

Daily commentary

Friday, 19 January 2018

Key news

- Sterling tops \$1.39, heading for its longest winning streak since 2014

Markets overview

Good morning,

Sterling climbed above \$1.39 late on Thursday for the first time since the UK's vote to leave the EU and is on track for a fifth consecutive week of gains against the dollar - its longest winning streak since mid-2014. A combination of broad dollar weakness and optimism that the UK will reach a favourable divorce with the EU has helped drive the recent gains. Adding to the general air of positivity around GBP, the economy is proving more resilient than expected and continues to grow at a modest level.

Looking at the currencies this morning, the pound starts the session at over \$1.39. Versus the euro; sterling is broadly flat at €1.1340.

Focus today

In the UK, all eyes will be on the latest UK retail sales data covering the all-important December Christmas trading period. Recent high street names have been reporting a mixed bag of results so the number should provide a clear pointer for private consumption. Any surprise readings here has the potential to move sterling. Elsewhere, it appears the global data calendar is somewhat thin, albeit with Eurozone current account data and the US Michigan survey on the agenda.

Have a good day - Andrew

Market movers today:

- GBP: Retail sales

Market rates

| CCY pair | Market rate at opening |
|-----------------------------------|------------------------|
| GBP/USD | 1.3914 |
| GBP/EUR | 1.1332 |
| EUR/USD | 1.2275 |
| EUR/GBP | 0.8825 |
| GBP/AUD | 1.7328 |
| GBP/CAD | 1.7259 |
| GBP/CHF | 1.3291 |
| GBP/DKK | 8.4399 |
| GBP/HKD | 10.8777 |
| GBP/JPY | 153.8750 |
| GBP/NOK | 10.9092 |
| GBP/NZD | 1.9023 |
| GBP/SEK | 11.1508 |
| USD/CNY | 6.4010 |
| LIBOR (last business day setting) | |
| GBP 1 month | 0.49819 |
| GBP 3 month | 0.52194 |
| GBP 6 month | 0.58013 |
| Commodities and Stock Markets | |
| Crude oil (\$/barrel) | 68.67 |
| Gold (\$/oz) | 1335.92 |
| FTSE 100 | 7700.96 |
| Dow Jones | 26017.81 |
| Nikkei 225 | 23806 |
| Hang Sang | 32254.89 |
| German DAX | 13383.26 |

Source : Reuters

Danske Bank Markets in Northern Ireland

Today's Major Data Releases - source: Reuters

| Time | Region | Event | Period | Expectation |
|------|--------|--------------|----------|-------------|
| 0930 | GBP | Retail sales | mmyy Dec | -0.8%/2.9% |

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