

Key US macro data disappoints

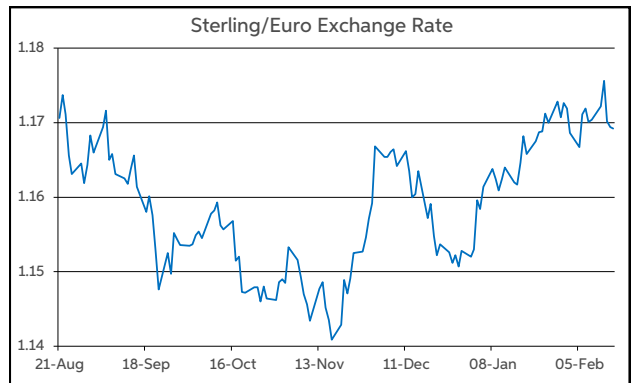
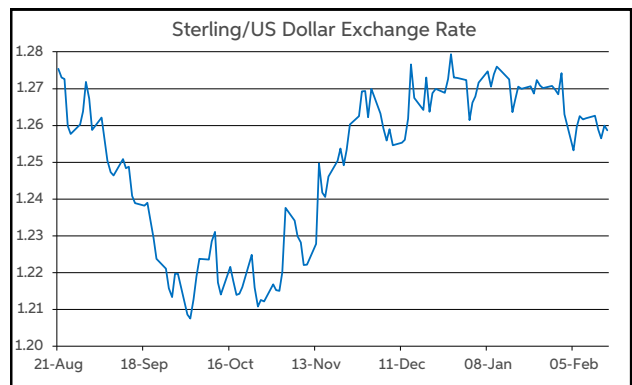
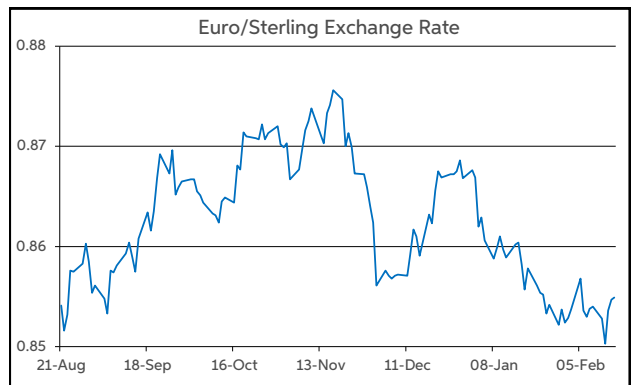
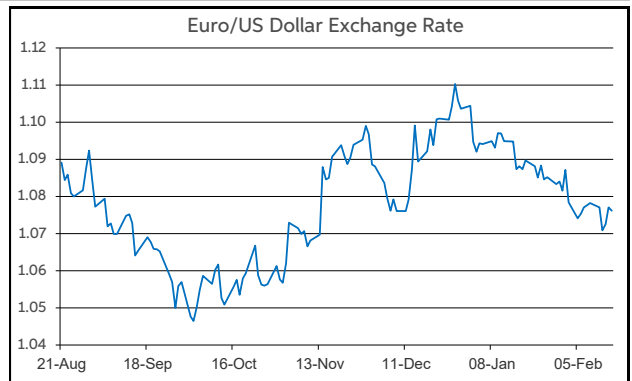
Data-wise, after the early morning release yesterday of UK Q4 GDP, which printed below consensus, the focus shifted to the US diary where there was a busy schedule of macro updates. The two main releases of note missed to the downside of expectations. Headline retail sales for January fell by 0.8% in the month versus expectations for a 0.1% fall. The underlying data were also weak and suggest some 'softness' in US consumer spending at the start of the year. The US industrial production report for January showed that manufacturing fell by 0.5% last month (vs. f'cast for 0.0%) and indicates that the sector continues to lack momentum.

Despite the disappointing macro newsflow, risk appetite retained a positive tone yesterday. This was reflected in gains on equity markets on both sides of the Atlantic. In Europe, the Euro Stoxx 50 rose by 0.7%. Meanwhile, at the closing bell on Wall Street last night, the S&P 500 was up by 0.6% on the day. The action on sovereign bond markets was muted.

From a currency viewpoint, the main pairs were generally confined to narrow ranges. At the margin, weaker than expected macro news from the UK and US were unhelpful to their respective currencies. As a result, the euro was able to eke out some slight gains. In level terms, EUR/USD opens this morning in the upper half of \$1.07-1.08. The EUR/GBP pair is trading in and around the midpoint of 85-86p. Meantime, GBP/USD remains below \$1.26.

Today's macro calendar has already seen the release of UK retail sales figures for January. Headline sales registered a 3.4% rise, well ahead of a 1.5% forecast. Later today, the main highlights are from the US schedule, with housing starts, PPI (both January) and consumer sentiment (Feb) due for release.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0765	0.35	-2.46
EUR/GBP	0.8548	0.13	-1.38
GBP/USD	1.2589	0.21	-1.10
GBP/EUR	1.1693	-0.13	1.40
USD/JPY	150.15	-0.02	6.44
EUR/JPY	161.65	0.32	3.87

* v Previous Day's European Open
See Next Page for More Rates

Opening Interest Rates						
Base Rate	Money Market		Swap Rates			
	1-Mth	3-Mth	1-Yr	2-Yr	5-Yr	
USD	5.38	5.43	5.58	5.28	4.80	4.28
EUR	4.50	3.87	3.92	3.65	3.17	2.77
GBP	5.25	5.19	5.19	4.97	4.71	4.21

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

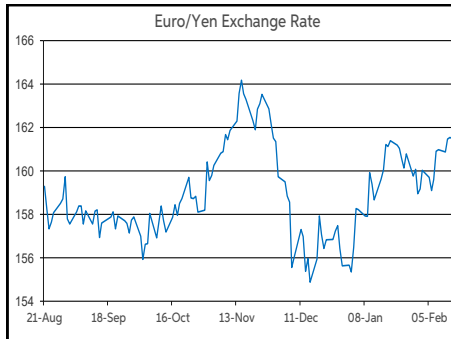
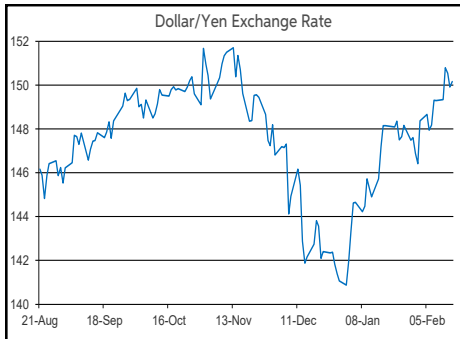
FX Spot	Karl Cooke Shane Gargan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

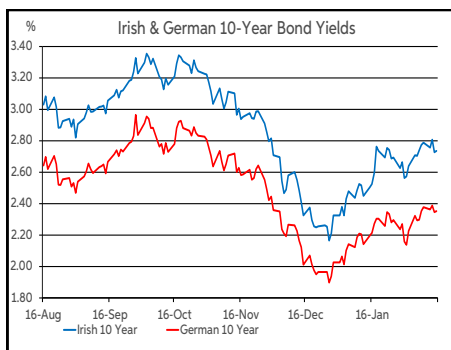
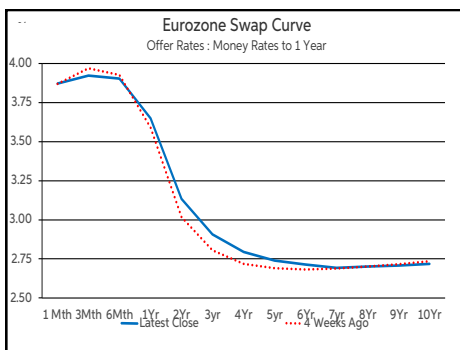
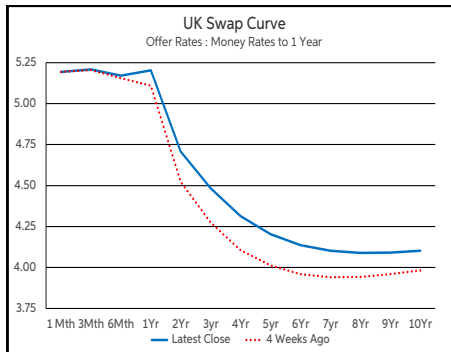
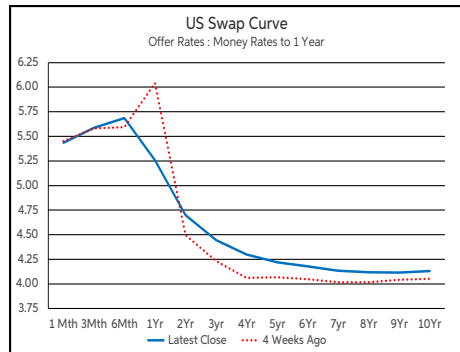
Friday 16 February 2024
07:21 am



Euro		Sterling		Dollar	
EUR/GBP	0.8548	GBP/EUR	1.1693	USD/JPY	150.15
EUR/USD	1.0765	GBP/USD	1.2589	USD/CAD	1.3476
EUR/JPY	161.65	GBP/CAD	1.6968	USD/CHF	0.8804
EUR/SEK	11.2618	GBP/NZD	2.0636	USD/CNY	7.1929
EUR/DKK	7.4549	GBP/JPY	189.02	USD/BRL	4.9732
EUR/NOK	11.346	GBP/SEK	13.1693	USD/RUB	92.4025
EUR/CHF	0.9479	GBP/DKK	8.7171	USD/INR	83.03
EUR/AUD	1.6489	GBP/NOK	13.2667	AUD/USD	0.6527
EUR/HKD	8.4211	GBP/CHF	1.1086	NZD/USD	0.6099
EUR/CAD	1.4509	GBP/AUD	1.9284		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 23
10 Year Yield %				
US	4.23	-3	+9	+37
Germany	2.35	+1	+5	+33
UK	4.05	+0	+12	+51
5 Year Swap %				
US	4.22	-3	+19	+43
Eurozone	2.74	+3	+6	+31
UK	4.20	-1	+24	+55
2 Year Swap %				
US	4.70	-3	+24	+36
Eurozone	3.13	+3	+13	+34
UK	4.71	-1	+19	+44
10 Year Government Bond Spreads to Benchmark bps				
Ireland	42	+0	-7	+7
Belgium	60	+2	-5	-5
France	49	+1	-5	-4
Italy	151	-1	-12	-17
Spain	92	+0	-4	-4
Portugal	68	-1	-6	-8
Greece	98	-8	-10	-6



Commodities				
	Close	% Change		
		Day	4 Weeks	End 23
Brent Oil	82.86	+1.54	+4.75	+7.55
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2004.1	+0.59	-0.92	-2.84

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