

## 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.

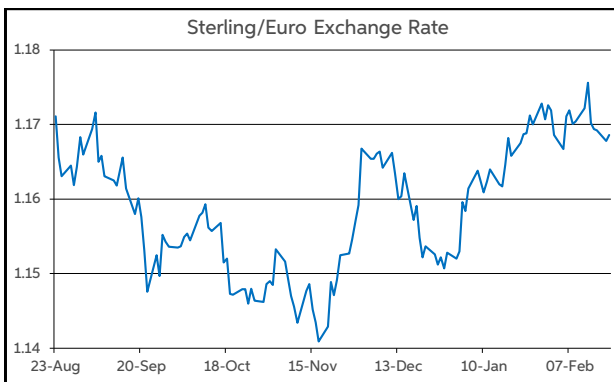
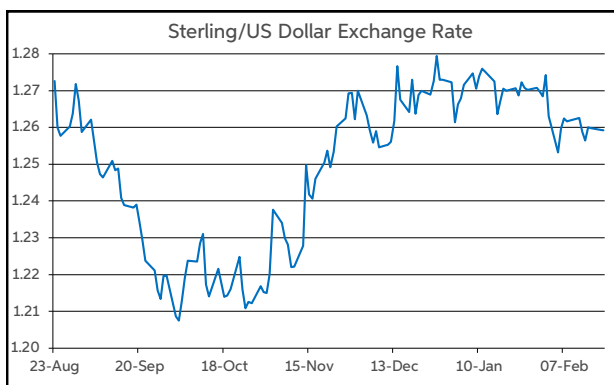
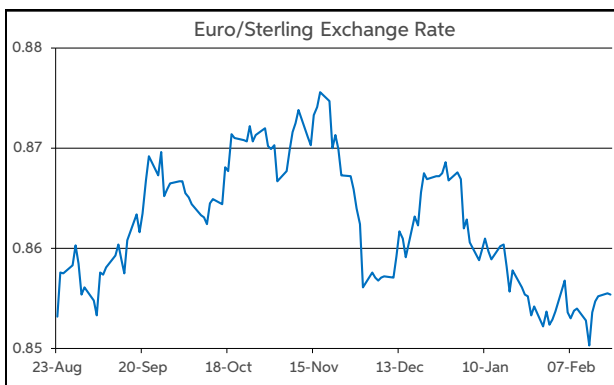
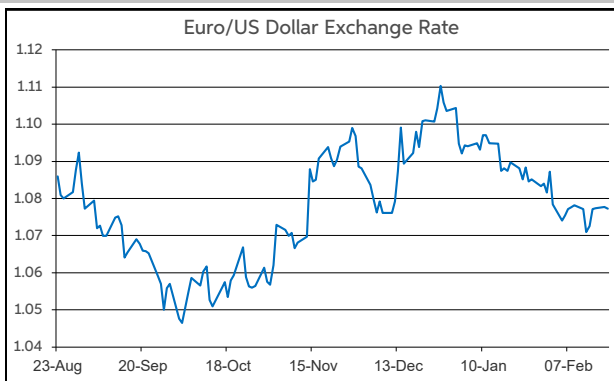
In terms of fixed income, UK Gilt and German Bund yields were little changed yesterday. 2-year Gilt yields edged 2bps lower throughout the European session, amid a marginal softening in UK rate expectations. However, overnight the move in UK futures and Gilt yields reversed course.

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

EUR/GBP	0.8553
EUR/USD	1.0771
EUR/JPY	161.93
EUR/SEK	11.2168
EUR/DKK	7.4546
EUR/NOK	11.3064
EUR/CHF	0.9511
EUR/AUD	1.6483
EUR/HKD	8.4252
EUR/CAD	1.4547

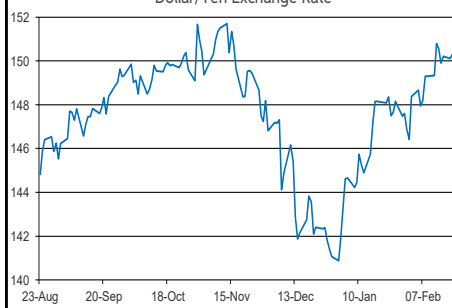
## Sterling

GBP/EUR	1.1687
GBP/USD	1.2589
GBP/CAD	1.7005
GBP/NZD	2.0502
GBP/JPY	189.25
GBP/SEK	13.1104
GBP/DKK	8.7118
GBP/NOK	13.2158
GBP/CHF	1.1117
GBP/AUD	1.9266

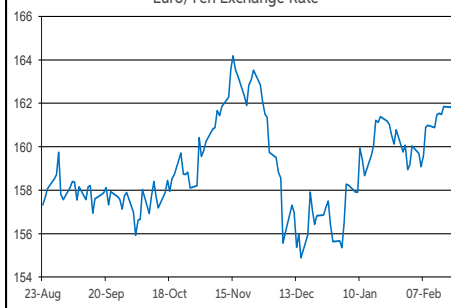
## Dollar

USD/JPY	150.33
USD/CAD	1.3506
USD/CHF	0.8829
USD/CNY	7.1984
USD/BRL	4.9569
USD/RUB	92.275
USD/INR	82.96
AUD/USD	0.6534
NZD/USD	0.6138

Dollar/Yen Exchange Rate

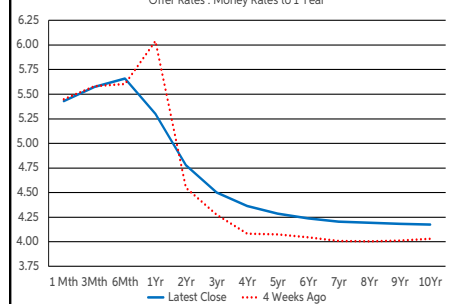


Euro/Yen Exchange Rate



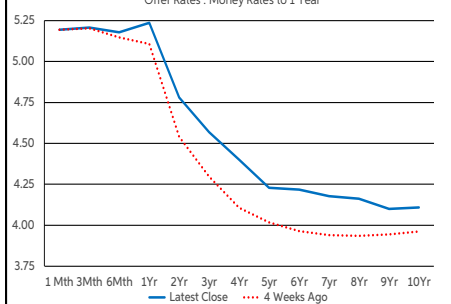
US Swap Curve

Offer Rates : Money Rates to 1 Year



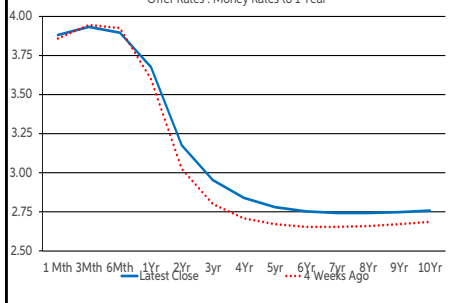
UK Swap Curve

Offer Rates : Money Rates to 1 Year

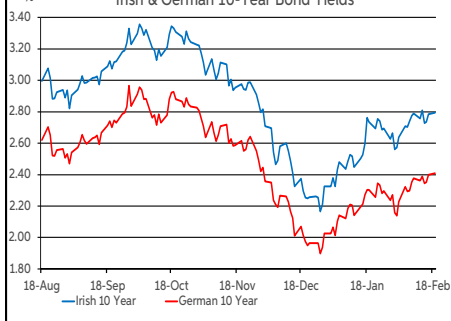


Eurozone Swap Curve

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	4.28	+5	+17	+42
Germany	2.41	+1	+15	+38
UK	4.11	-0	+20	+57
Ireland	2.84	+1	+9	+45
Belgium	3.00	+2	+11	+32
France	2.89	+1	+10	+33
Italy	3.91	+3	+6	+21
Spain	3.32	+2	+11	+33
Portugal	3.07	+1	+6	+28
Greece	3.40	+0	+7	+33
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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