

## Busy data schedule this week

The first full trading week of 2020 was largely unexciting on currency markets. Data-wise, last week's highlight, the US employment report for December, was a non-event for the dollar. Payrolls printed slightly below expectations (+145k vs. f'cast +164k), and wage inflation unexpectedly eased to 2.9%. Overall though, the data remain consistent with a solid US jobs market.

In overnight action on the currency front, sterling has found itself on the back foot. This follows further dovish BoE remarks over the weekend regarding the potential for a rate cut.

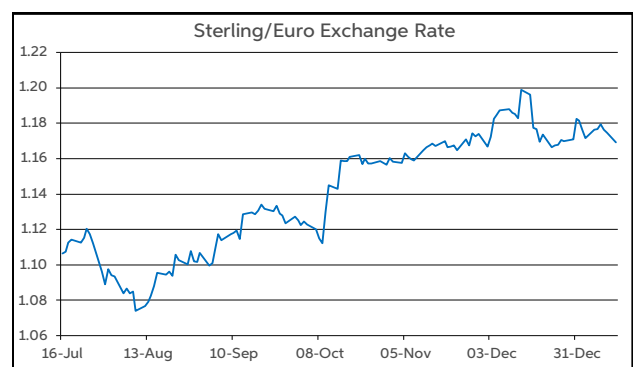
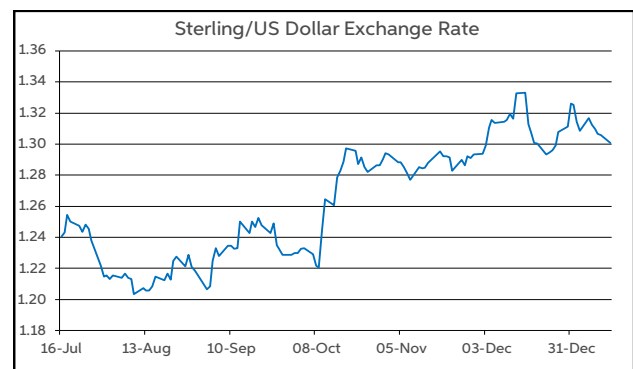
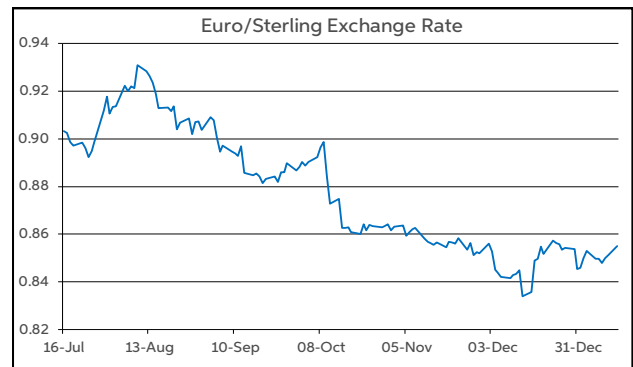
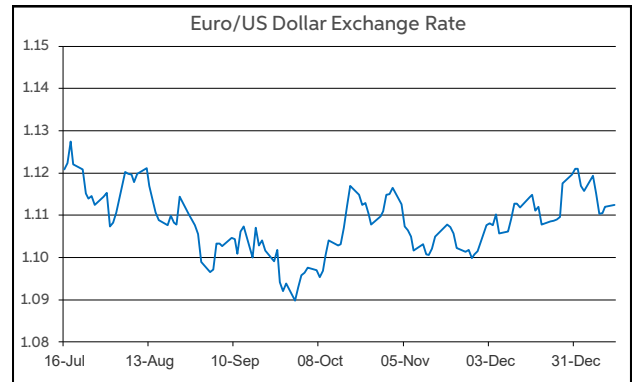
In level terms, the softer tone to sterling is reflected in EUR/GBP opening this morning up around the midpoint of 85-86p and GBP/USD down at the \$1.30 threshold. Elsewhere, EUR/USD continues to change hands in the lower half of \$1.11-1.12.

Ahead this week, for sterling the main release in a busy data schedule will be GDP for the 3 months to November (due later this morning). The forecast is for the economy to have contracted by 0.1% in the period. Overall, the release may provide a somewhat unhelpful backdrop to the currency.

From a dollar viewpoint, a packed calendar includes updates from key sectors of the US economy (consumer, industry, housing). The December retail sales report may attract the most attention given that consumer spending has been the main driver of growth recently. Overall though unless the data surprise significantly compared to forecasts, the influence on the dollar may be limited.

In terms of the euro, the data diary is very quiet. Instead a speech by the ECB's Lagarde and the release of the account from the central bank's December meeting are the main macro events.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.1125	0.16	-0.76
EUR/GBP	0.8549	0.71	1.12
GBP/USD	1.3009	-0.55	-1.89
GBP/EUR	1.1692	-0.70	-1.11
USD/JPY	109.61	0.89	0.92
EUR/JPY	121.94	0.19	0.09

\* 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	1.68	1.84	1.97	1.63	1.63
EUR	0.00	-0.46	-0.40	-0.25	-0.30	-0.15
GBP	0.75	0.69	0.78	0.93	0.76	0.83

All rates quoted are indicative market rates

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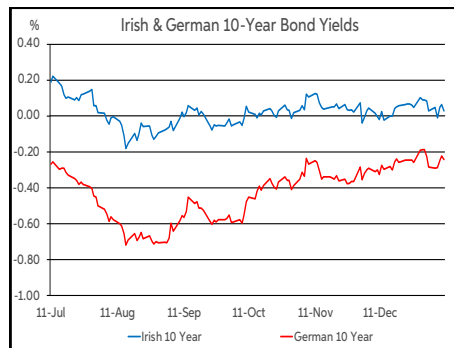
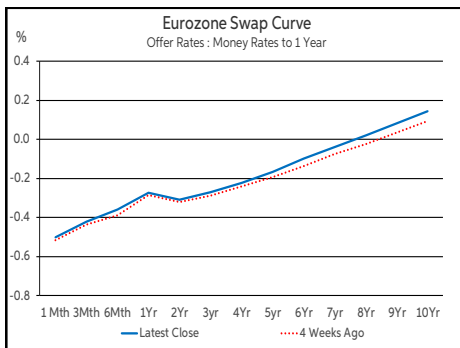
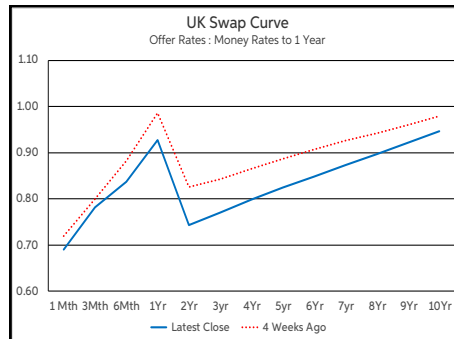
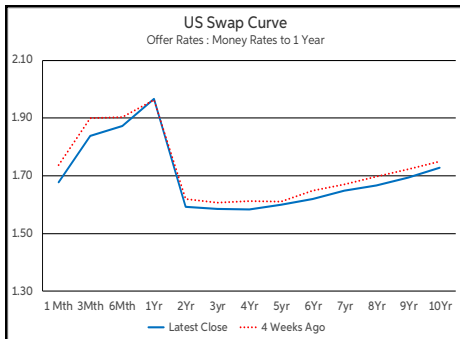
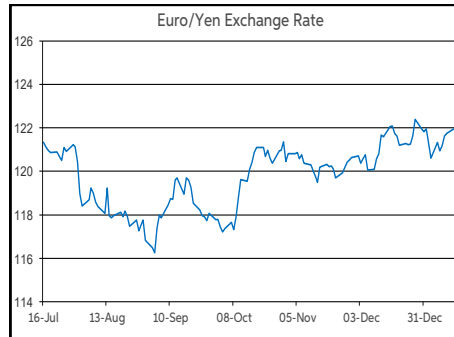
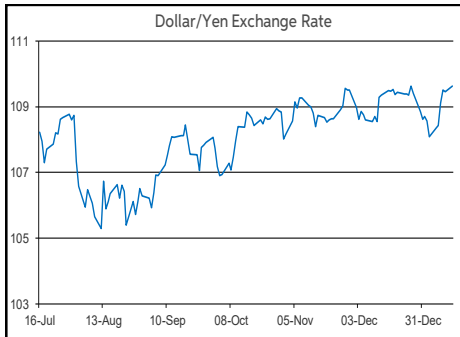
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIB 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

Monday 13 January 2020  
07:26 am



Euro		Sterling		Dollar	
EUR/GBP	0.8549	GBP/EUR	1.1692	USD/JPY	109.61
EUR/USD	1.1125	GBP/USD	1.3009	USD/CAD	1.3056
EUR/JPY	121.94	GBP/CAD	1.6985	USD/CHF	0.9732
EUR/SEK	10.5604	GBP/NZD	1.9577	USD/CNY	6.9017
EUR/DKK	7.4729	GBP/JPY	142.59	USD/BRL	4.096
EUR/NOK	9.8678	GBP/SEK	12.347	USD/RUB	60.95
EUR/CHF	1.0827	GBP/DKK	8.7375	USD/INR	70.892
EUR/AUD	1.6092	GBP/NOK	11.5408	AUD/USD	0.6911
EUR/HKD	8.6435	GBP/CHF	1.2659	NZD/USD	0.6644
EUR/CAD	1.4525	GBP/AUD	1.8821		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 19
<b>10 Year Yield %</b>				
US	1.82	-3	-0	-10
Germany	-0.24	-2	+6	-5
UK	0.76	-5	-2	-5
Ireland	0.03	-4	+5	-6
Belgium	0.02	-2	+5	-7
France	0.04	-2	+4	-8
Italy	1.32	-5	+8	-5
Spain	0.43	-1	+4	-2
Portugal	0.38	-1	+3	-4
Greece	1.33	-3	+1	-8
<b>5 Year Swap %</b>				
US	1.60	-5	-1	-11
Eurozone	-0.17	-2	+3	-5
UK	0.82	-5	-6	-7
<b>2 Year Swap %</b>				
US	1.59	-3	-3	-11
Eurozone	-0.31	-1	+1	-2
UK	0.74	-5	-8	-7
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	27	-2	-0	-1
Belgium	26	-1	-1	-1
France	28	-0	-1	-3
Italy	156	-4	+2	-0
Spain	67	+1	-1	+3
Portugal	62	+0	-3	+1
Greece	157	-1	-5	-2

Commodities				
	% Change			
	Close	Day	4 Weeks	End 19
Brent Oil	64.98	-0.60	-0.37	-1.55
West Texas Oil	59.02	-0.91	-1.81	-3.47
Gold \$	1562.5	+0.65	+5.86	+2.95

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