

Risk appetite improves

Currency market action over the past 24 hours has been generally quite muted. This in large part reflected a barren macro data schedule. Sterling did experience some slight volatility, but this took place within narrow ranges.

The moves in the other main pairs were relatively limited yesterday. Although, an improvement in risk appetite linked to some moderation in the concerns surrounding the coronavirus saw the yen come under some slight downward pressure.

As trading gets underway this morning, the main pairs are continuing to change hands at levels near to yesterday's open. EUR/USD is operating in the lower half of the \$1.10-1.11 band, while EUR/GBP has edged back below the 85p level. Cable (GBP/USD) is at the \$1.30 threshold.

Elsewhere on financial markets, the aforementioned 'risk-on' tone saw the main equity indices make good gains. The Euro Stoxx 50 finished the day 1.9% higher, while the S&P 500 was up by 1.5% at the close on Wall Street. The improvement in sentiment was also reflected in bond yields ticking upwards.

Turning to the day ahead, the data schedule is unlikely to be a source of direction for the euro or sterling. Indeed, the only releases of any note are the December retail sales report for the Eurozone and final PMIs for January from both regions.

In the US, the non-manufacturing ISM for January is the highlight. No change is pencilled in for the index, which is expected to remain at a level consistent with good growth. Overall though, barring a major surprise, dollar impact could be minimal.

Conor Beakey, Economist, AIB

Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.1038	-0.17	-1.53
EUR/GBP	0.8481	-0.18	0.32
GBP/USD	1.301	-0.02	-1.88
GBP/EUR	1.1785	0.18	-0.32
USD/JPY	109.35	0.51	0.68
EUR/JPY	120.69	0.32	-0.94

* v Previous Day's European Open

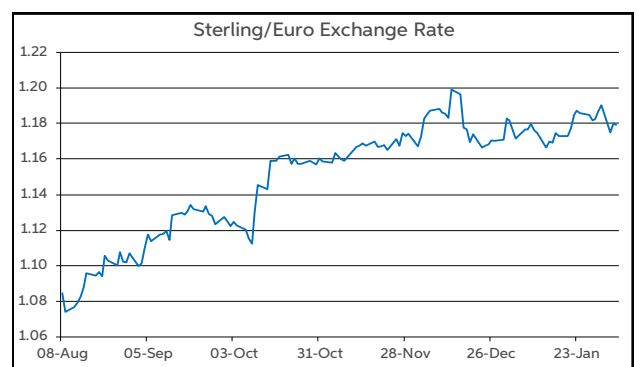
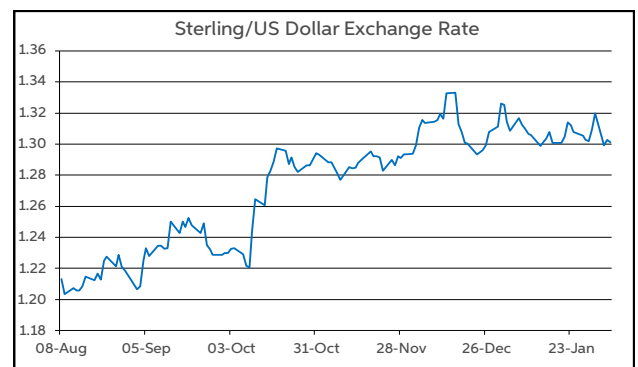
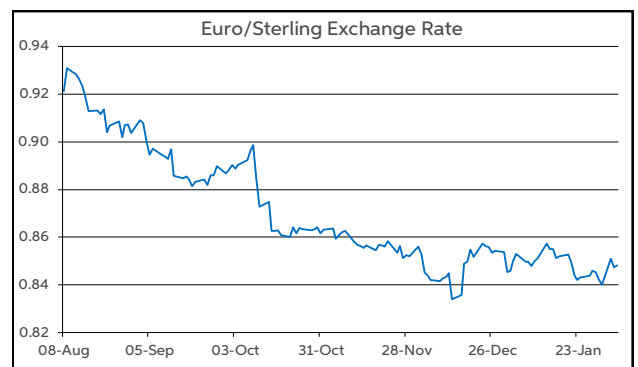
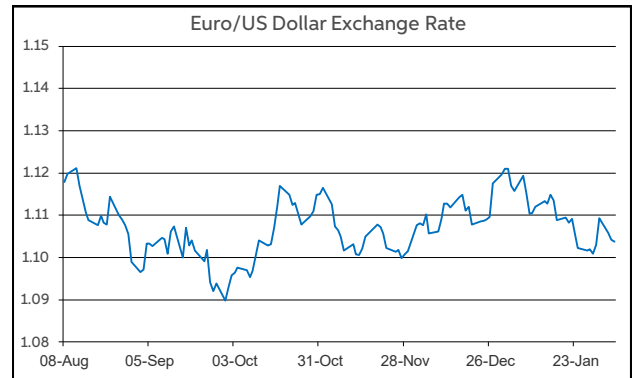
See Next Page for More Rates

Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	1.625	1.67	1.74	1.80	1.45	1.40
EUR	0.00	-0.46	-0.39	-0.29	-0.36	-0.28
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				

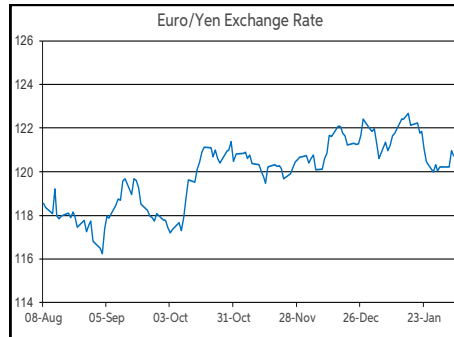
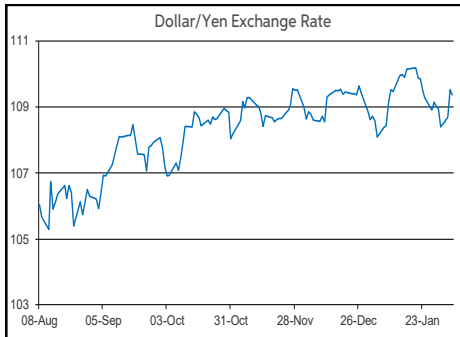


Opening Levels

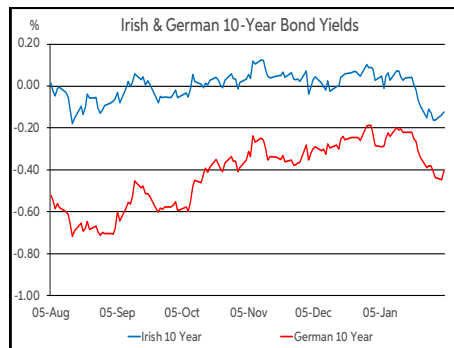
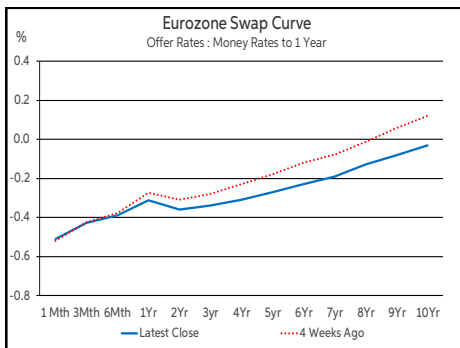
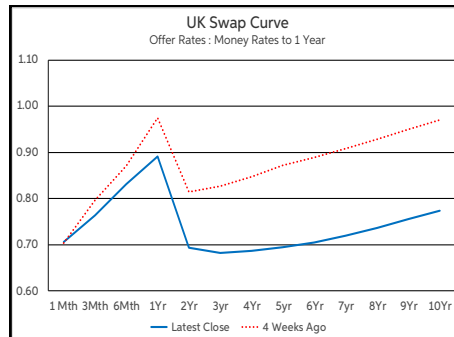
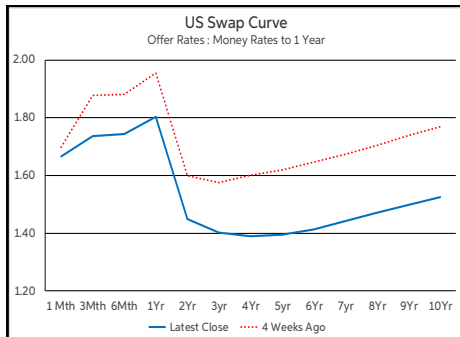
Wednesday 05 February 2020
07:21 am



Euro		Sterling		Dollar	
EUR/GBP	0.8481	GBP/EUR	1.1785	USD/JPY	109.35
EUR/USD	1.1038	GBP/USD	1.301	USD/CAD	1.3296
EUR/JPY	120.69	GBP/CAD	1.7294	USD/CHF	0.9688
EUR/SEK	10.5859	GBP/NZD	2.0078	USD/CNY	7.0006
EUR/DKK	7.4726	GBP/JPY	142.26	USD/BRL	4.2551
EUR/NOK	10.195	GBP/SEK	12.4755	USD/RUB	63.19
EUR/CHF	1.0695	GBP/DKK	8.8082	USD/INR	71.26
EUR/AUD	1.6378	GBP/NOK	12.0158	AUD/USD	0.6737
EUR/HKD	8.5708	GBP/CHF	1.2604	NZD/USD	0.6478
EUR/CAD	1.4678	GBP/AUD	1.9308		



	Close	Change bps		
		Day	4 Weeks	End 19
10 Year Yield %				
US	1.60	+8	-21	-32
Germany	-0.40	+4	-12	-21
UK	0.56	+5	-23	-26
Ireland	-0.13	+1	-11	-21
Belgium	-0.16	+3	-16	-24
France	-0.15	+4	-16	-27
Italy	0.94	+0	-43	-43
Spain	0.26	+2	-12	-20
Portugal	0.25	+3	-11	-17
Greece	1.15	-1	-22	-26
5 Year Swap %				
US	1.40	+6	-22	-32
Eurozone	-0.27	+2	-9	-15
UK	0.69	+3	-18	-20
2 Year Swap %				
US	1.45	+4	-15	-25
Eurozone	-0.36	-0	-5	-7
UK	0.69	+3	-12	-12
10 Year Government Bond Spreads to Benchmark bps				
Ireland	28	-3	+0	+0
Belgium	24	-1	-4	-3
France	26	-0	-4	-5
Italy	135	-4	-31	-22
Spain	66	-2	-0	+2
Portugal	65	-2	+1	+4
Greece	156	-5	-10	-4



	% Change			
	Close	Day	4 Weeks	End 19
Brent Oil	53.96	-0.90	-20.96	-18.24
West Texas Oil	49.59	-0.94	-20.91	-18.89
Gold \$	1552.9	-1.52	-1.35	+2.31

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