

Busy UK data schedule ahead this week

Last week, a quiet macro calendar meant there was little new information to provide fresh impetus for markets. Against this backdrop, trading conditions were relatively calm throughout the week. Overall, the Euro Stoxx 50 rose by 1.3%, while the S&P 500 gained 1.4%, registering a new all-time high and moving above the 5,000 level for the first time in the process.

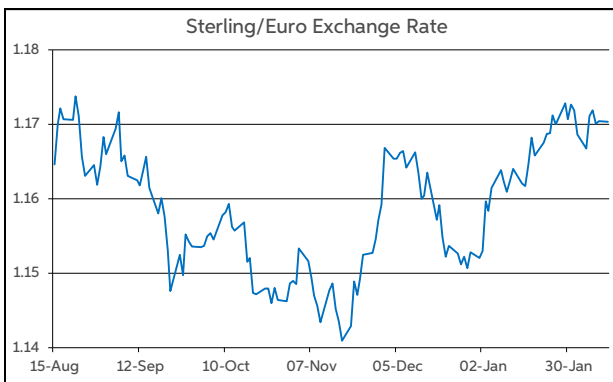
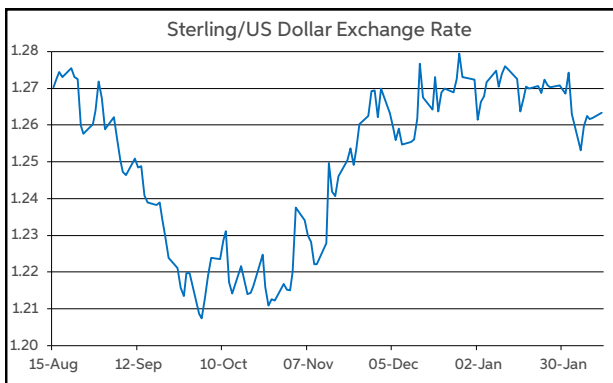
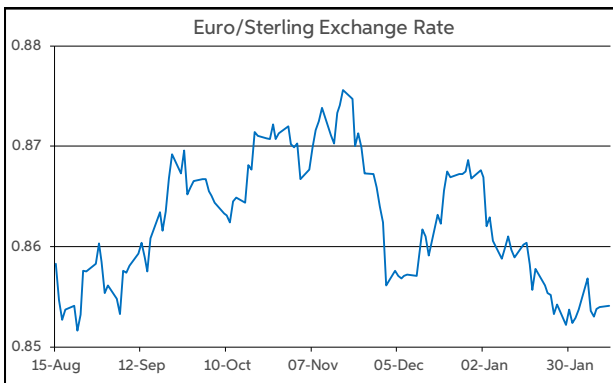
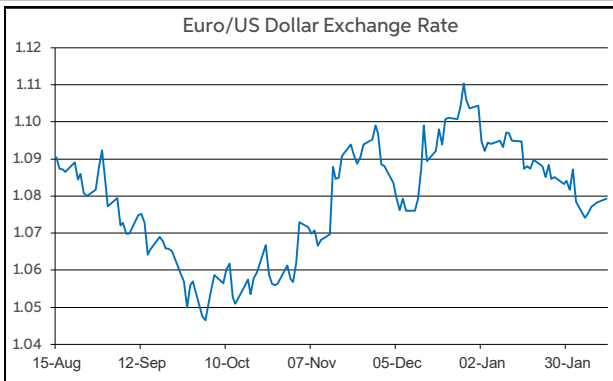
On bond markets, yields climbed circa 5-15bps higher across the board. This followed a modest firming in market rate expectations, amid remarks from a number of central bank officials. Most notably, investors have scaled back the magnitude of rate cuts anticipated by year end to around 110-115bps in the US and Eurozone, and to 70bps in the UK. Elsewhere, oil prices rose by 5% last week, with Brent crude up near \$82 per barrel.

Currency-wise, the main FX pairs remained confined to very tight ranges. Of the limited price action to register, the yen was under some downward pressure. The Japanese currency fell by circa 0.7% against the euro, dollar and sterling.

In level terms, EUR/USD starts this week just below the \$1.08 mark. GBP/USD is in the lower half of the \$1.26-1.27 corridor. Meanwhile, EUR/GBP remains between 85-86p. Elsewhere, EUR/JPY is trading at the ¥161 threshold.

Turning to the week ahead, a busy UK data schedule includes updates on inflation, the labour market and GDP. The releases, dotted throughout the week pose some event risk for sterling. From a dollar viewpoint, CPI inflation for January is due. In relation to the euro, the data docket is unlikely to have a major influence on the currency, though, remarks from ECB officials could.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0793	0.22	-2.20
EUR/GBP	0.8541	0.04	-1.47
GBP/USD	1.2632	0.15	-0.76
GBP/EUR	1.1703	-0.04	1.49
USD/JPY	149.18	-0.13	5.76
EUR/JPY	161.03	0.07	3.47

* 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	5.44	5.57	5.15	4.64	4.17
EUR	4.50	3.84	3.89	3.61	3.11	2.77
GBP	5.25	5.18	5.19	4.99	4.79	4.25

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

Monday 12 February 2024
07:02 am



Euro

EUR/GBP	0.8541
EUR/USD	1.0793
EUR/JPY	161.03
EUR/SEK	11.28
EUR/DKK	7.4553
EUR/NOK	11.3724
EUR/CHF	0.9435
EUR/AUD	1.6547
EUR/HKD	8.4412
EUR/CAD	1.4526

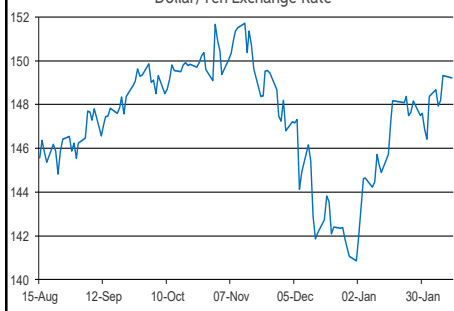
Sterling

GBP/EUR	1.1703
GBP/USD	1.2632
GBP/CAD	1.7003
GBP/NZD	2.0597
GBP/JPY	188.44
GBP/SEK	13.2021
GBP/DKK	8.7251
GBP/NOK	13.3122
GBP/CHF	1.1044
GBP/AUD	1.9369

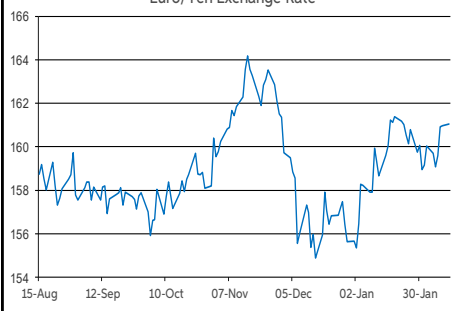
Dollar

USD/JPY	149.18
USD/CAD	1.3458
USD/CHF	0.8741
USD/CNY	7.1929
USD/BRL	4.9536
USD/RUB	90.985
USD/INR	82.995
AUD/USD	0.6522
NZD/USD	0.6131

Dollar/Yen Exchange Rate

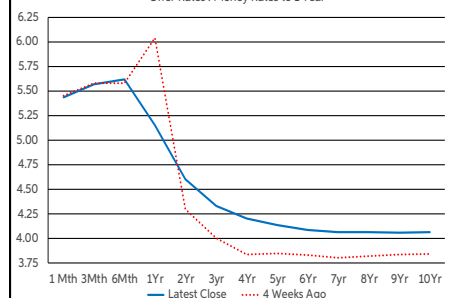


Euro/Yen Exchange Rate



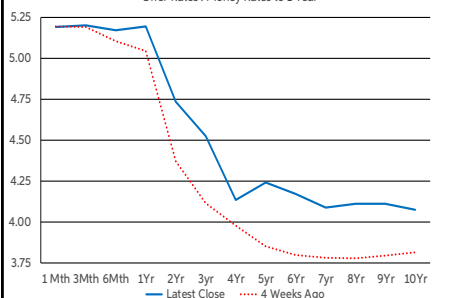
US Swap Curve

Offer Rates : Money Rates to 1 Year



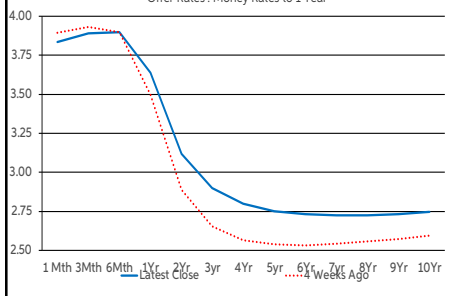
UK Swap Curve

Offer Rates : Money Rates to 1 Year

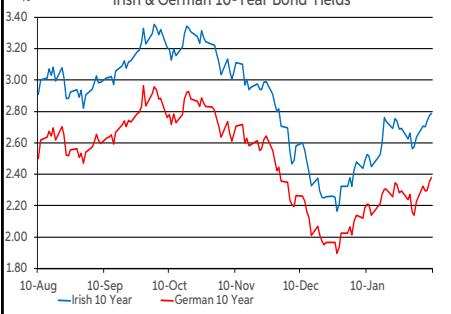


Eurozone Swap Curve

Offer Rates : Money Rates to 1 Year



Irish & German 10-Year Bond Yields



Debt Markets

	Close	Change bps		
		Day	4 Weeks	End 23
10 Year Yield %				
US	4.18	+2	+24	+31
Germany	2.38	+2	+24	+35
UK	4.09	+3	+29	+55
Ireland	2.85	+2	+37	+46
Belgium	3.01	+3	+23	+33
France	2.90	+3	+22	+34
Italy	3.97	+4	+24	+27
Spain	3.37	+9	+28	+38
Portugal	3.10	+2	+23	+32
Greece	3.44	+5	+20	+37
5 Year Swap %				
US	4.14	+3	+33	+35
Eurozone	2.75	+4	+22	+32
UK	4.24	+9	+40	+59
2 Year Swap %				
US	4.61	+4	+35	+27
Eurozone	3.12	+4	+24	+32
UK	4.73	+3	+37	+47
10 Year Government Bond Spreads to Benchmark bps				
Ireland	47	-1	+14	+11
Belgium	63	+0	-1	-2
France	52	+1	-2	-1
Italy	159	+1	+0	-8
Spain	99	+6	+4	+3
Portugal	72	-0	-1	-4
Greece	106	+3	-4	+1

Commodities

	Close	% Change		
		Day	4 Weeks	End 23
Brent Oil	82.19	+0.69	+4.98	+6.68
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2024.2	-0.44	-1.20	-1.86

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