

EUR/USD moves below \$1.10

A sparse macro-data schedule meant that there was little to provide direction to currency markets yesterday. As a result, the moves on the day were not that large. Although, it was notable that the key \$1.10 support level for EUR/USD gave way.

The currency pair fell to a four month low as the dollar adopted a marginally firmer tone. This move followed the release of strong weekly jobless claims figures in the US.

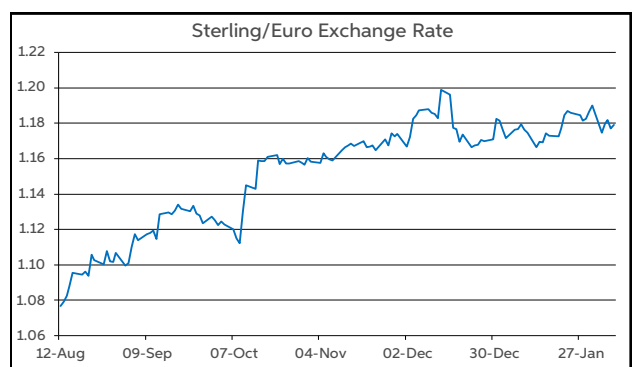
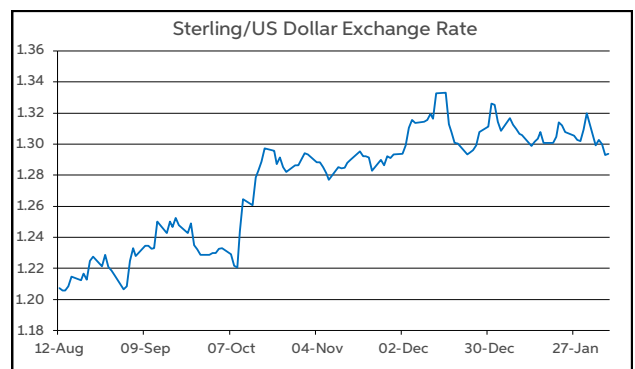
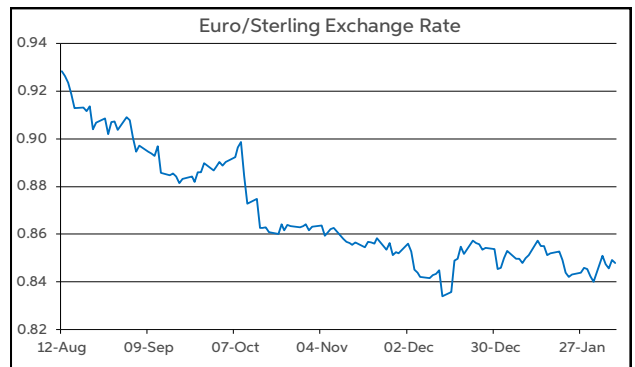
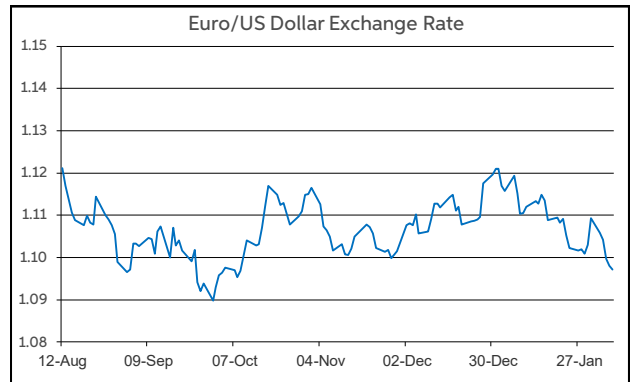
In level terms, the modest strengthening of the dollar sees EUR/USD open this morning in the upper half of \$1.09-1.10. Meantime, cable (GBP/USD) is trading down below the midpoint of the \$1.29-1.30 range, while EUR/GBP continues to change hands within the 84-85p band.

Elsewhere on financial markets, the action was similarly muted. The main equity indices, which have made strong gains over the week, were broadly unchanged on the day. At the close last night on Wall Street, the S&P 500 was up a modest 0.3%.

Today, the highlight is the US employment report for January. Payrolls are projected at 160k, but a strong ADP report for the same month and the aforementioned jobless claims figures pose some upside risk to this forecast. Such a surprise could also see the unemployment rate decline, though it is expected to have held at 3.5%. Despite tight labour market conditions, it is anticipated that wage inflation will edge up only slightly to 3.0%.

From a dollar perspective, a strong report may help the currency extend its recent gains. However, unexpectedly soft data could act as a headwind. Meanwhile, there is little out to be of influence to the euro or sterling today.

Conor Beakey, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.0972	-0.25	-2.12
EUR/GBP	0.8479	0.11	0.30
GBP/USD	1.2938	-0.35	-2.42
GBP/EUR	1.1791	-0.11	-0.29
USD/JPY	109.96	0.05	1.24
EUR/JPY	120.66	-0.18	-0.96

* 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	1.73	1.84	1.49	1.45
EUR	0.00	-0.46	-0.40	-0.28	-0.34	-0.24
GBP	0.75	0.71	0.76	0.89	0.71	0.71

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

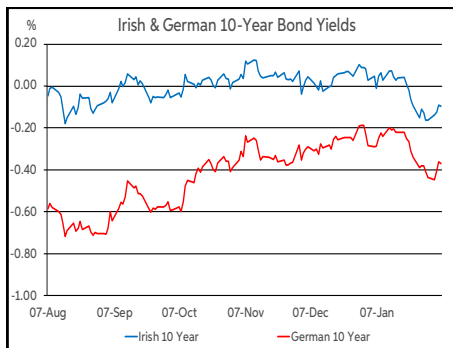
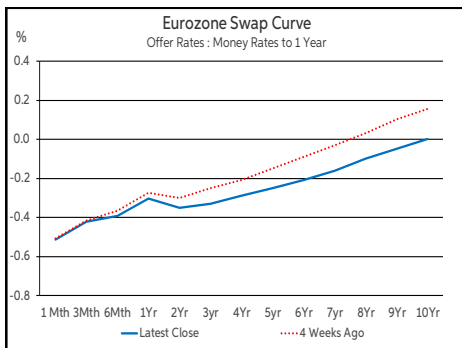
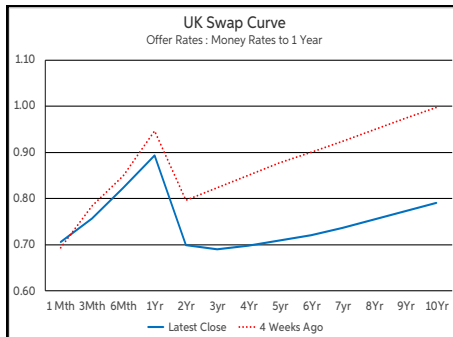
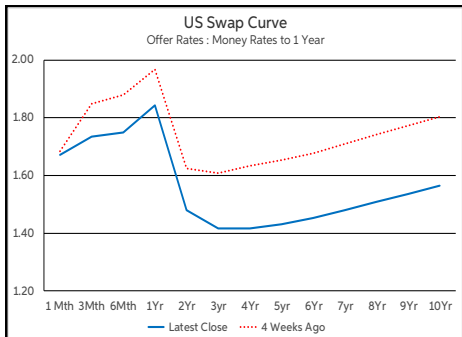
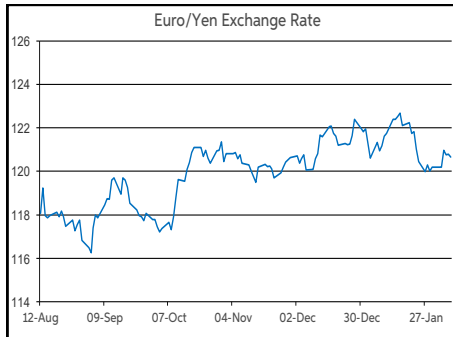
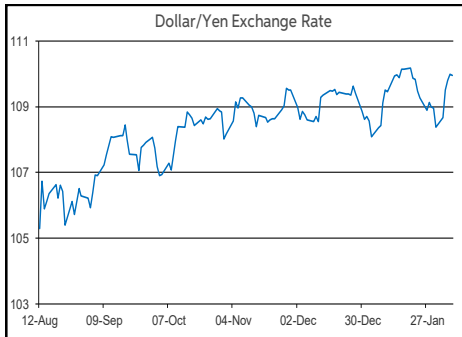
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

Friday 07 February 2020
07:16 am



Euro		Sterling		Dollar	
EUR/GBP	0.8479	GBP/EUR	1.1792	USD/JPY	109.96
EUR/USD	1.0972	GBP/USD	1.2939	USD/CAD	1.3293
EUR/JPY	120.66	GBP/CAD	1.72	USD/CHF	0.9754
EUR/SEK	10.5694	GBP/NZD	2.0063	USD/CNY	6.9825
EUR/DKK	7.4722	GBP/JPY	142.28	USD/BRL	4.2823
EUR/NOK	10.125	GBP/SEK	12.4579	USD/RUB	63.255
EUR/CHF	1.0705	GBP/DKK	8.8111	USD/INR	71.25
EUR/AUD	1.6331	GBP/NOK	11.9384	AUD/USD	0.6718
EUR/HKD	8.5148	GBP/CHF	1.2622	NZD/USD	0.6445
EUR/CAD	1.4579	GBP/AUD	1.9258		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 19
10 Year Yield %				
US	1.64	-1	-21	-28
Germany	-0.37	-1	-15	-18
UK	0.58	-3	-24	-24
Ireland	-0.10	-1	-16	-19
Belgium	-0.05	-1	-9	-13
France	-0.12	-1	-17	-24
Italy	0.96	-0	-42	-42
Spain	0.29	+0	-15	-16
Portugal	0.28	+1	-12	-14
Greece	1.10	-6	-26	-31
5 Year Swap %				
US	1.43	-5	-22	-28
Eurozone	-0.25	-1	-10	-13
UK	0.71	-3	-17	-18
2 Year Swap %				
US	1.48	-3	-15	-22
Eurozone	-0.35	-1	-5	-6
UK	0.70	-3	-10	-11
10 Year Government Bond Spreads to Benchmark bps				
Ireland	27	+0	-2	-1
Belgium	32	+0	+6	+5
France	25	-0	-3	-5
Italy	133	+1	-27	-24
Spain	66	+1	-0	+2
Portugal	65	+1	+3	+4
Greece	147	-5	-11	-12

Commodities				
	% Change			
	Close	Day	4 Weeks	End 19
Brent Oil	54.93	-0.63	-15.97	-16.77
West Texas Oil	50.94	+0.14	-14.47	-16.68
Gold \$	1567.1	+0.65	+0.94	+3.25

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