

PMIs and central bank minutes in focus this week

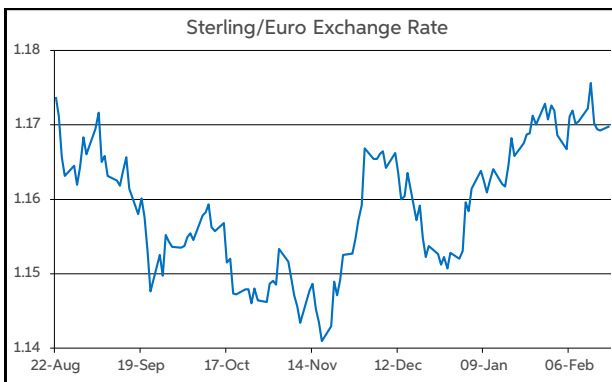
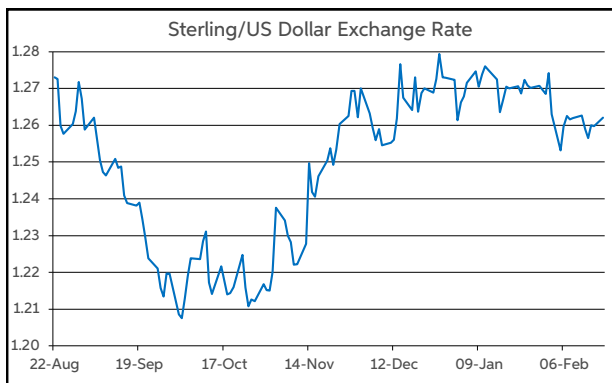
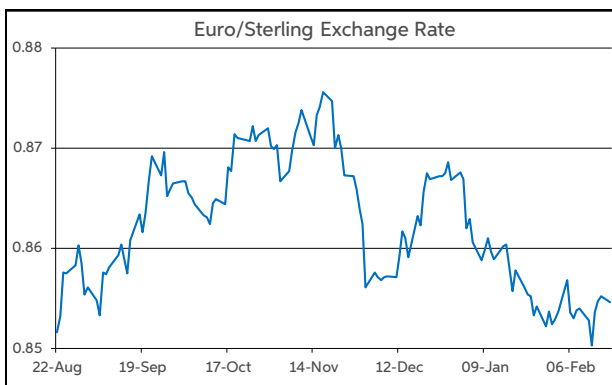
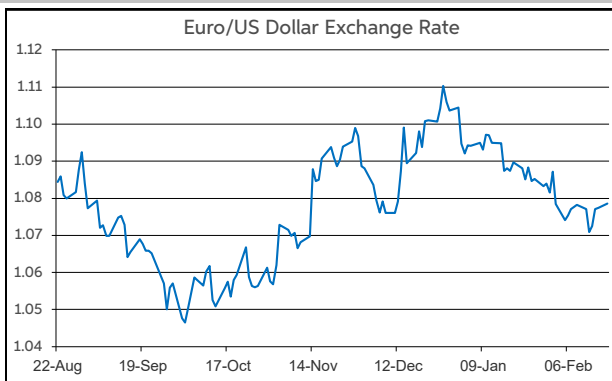
The main currency pairs operated within fairly narrow trading bands last week. However, there was some volatility within these confined ranges as markets reacted to incoming macro news. In the absence of forward guidance from central banks, markets are more sensitive to key data releases that will play an important role in central banks determining when interest rates will be cut.

An example of this was last Tuesday's higher than expected print from US CPI inflation numbers for January. Following the release, US futures contracts hardened (which spilled over into UK and Eurozone also), bond yields rose, equity markets fell and the dollar strengthened. Later in the week, weaker than expected UK Q4 GDP and lower than forecast CPI data was unhelpful to sterling.

In terms of the FX majors, EUR/USD did experience some downward pressure. However, it only very briefly tested below the \$1.07 threshold, which marks its low point on a year-to-date basis. As the week progressed the euro managed to regain some ground and opens this morning in the upper half of \$1.07-1.08. Similarly, EUR/GBP flirted temporarily under the 85p mark. However, the pair moved back up towards the midpoint of the 85-86p band as sterling was impacted by the aforementioned UK macro newsflow. Elsewhere, GBP/USD was on a mild downward trajectory for much of last week. It is trading this morning near to \$1.26.

One of the main highlights of this week's macro diary will be the flash PMIs for February from the US, Eurozone and UK. These will provide timely updates on how the respective economies are performing in Q1. Meanwhile, on the central bank front, ECB and Fed meeting accounts/minutes and the BoE appearance before the Treasury Select Committee will warrant some attention.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0788	0.26	-2.25
EUR/GBP	0.8543	-0.08	-1.44
GBP/USD	1.2624	0.34	-0.82
GBP/EUR	1.1698	0.08	1.46
USD/JPY	149.93	-0.16	6.29
EUR/JPY	161.77	0.12	3.95

* 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	5.30	4.82	4.33
EUR	4.50	3.88	3.93	3.66	3.19	2.78
GBP	5.25	5.18	5.19	5.01	4.84	4.29

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 19 February 2024
07:20 am



Euro

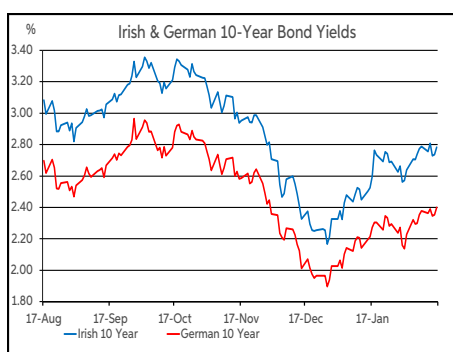
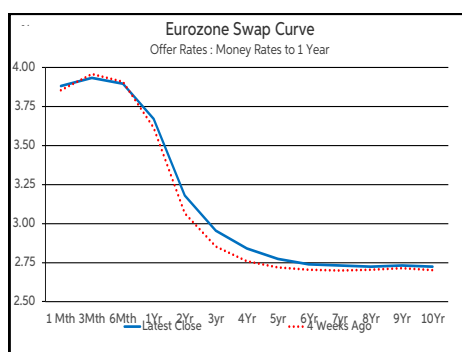
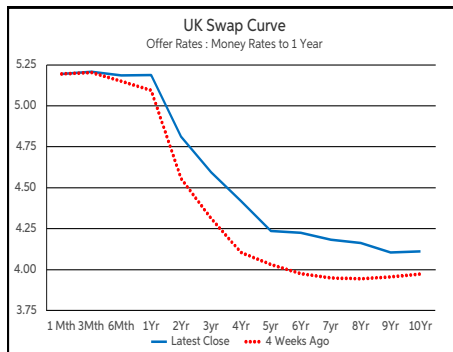
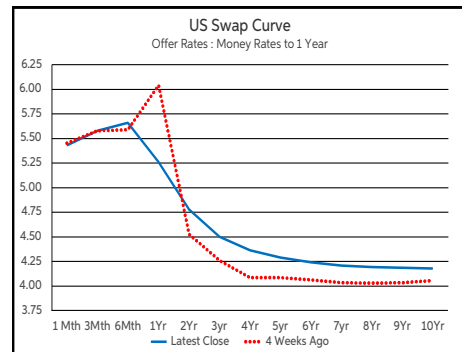
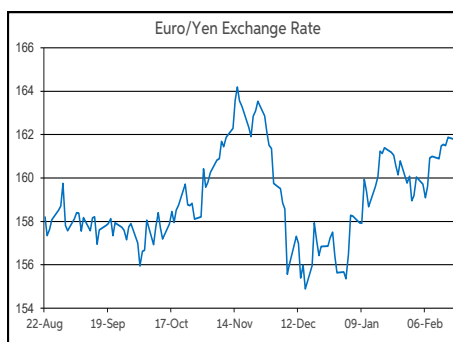
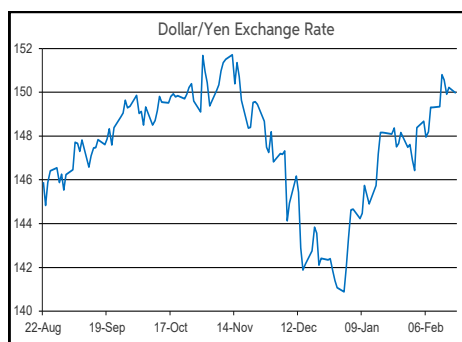
EUR/GBP	0.8543
EUR/USD	1.0788
EUR/JPY	161.77
EUR/SEK	11.228
EUR/DKK	7.4552
EUR/NOK	11.3071
EUR/CHF	0.9499
EUR/AUD	1.6482
EUR/HKD	8.4354
EUR/CAD	1.4534

Sterling

GBP/EUR	1.17
GBP/USD	1.2623
GBP/CAD	1.7006
GBP/NZD	2.0528
GBP/JPY	189.26
GBP/SEK	13.1416
GBP/DKK	8.7217
GBP/NOK	13.2375
GBP/CHF	1.1118
GBP/AUD	1.9287

Dollar

USD/JPY	149.93
USD/CAD	1.3471
USD/CHF	0.8805
USD/CNY	7.1975
USD/BRL	4.968
USD/RUB	92.315
USD/INR	82.987
AUD/USD	0.6543
NZD/USD	0.6147



Debt Markets

	Close	Day	4 Weeks	End 23
10 Year Yield %				
US	4.28	+5	+15	+42
Germany	2.40	+5	+10	+37
UK	4.11	+6	+18	+58
Ireland	2.82	+5	+5	+44
Belgium	2.98	+3	+4	+30
France	2.87	+3	+4	+32
Italy	3.88	+2	+0	+18
Spain	3.30	+2	+5	+31
Portugal	3.06	+3	+2	+28
Greece	3.40	+6	+1	+33
5 Year Swap %				
US	4.29	+6	+24	+50
Eurozone	2.77	+3	+6	+35
UK	4.24	+3	+26	+58
2 Year Swap %				
US	4.78	+7	+29	+44
Eurozone	3.18	+5	+12	+39
UK	4.81	+10	+26	+55
10 Year Government Bond Spreads to Benchmark bps				
Ireland	42	+0	-4	+7
Belgium	58	-2	-6	-7
France	47	-1	-5	-6
Italy	148	-3	-10	-19
Spain	90	-2	-5	-7
Portugal	66	-2	-7	-10
Greece	100	+2	-9	-5

Commodities

	Close	Day	4 Weeks	End 23
% Change				
Brent Oil	83.47	+0.74	+6.25	+8.35
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2013.1	+0.45	-0.79	-2.40

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