

Corporate Finance

Weekly Highs and Lows:

GBP/EUR: 1.1709 / 1.1893

GBP/USD: 1.2882 / 1.3184

EUR/USD: 1.0942 / 1.1086


- The UK government declares Corona Virus serious and imminent threat.
- Chinese's inflation higher.
- UK makes new regulations to delay or prevent further transmission of China's corona virus.

FX Movements

- GBP/EUR opened last week at the high of the week of 1.1893 seeing Sterling fall lower. There was some renewed downside pressure on the Pound as PM Boris and EU's Barnier unveiled a Significant gap between both countries' intentions to clinch a trade deal and said UK does not need to follow EU rules. This created a GBP sell off, seeing the Pound bottom to 1.1736 by the evening on Monday. On Tuesday GBP went to the low of the week but kept its head above the 1.1700 region. Shortly afterwards, the Pound managed to regain some of its losses pushing back above 1.1800 by close of play. GBP on Thursday

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then pushed further towards 1.1850 but failed to make more gains finishing the week at 1.1800.

- GBP/USD opened last week at the high of the week of 1.3184 dropping straight away as mentioned Boris stating that the UK does not need to follow EU rules and unveiling that there is a significant gap between the EU and UK. Despite the UK posting good PMI numbers of 50 for January GBP kept low trading around the 1.2950 region for the start of the week. The Pound didn't manage to regain any losses from the start of the week as the EU mentioned there would be 9 negotiating rounds by October 2020 (1 per month). The Pound finished the week lower below 1.2900 with an overall -2.5% drop for the week.

- This week's Economic Calendar

Monday:

- 13:15 US Fed's Bowman speech

Tuesday:

- 09:30 UK Manufacturing Production
- 09:30 UK Industrial Production
- 09:30 UK Gross Domestic Product
- 09:30 UK Manufacturing Production
- 15: US Fed's Chair Powell Testifies
- 15:35 UK Mark Carney Speaks at Parliament
- 18:00 US Fed's Speech

Wednesday:

- 15:00 US Fed's Chair Powell testifies
- N/A UK Autumn Forecasts statement

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Thursday:

- 07:00 EU German Consumer Price Index
- 13:30 US Consumer Price Index
- 13:30 US Initial Jobless Claims

Friday:

- 07:00 EU German Gross Domestic Product
- 10:00 EU Gross Domestic Product
- 13:30 US Retail Sales
- 13:30 US Retail Sales Control

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➤ The Fact of the Week

The steam iconically shooting out of the streets of New York City comes from the underground New York steam system. The 105-mile system of pipes began providing services in 1882, it uses clean water and still delivers steam to over 2,000 city buildings today.


In Today's News

Coronavirus 'imminent threat' to public health

The UK government has announced new powers to fight the spread of coronavirus, saying it poses a "serious and imminent threat" to public health.

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People can now be forcibly quarantined or sent into isolation and will not be free to leave under the new measures.

However, the actual threat level announced by Public Health England last month remains "moderate". There have been more than 40,000 cases of the virus globally, mostly in China, with four so far in the UK. The total number of deaths in China is now 908 - but the number of newly infected people per day has stabilised.

BBC NEWS

Have a great week.

The SAB Corporate Finance Team.

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