## Morning Comment

AIB Treasury Economic Research Unit

Monday 12 February 2024 07:02 am

## Busy UK data schedule ahead this week

Last week, a guiet macro calendar meant there was little new information to provide fresh impetus for markets. Against this backdrop, trading conditions were relatively calm throughout the week. Overall, the Euro Stoxx 50 rose by 1.3%, while the S&P 500 gained 1.4%, registering a new all-time high and moving above the 5,000 level for the first time in the process.

On bond markets, yields climbed circa 5-15bps higher across the board. This followed a modest firming in market rate expectations, amid remarks from a number of central bank officials. Most notably. investors have scaled back the magnitude of rate cuts anticipated by year end to around 110-115bps in the US and Eurozone, and to 70bps in the UK. Elsewhere, oil prices rose by 5% last week, with Brent crude up near \$82 per barrel.

Currency-wise, the main FX pairs remained confined to very tight ranges. Of the limited price action to register, the yen was under some downward pressure. The Japanese currency fell by circa 0.7% against the euro, dollar and sterling.

In level terms, EUR/USD starts this week just below the \$1.08 mark. GBP/USD is in the lower half of the \$1.26-1.27 corridor. Meanwhile. EUR/GBP remains between 85-86p. Elsewhere, EUR/JPY is trading at the ¥161 threshold.

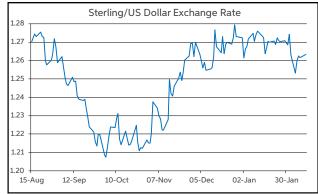
Turning to the week ahead, a busy UK data schedule includes updates on inflation, the labour market and GDP. The releases, dotted throughout the week pose some event risk for sterling. From a dollar viewpoint, CPI inflation for January is due. In relation to the euro, the data docket is unlikely to have a major influence on the currency, though, remarks from ECB officials could. Daniel Noonan, Economist, AIB

Today's Opening FX Rates						
		% Change				
		Day *	End 2023			
EUR/USD	1.0793	0.22	-2.20			
EUR/GBP	0.8541	0.04	-1.47			
GBP/USD	1.2632	0.15	-0.76			
GBP/EUR	1.1703	-0.04	1.49			
USD/JPY	149.18	-0.13	5.76			
EUR/JPY	161.03	0.07	3.47			
* v Previous Day's European Open						
See Next Page for More Rates						

Opening Interest Rates						
		Money Market		Swap Rates		5
	Base Rate	1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	5.38	5.44	5.57	5.15	4.64	4.17
EUR	4.50	3.84	3.89	3.61	3.11	2.77
GBP	5.25	5.18	5.19	4.99	4.79	4.25
_						









## All rates quoted are indicative market rates

FX Spot Karl Cooke Shane Gargan

**FX** Options

Mark Tuite

Reuters AIBGI Phone

See Next Page For More Rates & Charts

00353-1-7724018

Morning Comment John Fahey john.j.fahey@aib.ie

## **Opening Levels**

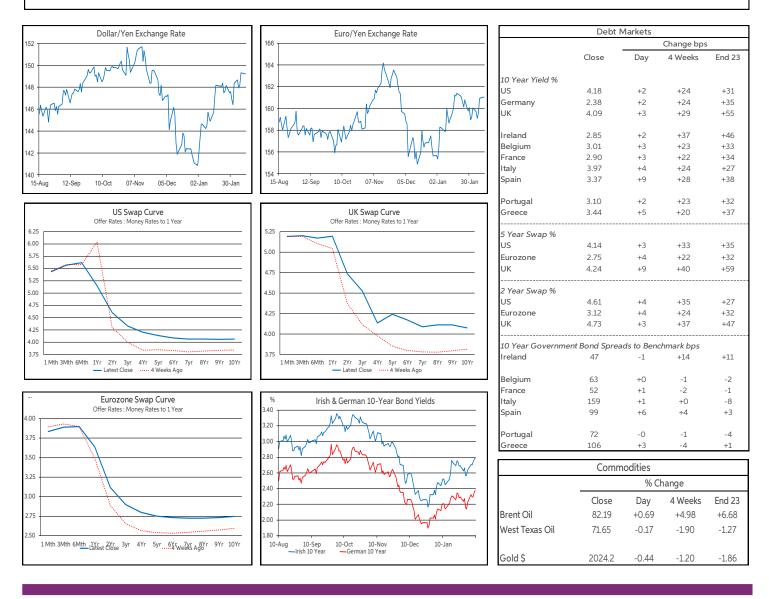
Monday 12 February 2024 07:02 am



Eur	0
EUR/GBP	0.8541
EUR/USD	1.0793
EUR/JPY	161.03
EUR/SEK	11.28
EUR/DKK	7.4553
EUR/NOK	11.3724
EUR/CHF	0.9435
EUR/AUD	1.6547
EUR/HKD	8.4412
EUR/CAD	1.4526

Sterling				
GBP/EUR	1.1703			
GBP/USD	1.2632			
GBP/CAD	1.7003			
GBP/NZD	2.0597			
GBP/JPY	188.44			
GBP/SEK	13.2021			
GBP/DKK	8.7251			
GBP/NOK	13.3122			
GBP/CHF	1.1044			
GBP/AUD	1.9369			

Dollar				
USD/JPY	149.18			
USD/CAD	1.3458			
USD/CHF	0.8741			
USD/CNY	7.1929			
USD/BRL	4.9536			
USD/RUB	90.985			
USD/INR	82.995			
AUD/USD	0.6522			
NZD/USD	0.6131			



This publication is for information purposes and is not an invitation to deal. The information is believed to be reliable but is not guaranteed. Any expressions of opinions are subject to change without notice. This publication is not to be reproduced in whole or in part without prior permission. In the Republic of Ireland it is distributed by Allied Irish Banks, p.l.c. and Allied Irish Bank (GB). In Northern Ireland it is distributed by Allied Irish Bank (NI). In the United States of America it is distributed by Allied Irish Banks, p.l.c. allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland. Allied Irish Bank (GB) and All) are trade marks used under licence by AIB Group (UK) p.l.c. (a wholly owned subsidiary of Allied Irish Banks, p.l.c.), incorporated in Northern Ireland. Registered Office 92 Ann Street, Belfast BT1 3HH. Registered Number NI018800. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In the United States of America, Allied Irish Banks, p.l.c., New York Branch, is a branch licensed by the New York State Department of Financial Services. Deposits and other investment products are not FDIC insured, they are not guaranteed by any bank and they may lose value. Please note that telephone calls may be recorded in line with market practice.