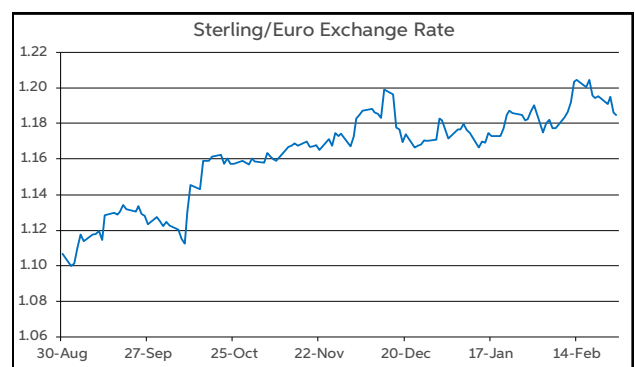
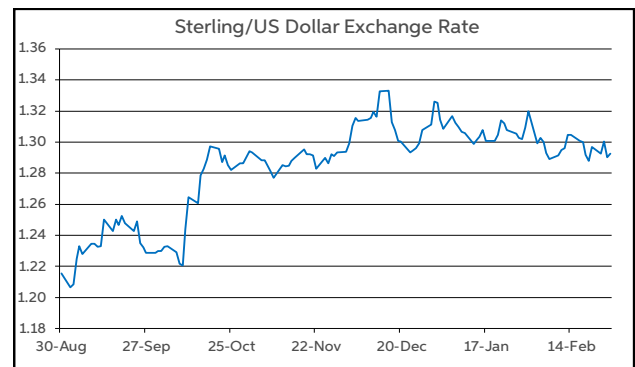
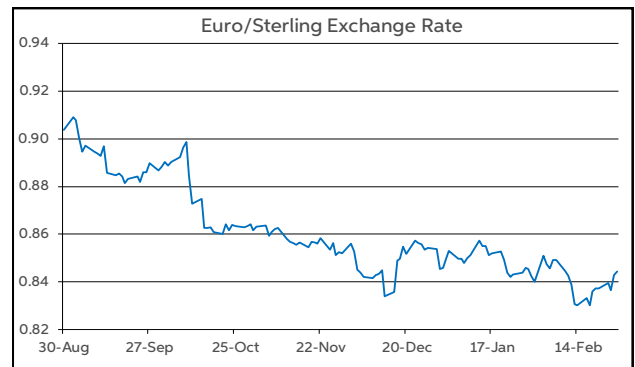
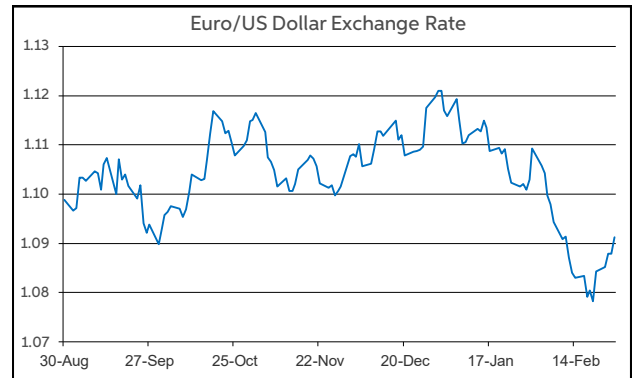
In level terms, the slightly weaker dollar tone is reflected in EUR/USD trading back above the \$1.09 threshold. At the same time, EUR/GBP has moved back up close to the midpoint of the 84-85p range. Meanwhile, cable (GBP/USD) has fallen back to operate in the lower half of the \$1.29-1.30 band.

Elsewhere on markets, investors remained in a cautious mood for much of yesterday's session. The S&P 500 initially opened in the black, before losing ground as reports suggested that the coronavirus had spread to the US. This loss in risk appetite carried through to the Asian session, with the Nikkei dropping sharply.

Turning to the day ahead, there is a busier look to the data schedule. In the Eurozone, the EC sentiment indices for February will be looked to for any sign of the impact of the coronavirus on economic activity. Meanwhile, durable goods orders for January are set to feature in the US.

Overall though, barring any major surprises the data are likely to continue to take the back seat. Instead, the focus may remain on developments related to the aforementioned coronavirus. Sentiment could prove sensitive to negative newsflow.

Conor Beakey, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.0915	0.38	-2.63
EUR/GBP	0.8443	0.92	-0.13
GBP/USD	1.2925	-0.53	-2.52
GBP/EUR	1.1837	-0.91	0.13
USD/JPY	110.11	-0.23	1.38
EUR/JPY	120.21	0.16	-1.33

* 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	1.60	1.61	1.61	1.16	1.14
EUR	0.00	-0.47	-0.42	-0.30	-0.41	-0.34
GBP	0.75	0.71	0.73	0.81	0.63	0.62

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

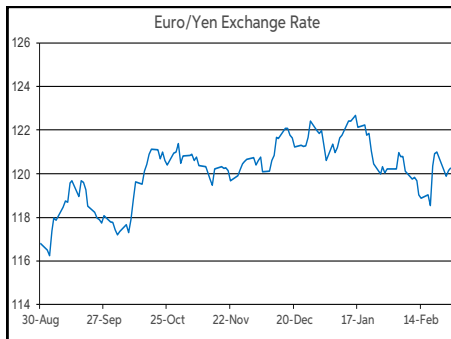
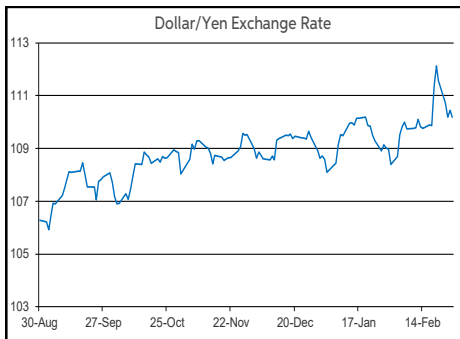
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

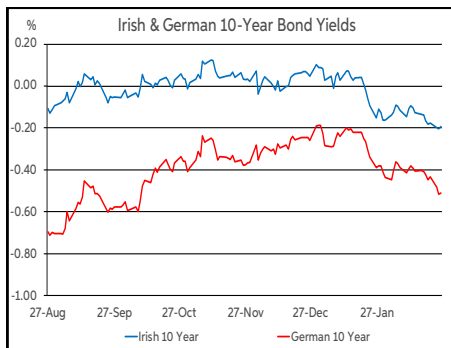
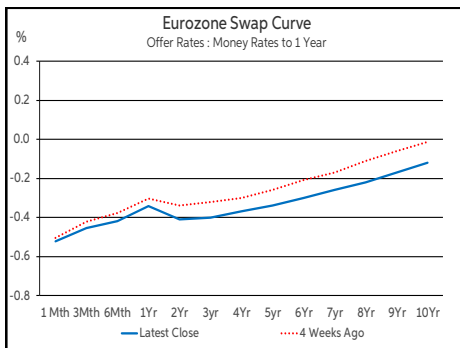
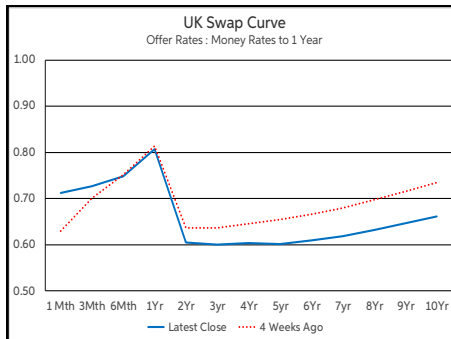
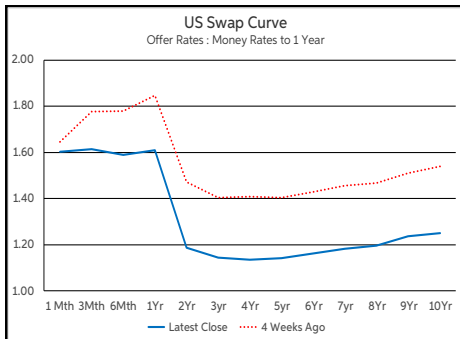
Thursday 27 February 2020
07:20 am



Euro		Sterling		Dollar	
EUR/GBP	0.8443	GBP/EUR	1.1837	USD/JPY	110.12
EUR/USD	1.0915	GBP/USD	1.2925	USD/CAD	1.3339
EUR/JPY	120.2	GBP/CAD	1.7243	USD/CHF	0.9734
EUR/SEK	10.5955	GBP/NZD	2.0533	USD/CNY	7.011
EUR/DKK	7.4708	GBP/JPY	142.33	USD/BRL	4.4502
EUR/NOK	10.254	GBP/SEK	12.5415	USD/RUB	65.56
EUR/CHF	1.0626	GBP/DKK	8.8465	USD/INR	71.6
EUR/AUD	1.665	GBP/NOK	12.1439		
EUR/HKD	8.5098	GBP/CHF	1.2582	AUD/USD	0.6555
EUR/CAD	1.4562	GBP/AUD	1.9715	NZD/USD	0.6293



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 19
10 Year Yield %				
US	1.33	-2	-25	-58
Germany	-0.51	+1	-13	-32
UK	0.50	-2	-1	-32
5 Year Swap %				
US	1.14	-2	-26	-57
Eurozone	-0.34	+0	-8	-22
UK	0.60	-3	-5	-29
2 Year Swap %				
US	1.19	-6	-28	-51
Eurozone	-0.41	-1	-7	-12
UK	0.60	-3	-3	-20
10 Year Government Bond Spreads to Benchmark bps				
Ireland	32	+1	+7	+4
Belgium	34	+1	+11	+7
France	28	+1	+2	-3
Italy	149	-1	+16	-7
Spain	75	+3	+7	+10
Portugal	71	+3	+7	+10
Greece	166	+12	+16	+6



Commodities				
	% Change			
	Close	Day	4 Weeks	End 19
Brent Oil	53.43	-2.77	-10.67	-19.05
West Texas Oil	48.67	-2.23	-8.67	-20.40
Gold \$	1640.3	+0.29	+3.98	+8.08

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