

Quiet start to the week

There was a quiet start to the week on financial markets yesterday. This was partly due to a market holiday in the US for Presidents Day. A sparse data schedule also contributed to the lacklustre price action across the different asset classes.

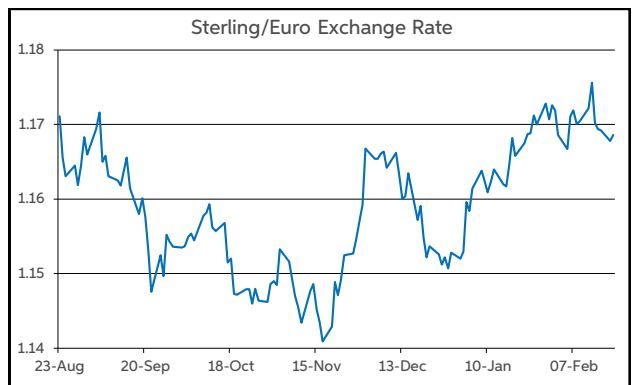
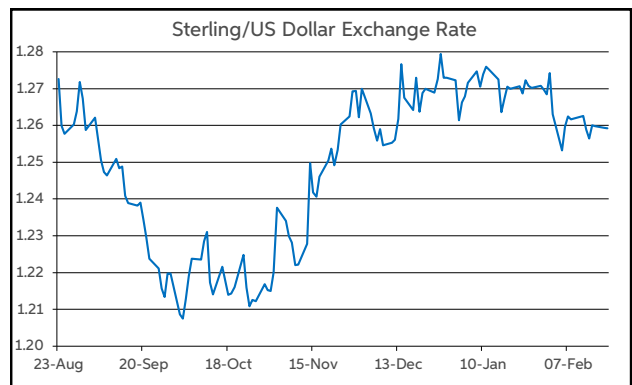
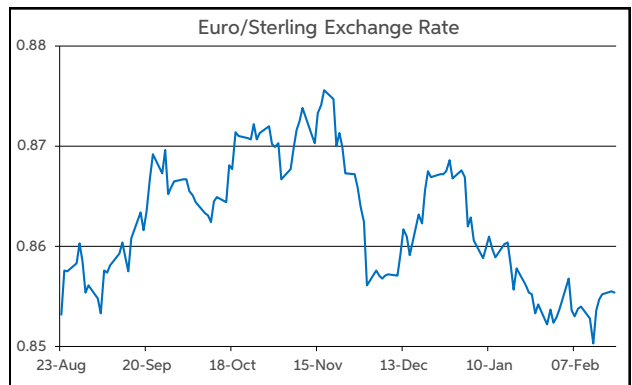
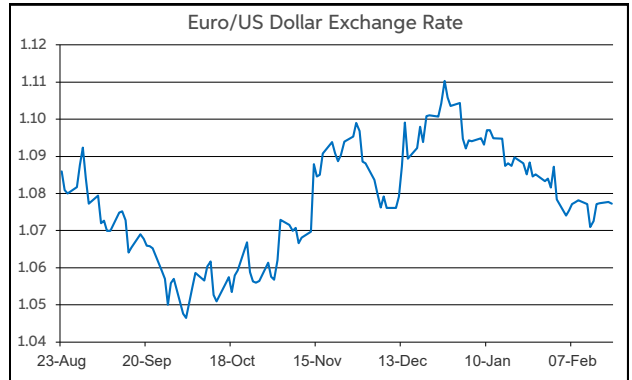
In terms of fixed income, UK Gilt and German Bund yields were little changed yesterday. 2-year Gilt yields edged 2bps lower throughout the European session, amid a marginal softening in UK rate expectations. However, overnight the move in UK futures and Gilt yields reversed course.

Against this backdrop, the FTSE 100 gained circa 0.2%. Elsewhere on equity markets, the Euro Stoxx 50 finished down by 0.1% for the day. Meantime, oil prices continued to trend higher, with Brent crude above \$83 per barrel. On currency markets, the main FX pairs were confined to very narrow ranges. Of the limited price action to register, sterling was under some slight downward pressure.

In level terms, the marginally softer tone to sterling is evidenced by EUR/GBP opening this morning at the midpoint of the 85-86p corridor. Meantime, GBP/USD is operating back below the \$1.26 threshold. EUR/USD is changing hands in the top half of the \$1.07-1.08 corridor. USD/JPY is up above the ¥150 mark.

Overnight, the PBOC cut the 5-year Loan Prime rate to 3.95% from 4.20%, in a move to support the property market. The decision has had no major impact on markets thus far. Turning to the day ahead, the macro calendar is without a top tier data release once again. However, remarks from a number of BoE officials, including Governor Bailey, in testimony at the Treasury Select Committee, will garner some attention.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0771	-0.08	-2.40
EUR/GBP	0.8553	0.11	-1.33
GBP/USD	1.2589	-0.22	-1.10
GBP/EUR	1.1687	-0.11	1.34
USD/JPY	150.33	0.22	6.57
EUR/JPY	161.93	0.12	4.05

* 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	5.26	4.79	4.30
EUR	4.50	3.88	3.93	3.66	3.17	2.77
GBP	5.25	5.19	5.21	5.00	4.77	4.28

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

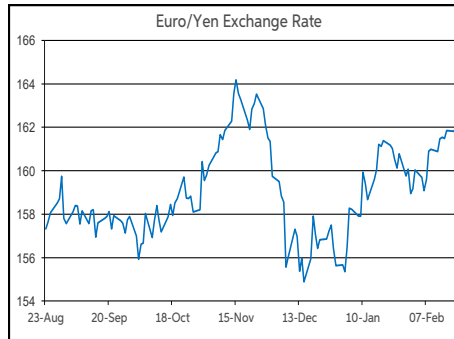
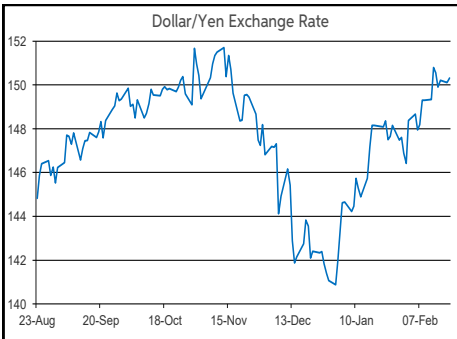
FX Spot	Karl Cooke Shane Gargan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

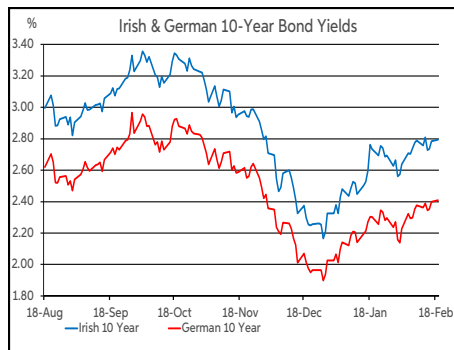
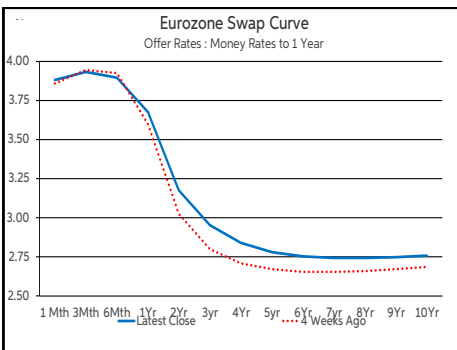
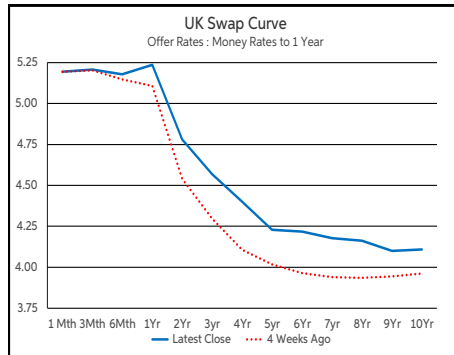
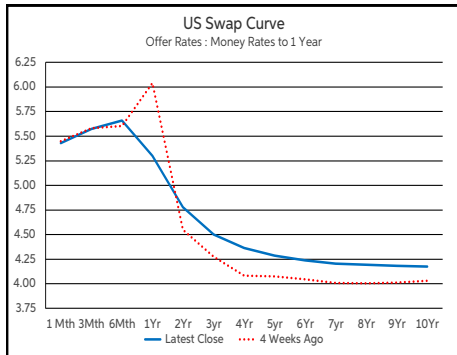
Tuesday 20 February 2024
07:55 am



Euro		Sterling		Dollar	
EUR/GBP	0.8553	GBP/EUR	1.1687	USD/JPY	150.33
EUR/USD	1.0771	GBP/USD	1.2589	USD/CAD	1.3506
EUR/JPY	161.93	GBP/CAD	1.7005	USD/CHF	0.8829
EUR/SEK	11.2168	GBP/NZD	2.0502	USD/CNY	7.1984
EUR/DKK	7.4546	GBP/JPY	189.25	USD/BRL	4.9569
EUR/NOK	11.3064	GBP/SEK	13.1104	USD/RUB	92.275
EUR/CHF	0.9511	GBP/DKK	8.7118	USD/INR	82.96
EUR/AUD	1.6483	GBP/NOK	13.2158	AUD/USD	0.6534
EUR/HKD	8.4252	GBP/CHF	1.1117	NZD/USD	0.6138
EUR/CAD	1.4547	GBP/AUD	1.9266		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 23
10 Year Yield %				
US	4.28	+5	+17	+42
Germany	2.41	+1	+15	+38
UK	4.11	-0	+20	+57
5 Year Swap %				
US	4.29	+1	+25	+50
Eurozone	2.78	-1	+12	+35
UK	4.23	-1	+26	+58
2 Year Swap %				
US	4.78	-0	+27	+44
Eurozone	3.18	-1	+16	+38
UK	4.78	-3	+25	+52
10 Year Government Bond Spreads to Benchmark bps				
Ireland	42	+0	-6	-7
Belgium	59	+1	-5	-6
France	48	+0	-5	-5
Italy	150	+2	-9	-18
Spain	91	+1	-4	-6
Portugal	66	-0	-9	-10
Greece	99	-1	-8	-6



Commodities				
	% Change			
	Close	Day	4 Weeks	End 23
Brent Oil	83.56	+0.11	+4.37	+8.46
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2017.6	+0.22	-0.17	-2.18

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