

EUR/USD below \$1.19

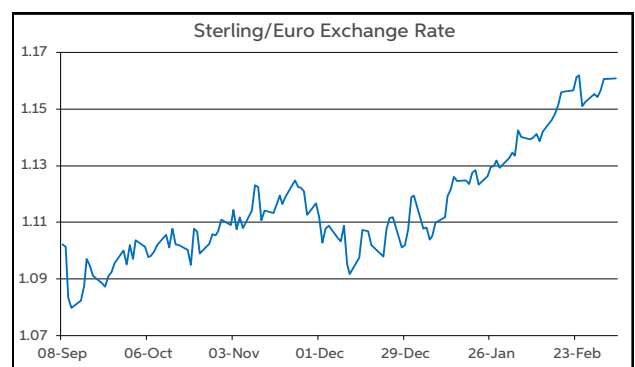
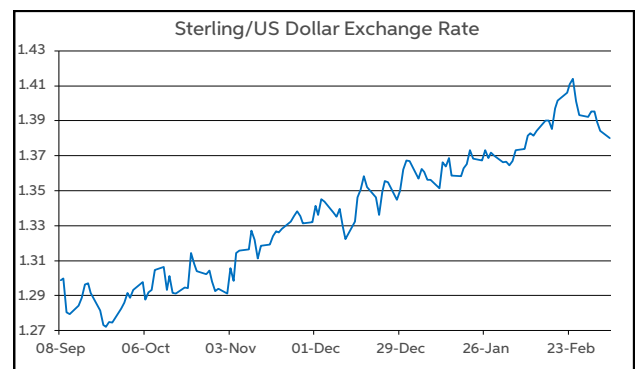
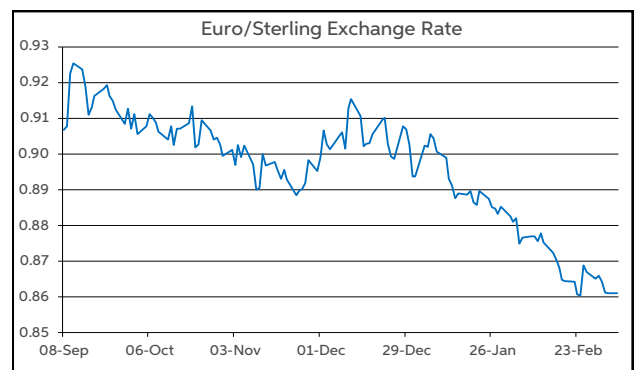
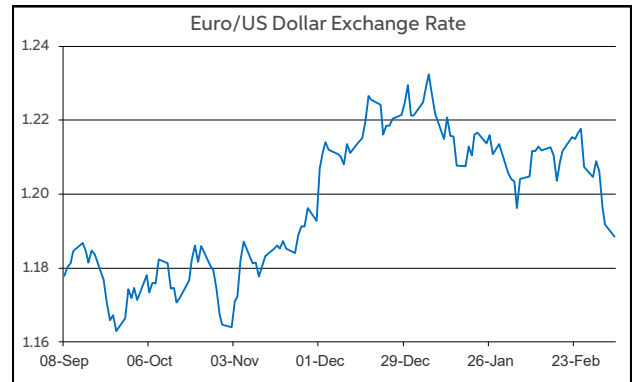
The action on markets last week saw bond yields remain in focus. For most of the week, the moves were largely uneventful. However, the market appeared disappointed that a speech from Fed Chair Powell on Thursday did not indicate any major concern from the central bank about the recent move higher in yields. Meanwhile, Friday's better than expected US payroll data for February helped to provide support to the expectations for a strong economic rebound.

This disappointment was reflected in yields resuming their uptrend, including the 10-year Treasury yield moving back above the 1.5% threshold and trading as high as 1.6%. Higher yields saw the dollar regain some upward momentum on the exchanges. Meantime, the rising yield environment also created a headwind for some of the main equity indices.

As forex trading gets underway this morning, the firmer tone to the dollar is reflected in EUR/USD operating below the \$1.19 mark. Meanwhile, cable (GBP/USD) is trading down at \$1.38. Elsewhere on the currency front, EUR/GBP continues to change hands in a very tight 86-86.5p trading range.

Looking ahead to this week, Thursday's ECB meeting poses some event risk for the euro. If the ECB takes action to try and stem the upward pressure on Eurozone yields, then the euro could come under further pressure. Data-wise, UK GDP for January is the main highlight. However, barring any major surprise it is not expected to have a significant directional impact on sterling. For the dollar, given the quiet US macro diary, its main potential source of influence may come from the bond markets.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1884	-0.63	-2.69
EUR/GBP	0.861	0.00	-3.66
GBP/USD	1.3801	-0.61	0.94
GBP/EUR	1.161	0.00	3.80
USD/JPY	108.46	0.34	5.06
EUR/JPY	128.89	-0.31	2.16

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

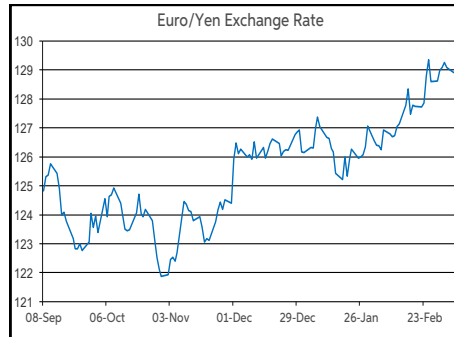
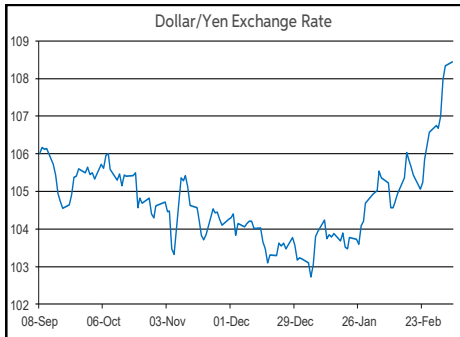
Opening Interest Rates						
	Base Rate	Money Market		Swap Rates		
		1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	0.125	0.10	0.19	0.18	0.26	0.91
EUR	0.00	-0.55	-0.54	-0.53	-0.48	-0.30
GBP	0.10	0.05	0.08	0.10	0.26	0.63

All rates quoted are indicative market rates

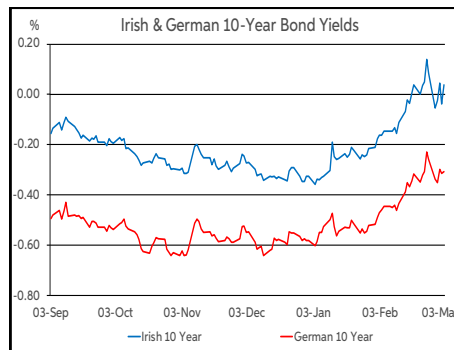
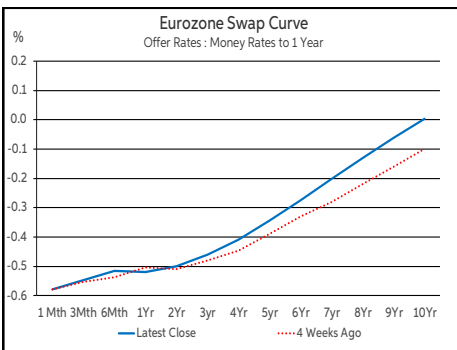
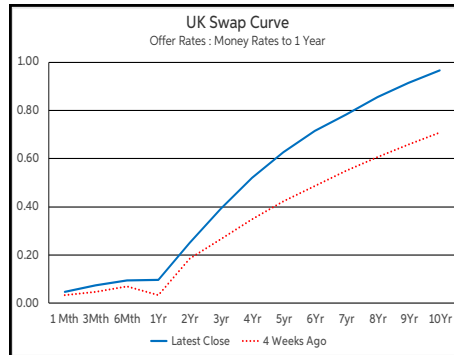
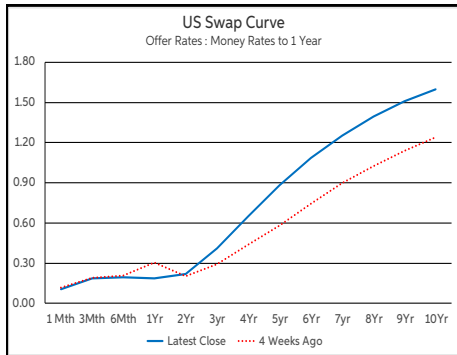
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FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Euro		Sterling		Dollar	
EUR/GBP	0.861	GBP/EUR	1.1611	USD/JPY	108.46
EUR/USD	1.1884	GBP/USD	1.3801	USD/CAD	1.2667
EUR/JPY	128.89	GBP/CAD	1.748	USD/CHF	0.9326
EUR/SEK	10.1719	GBP/NZD	1.9323	USD/CNY	6.5166
EUR/DKK	7.436	GBP/JPY	149.7	USD/BRL	5.6908
EUR/NOK	10.1754	GBP/SEK	11.8063	USD/RUB	74.1613
EUR/CHF	1.1084	GBP/DKK	8.6351	USD/INR	73.173
EUR/AUD	1.5472	GBP/NOK	11.8104	AUD/USD	0.7677
EUR/HKD	9.2298	GBP/CHF	1.2873	NZD/USD	0.714
EUR/CAD	1.5053	GBP/AUD	1.7972		



Debt Markets				
	Close	Day	4 Weeks	End 20
10 Year Yield %				
US	1.58	+2	+41	+66
Germany	-0.30	+1	+14	+27
UK	0.75	+2	+27	+56
5 Year Swap %				
US	0.88	+2	+31	+46
Eurozone	-0.34	-1	+6	+12
UK	0.63	+4	+21	+44
2 Year Swap %				
US	0.22	-1	+5	+3
Eurozone	-0.50	-2	+2	+3
UK	0.25	+0	+7	+22
10 Year Government Bond Spreads to Benchmark bps				
Ireland	37	+4	+5	+10
Belgium	32	+1	+14	+13
France	26	+1	+4	+2
Italy	108	+1	+9	-2
Spain	71	+1	+13	+8
Portugal	60	+1	+10	-4
Greece	127	-1	+15	+7



Commodities				
	Close	Day	4 Weeks	End 20
Brent Oil	69.36	+3.93	+16.89	+33.90
West Texas Oil	66.08	+3.56	+16.34	+36.67
Gold \$	1700.9	+0.22	-6.11	-10.32

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