

Flash PMIs the main print today

There was a cautious tone to investor sentiment yesterday, as the recent rise in bond yields and weak US jobs market data weighed somewhat on equity markets. This was evident in the S&P 500 closing down 0.4%, while the Eurostoxx 50 lost 0.8%. On bond markets, benchmark sovereign yields resumed their upward trend, after pausing the previous day. Currency-wise, there was a slightly firmer tone to sterling, while the euro gained against the dollar.

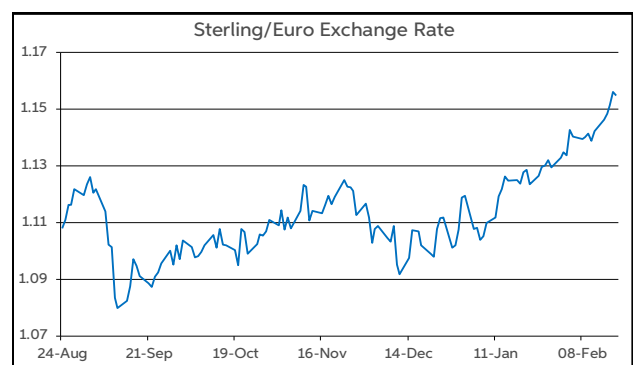
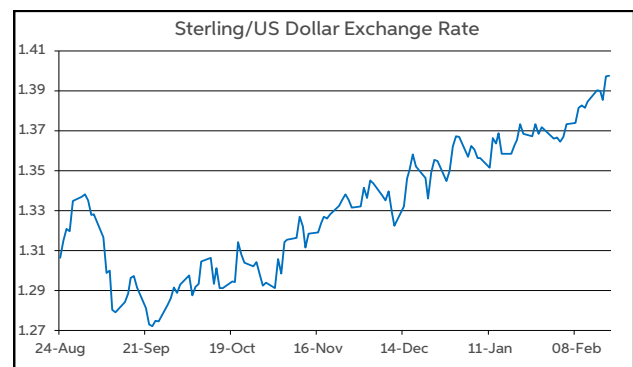
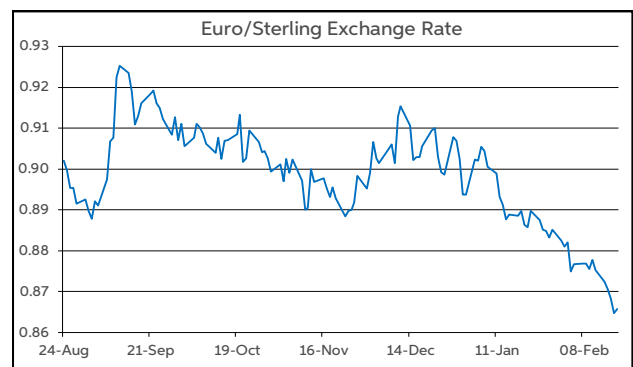
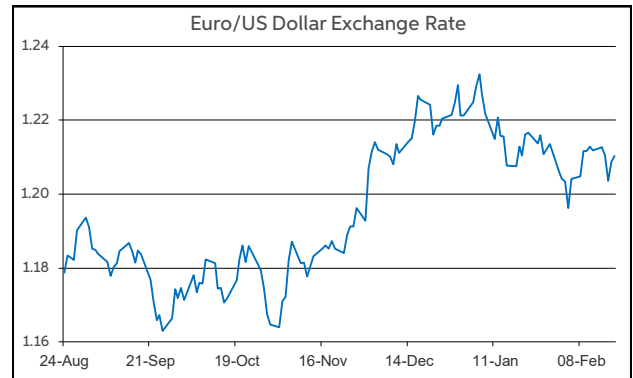
Data-wise, US initial jobless claims rose to 861k from an upwardly revised figure of 848k the week before. This suggests that the labour market recovery still has a long way to run. Elsewhere, the Philly Fed manufacturing index beat expectations, while housing permits soared to their highest level since June 2006, indicating that the US manufacturing and housing sectors remain strong.

In level terms, the slightly firmer tone to sterling is reflected in EUR/GBP falling to the midpoint of the 86-87p range. GBP/USD has also regained the \$1.39 threshold, and is currently operating in the top half of \$1.39-1.40. Meanwhile, EUR/USD is back up changing hands at the 1.21 mark.

Overnight, UK consumer confidence printed at its highest level since March, at -23. Historically though, this is a very subdued level still. Meanwhile, this morning, UK retail sales have been released, recording a sharp 8.2% fall in January (vs. -2.5% f'cast).

Later today, flash PMI data for the Eurozone, UK and US are all due. In the Eurozone and UK, the services sector is expected to remain much more negatively impacted by current restrictions on activity than the manufacturing sector. Meanwhile, in the US, both indices are forecast to remain firmly in expansion mode.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.2102	0.48	-0.91
EUR/GBP	0.8658	-0.40	-3.12
GBP/USD	1.3975	0.89	2.21
GBP/EUR	1.1546	0.40	3.22
USD/JPY	105.61	-0.23	2.30
EUR/JPY	127.83	0.25	1.32

* 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	0.125	0.11	0.18	0.16	0.21	0.68
EUR	0.00	-0.55	-0.55	-0.52	-0.49	-0.33
GBP	0.10	0.04	0.06	0.07	0.19	0.48

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 19 February 2021
07:25 am



Euro

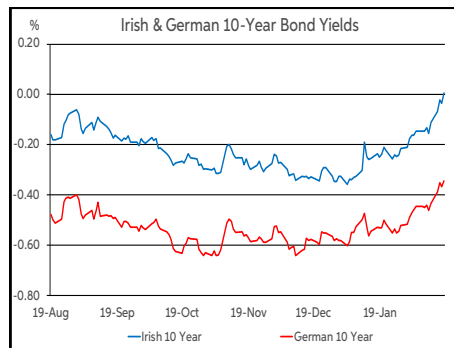
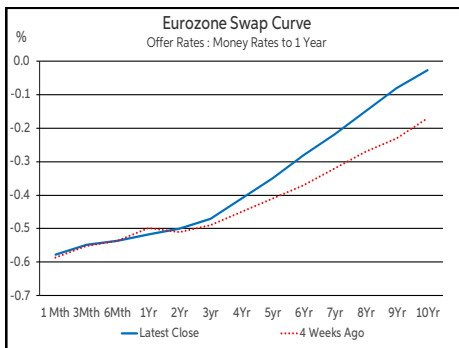
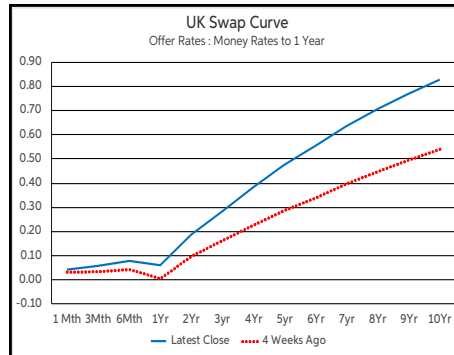
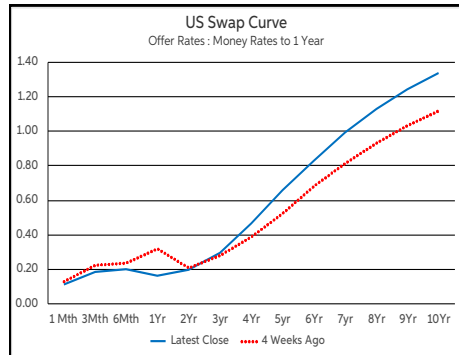
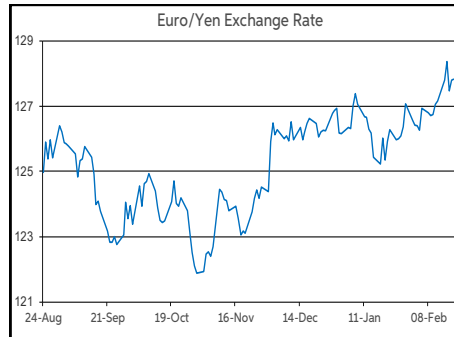
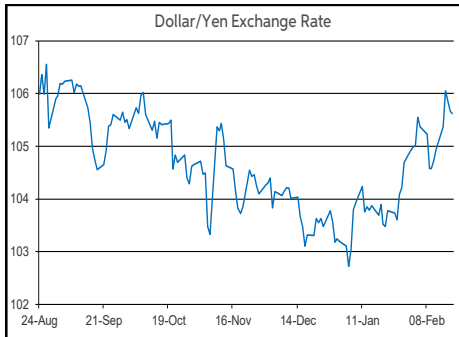
EUR/GBP	0.8657
EUR/USD	1.2101
EUR/JPY	127.84
EUR/SEK	10.0381
EUR/DKK	7.4362
EUR/NOK	10.2298
EUR/CHF	1.0844
EUR/AUD	1.5526
EUR/HKD	9.3811
EUR/CAD	1.5351

Sterling

GBP/EUR	1.1545
GBP/USD	1.3974
GBP/CAD	1.7737
GBP/NZD	1.9311
GBP/JPY	147.59
GBP/SEK	11.5865
GBP/DKK	8.5856
GBP/NOK	11.809
GBP/CHF	1.2522
GBP/AUD	1.7929

Dollar

USD/JPY	105.62
USD/CAD	1.2691
USD/CHF	0.8958
USD/CNY	6.4636
USD/BRL	5.427
USD/RUB	73.9344
USD/INR	72.52
AUD/USD	0.7794
NZD/USD	0.7235



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.30	+2	+19	+38
Germany	-0.34	+2	+16	+23
UK	0.62	+5	+29	+43
Ireland	0.03	+4	+21	+33
Belgium	-0.02	+5	+30	+37
France	-0.08	+5	+19	+26
Italy	0.66	+7	+0	+13
Spain	0.35	+6	+22	+29
Portugal	0.25	+5	+17	+19
Greece	0.88	+6	+22	+25
5 Year Swap %				
US	0.66	-0	+14	+24
Eurozone	-0.35	+2	+7	+11
UK	0.48	+4	+19	+29
2 Year Swap %				
US	0.19	+0	+1	+0
Eurozone	-0.50	+1	+2	+3
UK	0.18	+2	+10	+16
10 Year Government Bond Spreads to Benchmark bps				
Ireland	37	+2	+5	+10
Belgium	33	+3	+14	+14
France	26	+3	+3	+3
Italy	100	+5	-16	-10
Spain	69	+4	+6	+6
Portugal	59	+3	+1	-5
Greece	122	+4	+7	+2

Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	63.93	-0.64	+13.96	+23.42
West Texas Oil	60.4	-1.13	+13.96	+24.92
Gold \$	1775.5	-0.04	-5.05	-6.38

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