

EUR/USD down at \$1.10

There was a relatively muted tone on currency markets yesterday, though the dollar has moved slightly higher. The currency may have been aided by an upside surprise in the January print of the non-manufacturing ISM. The index rose to 55.5 (f'cast 55.0), a level consistent with good growth. The January ADP report was also very strong, which is worth noting ahead of Friday's payrolls.

On this side of the Atlantic, weak Eurozone retail sales for December (-1.6% vs f'cast -0.9%) and upwardly revised final PMIs in the UK had little currency market impact. Sterling again experienced some volatility, but the action was in a tight range.

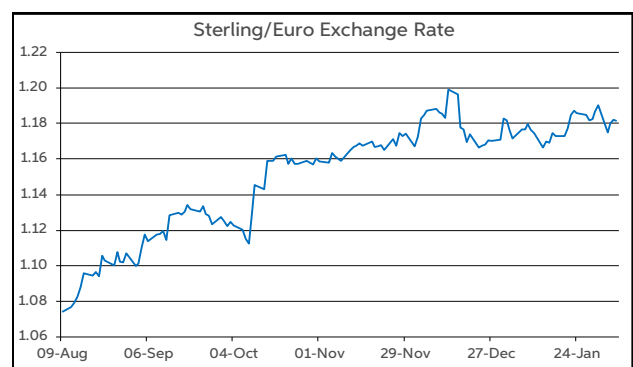
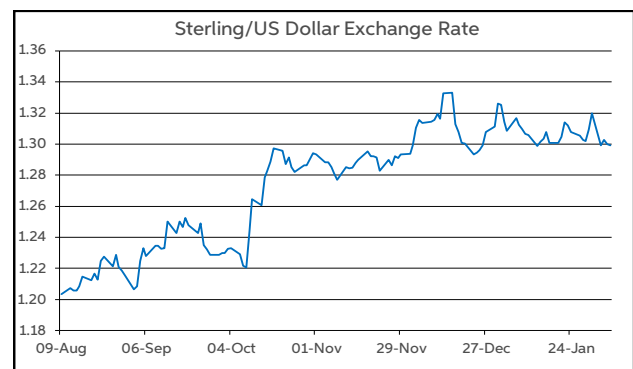
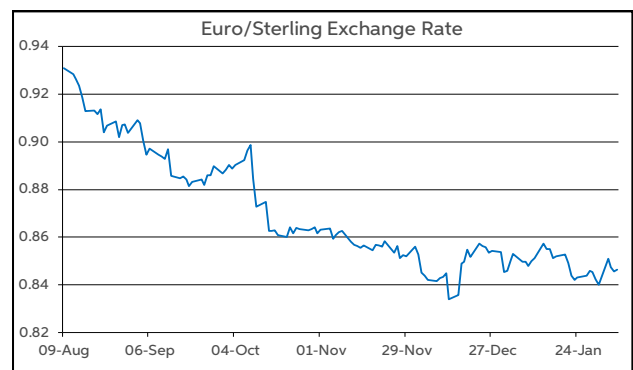
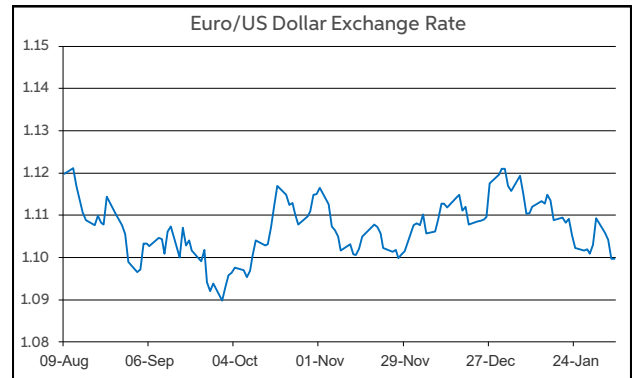
In level terms, the modest gains for the dollar are reflected in EUR/USD opening this morning down at the key support level of \$1.10. At the same time, cable (GBP/USD) has moved back below the \$1.30 threshold. Meanwhile, EUR/GBP is changing hands near to the midpoint of the 84-85p range.

Elsewhere on financial markets, sentiment was boosted by reports that significant progress has been made in treating the coronavirus. Equities experienced some support as a result, moving higher for a third consecutive session, with the S&P 500 closing up 1.1%.

On bond markets, German, UK and US 10-year yields were up by c.5bps amid the ongoing improvement in investor sentiment. It is also noticeable that markets are now only looking for circa 35bps of easing from the Fed by year-end, having moved towards pricing in two 25bp cuts last week.

Turning to the day ahead, the data schedule will not be a source of direction for currency markets. As a result, the main pairs could be confined to tight trading ranges today.

Conor Beake, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.0998	-0.35	-1.89
EUR/GBP	0.8463	-0.17	0.11
GBP/USD	1.2993	-0.18	-2.01
GBP/EUR	1.1812	0.17	-0.11
USD/JPY	109.87	0.41	1.16
EUR/JPY	120.85	0.07	-0.80

* 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	1.83	1.52	1.49
EUR	0.00	-0.46	-0.40	-0.29	-0.35	-0.24
GBP	0.75	0.71	0.77	0.91	0.72	0.74

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

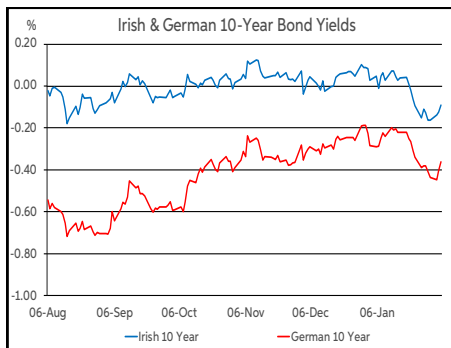
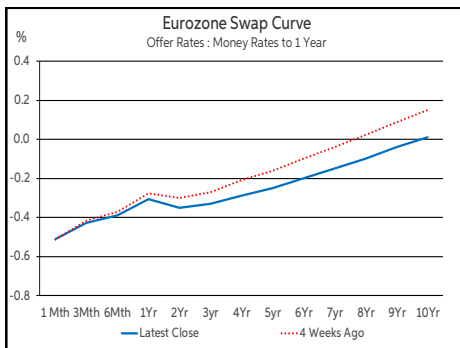
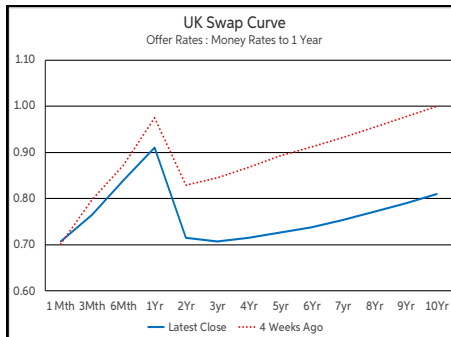
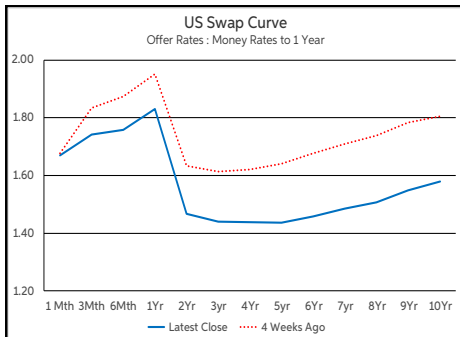
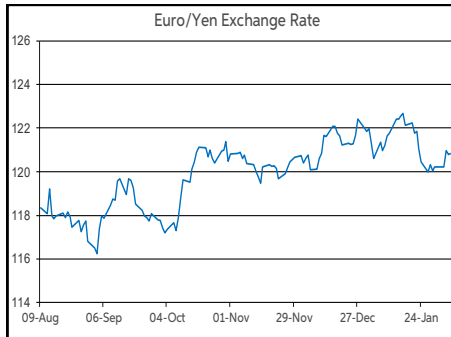
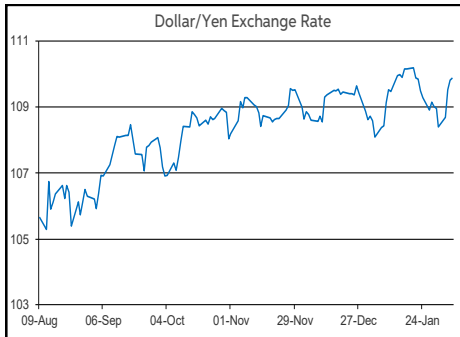
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		Equity Options	Gary Luff				

Opening Levels

Thursday 06 February 2020
07:21 am



Euro		Sterling		Dollar	
EUR/GBP	0.8463	GBP/EUR	1.1812	USD/JPY	109.87
EUR/USD	1.0998	GBP/USD	1.2993	USD/CAD	1.3285
EUR/JPY	120.85	GBP/CAD	1.7259	USD/CHF	0.9733
EUR/SEK	10.5472	GBP/NZD	2.0082	USD/CNY	6.9749
EUR/DKK	7.4729	GBP/JPY	142.75	USD/BRL	4.2351
EUR/NOK	10.1143	GBP/SEK	12.4596	USD/RUB	62.785
EUR/CHF	1.0707	GBP/DKK	8.8263	USD/INR	71.265
EUR/AUD	1.6292	GBP/NOK	11.9468	AUD/USD	0.675
EUR/HKD	8.5371	GBP/CHF	1.2648	NZD/USD	0.6468
EUR/CAD	1.4611	GBP/AUD	1.9245		



Debt Markets				
	Close	Day	4 Weeks	End 19
10 Year Yield %				
US	1.65	+5	-22	-27
Germany	-0.36	+4	-12	-17
UK	0.61	+5	-21	-21
Ireland	-0.09	+3	-14	-18
Belgium	-0.05	+12	-7	-13
France	-0.11	+4	-15	-23
Italy	0.96	+2	-43	-41
Spain	0.29	+3	-13	-17
Portugal	0.27	+2	-9	-15
Greece	1.16	+1	-21	-25
5 Year Swap %				
US	1.44	+2	-20	-28
Eurozone	-0.25	+1	-9	-13
UK	0.73	+2	-17	-17
2 Year Swap %				
US	1.47	-1	-17	-23
Eurozone	-0.35	-0	-5	-6
UK	0.72	+1	-11	-9
10 Year Government Bond Spreads to Benchmark bps				
Ireland	27	-1	-2	-1
Belgium	32	+8	+5	+5
France	26	-0	-4	-5
Italy	132	-2	-32	-24
Spain	65	-1	-2	+1
Portugal	64	-2	+2	+3
Greece	152	-3	-10	-7

Commodities				
	Close	Day	4 Weeks	End 19
Brent Oil	55.28	+2.45	-15.53	-16.24
West Texas Oil	50.87	+2.58	-14.72	-16.80
Gold \$	1557.0	+0.27	+0.07	+2.58

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