

EUR/USD below \$1.20

The cautious tone to investor sentiment persisted on markets yesterday. On the equity front, the Eurostoxx 50 finished flat for the day, while across the Atlantic, the S&P 500 lost 1.3%. On bond markets, US Treasury yields continued to rise, after comments from Fed Chair Powell suggest that the central bank is not concerned about the recent rise in rates. The 10 year Treasury yield has climbed to 1.56% on the remarks. Currency-wise, his comments coincided with some support for the dollar.

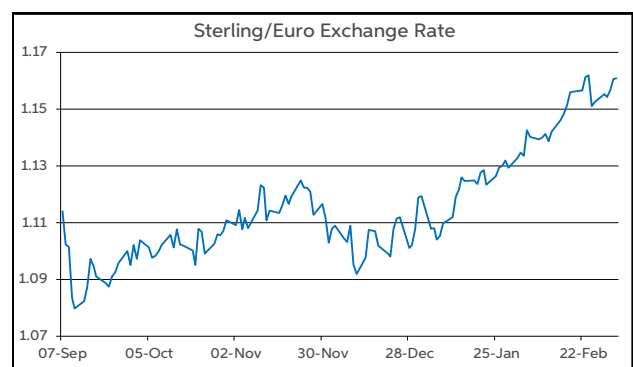
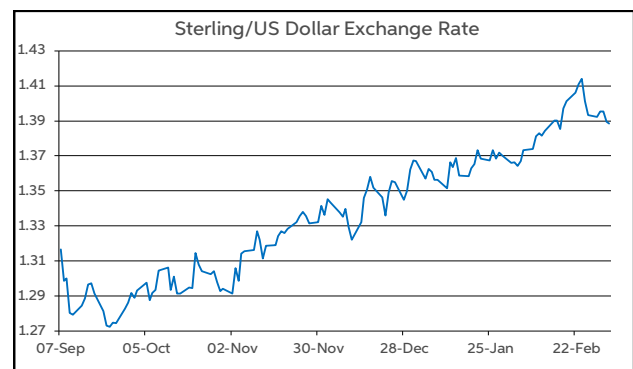
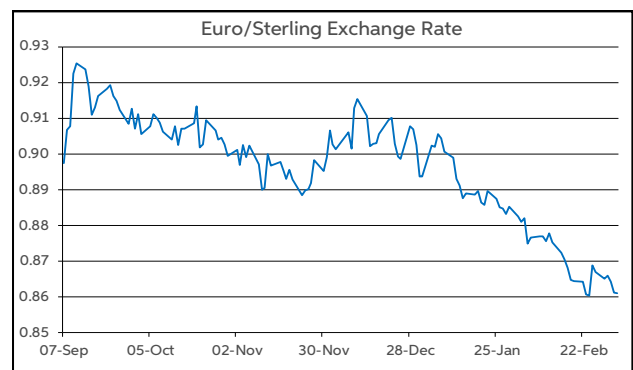
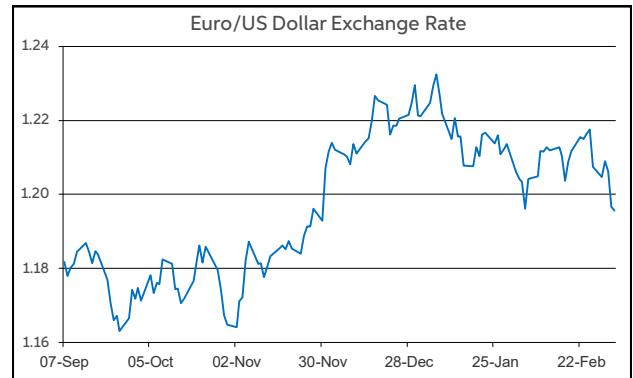
Data-wise yesterday, in the Eurozone, retail sales plunged by 5.9% in January as national lockdowns restricted economic activity in the first month of the year. However, the unemployment rate was revised lower to 8.1% in December, and remained unchanged in January as government support schemes continued to shelter the labour market from the full affect of the pandemic.

In the US, there was a quieter look to the data schedule. Initial jobless claims printed just below the consensus at 745k. Meanwhile, on the supply side, factory orders rose by 2.6% in January (vs. 2.1% f'cast).

In level terms, the somewhat firmer tone to the dollar is reflected in EUR/USD falling below the \$1.20 level, towards the midpoint of \$1.19-1.20. GBP/USD has moved below the \$1.39 threshold also. Meanwhile, the euro has lost some ground against sterling as well, with EUR/GBP opening this morning just above the 86p mark.

Later today, the US labour market report for February is due. Non-farm payrolls are forecast to rise by 182k, while the unemployment rate is expected to remain unchanged at 6.3%.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1956	-0.81	-2.10
EUR/GBP	0.8611	-0.30	-3.65
GBP/USD	1.3885	-0.50	1.55
GBP/EUR	1.1612	0.30	3.79
USD/JPY	108.25	1.11	4.85
EUR/JPY	129.44	0.29	2.60

* 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	0.10	0.19	0.17	0.24	0.91
EUR	0.00	-0.56	-0.55	-0.51	-0.47	-0.30
GBP	0.10	0.05	0.07	0.10	0.25	0.60

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

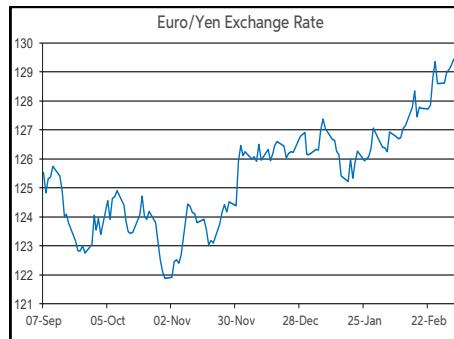
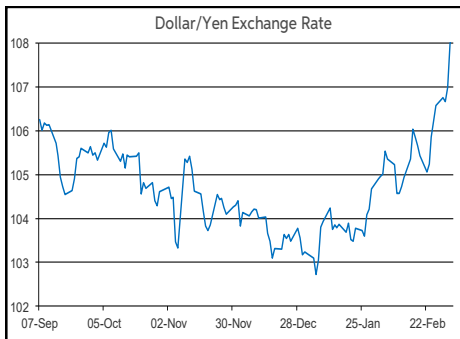
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

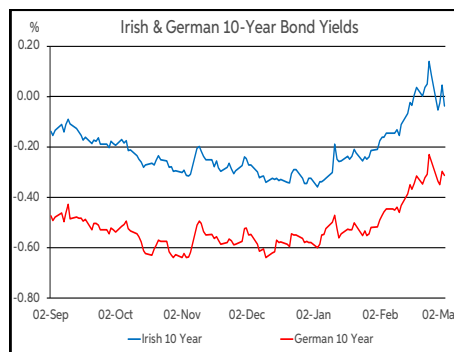
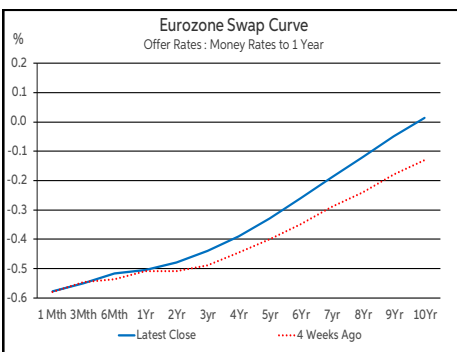
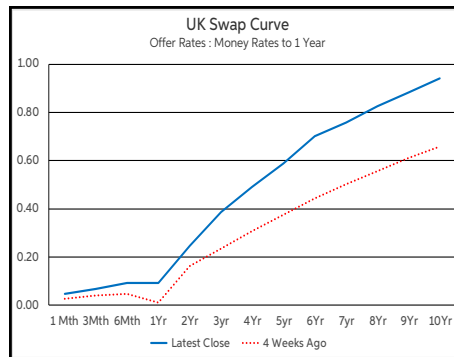
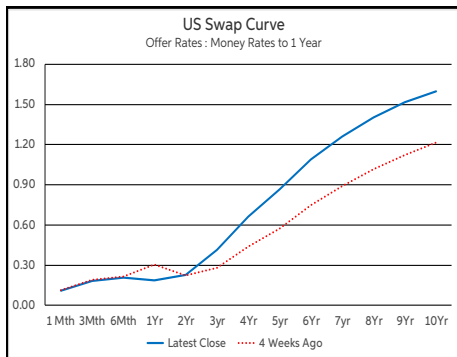
Friday 05 March 2021
07:19 am



Euro		Sterling		Dollar	
EUR/GBP	0.8609	GBP/EUR	1.161	USD/JPY	108.25
EUR/USD	1.1956	GBP/USD	1.3885	USD/CAD	1.2656
EUR/JPY	129.43	GBP/CAD	1.7574	USD/CHF	0.9292
EUR/SEK	10.1729	GBP/NZD	1.9367	USD/CNY	6.4721
EUR/DKK	7.4358	GBP/JPY	150.32	USD/BRL	5.6693
EUR/NOK	10.2576	GBP/SEK	11.8148	USD/RUB	74.3216
EUR/CHF	1.1114	GBP/DKK	8.6347	USD/INR	72.8
EUR/AUD	1.5504	GBP/NOK	11.9097	AUD/USD	0.7712
EUR/HKD	9.2788	GBP/CHF	1.2906	NZD/USD	0.7167
EUR/CAD	1.5133	GBP/AUD	1.8004		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.56	+7	+42	+64
Germany	-0.31	-1	+15	+26
UK	0.73	-5	+29	+54
5 Year Swap %				
US	0.87	+6	+30	+44
Eurozone	-0.33	+0	+8	+13
UK	0.59	-2	+22	+40
2 Year Swap %				
US	0.23	+2	+4	+4
Eurozone	-0.48	+1	+4	+5
UK	0.25	+0	+9	+22
10 Year Government Bond Spreads to Benchmark bps				
Ireland	33	-4	+2	+6
Belgium	31	+0	+14	+12
France	25	-1	+3	+1
Italy	107	+1	+6	-3
Spain	70	-0	+12	+7
Portugal	59	+2	+7	-5
Greece	128	-0	+17	+8



Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	66.74	+4.17	+13.43	+28.84
West Texas Oil	63.81	+4.04	+13.56	+31.98
Gold \$	1697.2	-0.80	-5.30	-10.51

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