

Stock markets remain under pressure

The dollar came under some slight pressure yesterday following the release of the December reading of the manufacturing ISM. The index dropped to 54.9, below the consensus forecast of 57.9, largely due to a sharp fall in the new orders subcomponent. The data, combined with Wednesday's revenue warning from Apple, also contributed to the S&P 500 finishing 2.5% lower on the day. Stock markets generally remained under pressure yesterday on continuing concerns about the global economy.

In level terms, the slightly softer tone to the dollar sees EUR/USD open this morning near the \$1.14 threshold. A firmer tone to sterling sees cable (GBP/USD) reclaim the \$1.26 handle and EUR/GBP has moved back towards the 90p mark.

Meantime, the yen handed back some of its large gains from Wednesday. Sterling recovered 1.9%, while the euro and the dollar gained 1% and 1.4% respectively against the Japanese currency.

Today, the highlight of what is a busy calendar is the release of the US December employment report. The consensus is for non-farm payrolls to have expanded by 177k in the month, while the unemployment rate looks set to have held at 3.7%. The data could surprise to the upside given yesterday's strong ADP employment report for December and may offer some support to the dollar. Fed Chair Powell's speech will also likely attract attention.

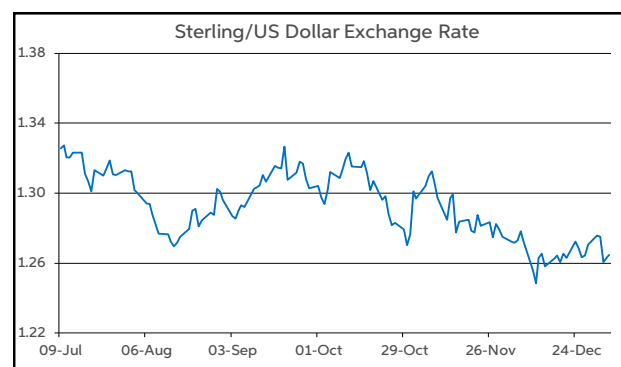
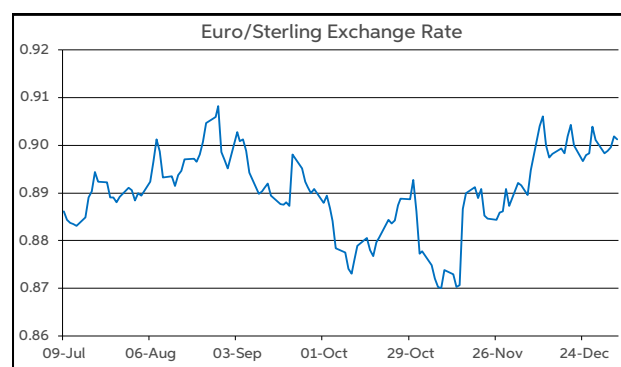
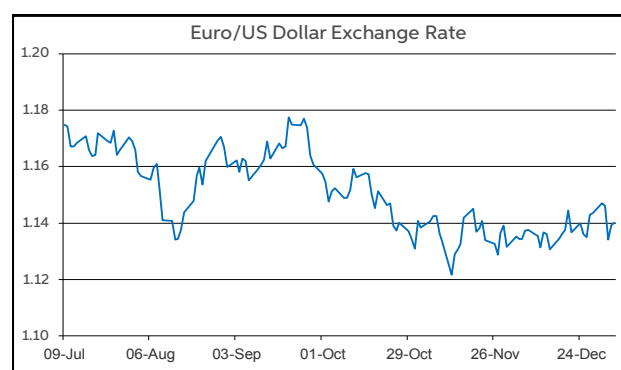
On this side of the Atlantic, flash HICP data for the Eurozone and the UK services PMI (both December) are due. With regard to the former, headline inflation looks to have edged down on lower oil prices. Meanwhile, the forecast is for activity in the UK services sector to have picked up slightly. Overall, in the absence of any surprises, the impact of the releases on markets may be limited.

Conor Beakey, Economist, AIB

Today's Opening Rates			
		% Change	
		Day *	End 2018
EUR/USD	1.1403	0.40	-0.58
EUR/GBP	0.9012	-0.46	0.31
GBP/USD	1.2649	0.82	-0.85
GBP/EUR	1.1092	0.47	-0.31
USD/JPY	108.04	1.01	-1.39
EUR/JPY	123.2	1.39	-2.00

* v Previous Day's European Open

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Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	2.375	2.51	2.80	3.01	2.55	2.45
EUR	0.00	-0.36	-0.31	-0.12	-0.17	0.16
GBP	0.75	0.73	0.91	1.17	1.10	1.22

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2018 to Date	
Dow Jones	22686.22	-2.83	-2.75	
S&P 500	2447.89	-2.48	-2.35	
FTSE 100	6692.66	-0.62	-0.53	
DJ Stoxx 50	2954.66	-1.29	-1.56	
ISEQ	5481.16	-0.17	+0.02	
Nikkei	19561.96	-2.26	-2.26	

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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Opening Levels

Friday 04 January 2019
07:29 am



Euro

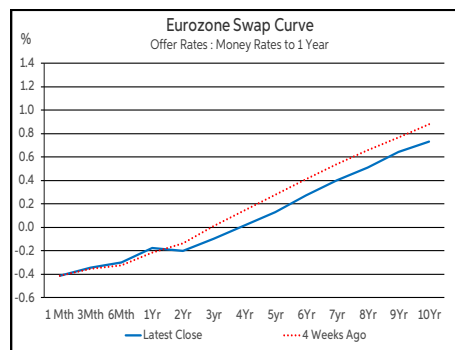
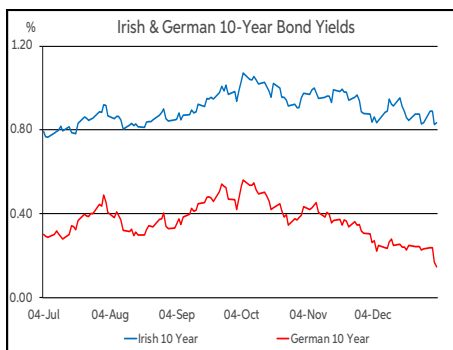
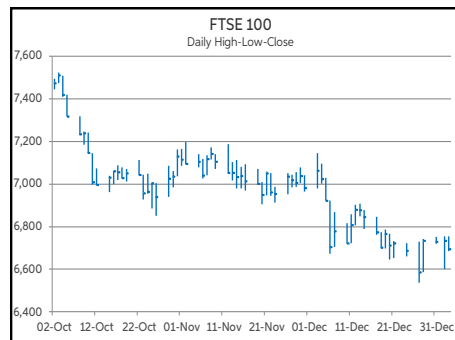
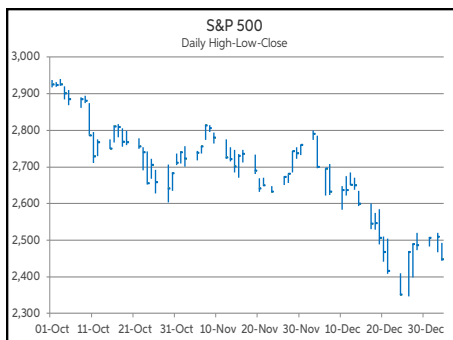
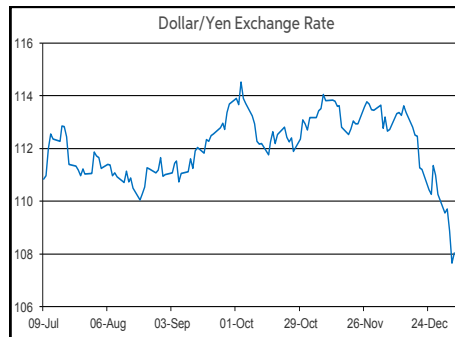
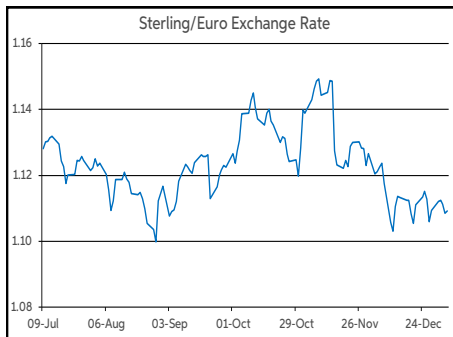
EUR/GBP	0.9012
EUR/USD	1.1403
EUR/JPY	123.19
EUR/SEK	10.234
EUR/DKK	7.468
EUR/NOK	9.8733
EUR/CHF	1.1244
EUR/AUD	1.623
EUR/HKD	8.928
EUR/CAD	1.5343

Sterling

GBP/EUR	1.1091
GBP/USD	1.2649
GBP/CAD	1.7019
GBP/NZD	1.8898
GBP/JPY	136.66
GBP/SEK	11.3548
GBP/DKK	8.2834
GBP/NOK	10.9521
GBP/CHF	1.2475
GBP/AUD	1.8004

Dollar

USD/JPY	108.04
USD/CAD	1.3455
USD/CHF	0.9861
USD/CNY	6.865
USD/BRL	3.7564
USD/RUB	68.3082
USD/INR	69.7775
AUD/USD	0.7025
NZD/USD	0.669



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 18
10 Year Yield %				
US	2.55	-8	-34	-13
Germany	0.15	-2	-8	-9
UK	1.18	-4	-4	-9
Ireland	0.83	+1	-0	N/A
Belgium	0.71	+0	-1	-5
France	0.64	-1	-1	-6
Italy	2.85	+17	-33	+13
Spain	1.42	+3	-3	+0
Portugal	1.76	+6	-3	+6
Greece	4.37	+2	+16	+7
5 Year Swap %				
US	2.40	-15	-49	-17
Eurozone	0.13	-5	-15	-10
UK	1.21	-4	-10	-10
2 Year Swap %				
US	2.51	-15	-41	-13
Eurozone	-0.20	-4	-6	-6
UK	1.09	-2	-8	-7
10 Year Government Bond Spreads to Benchmark bps				
Ireland	69	+3	+7	N/A
Belgium	56	+2	+7	+4
France	50	+2	+7	+3
Italy	270	+20	-25	+22
Spain	127	+5	+5	+10
Portugal	162	+8	+5	+15
Greece	422	+4	+24	+16

Commodities				
	Close	% Change		
		Day	4 Weeks	End 18
Brent Oil	55.95	+1.89	-6.84	+4.00
West Texas Oil	46.92	+1.32	-8.96	+3.92
CRB - All Commodity	171.55	+0.68	-5.38	+1.03
CRB - Food	329.12	+3.24	-1.17	+1.51
Gold \$	1294.4	+0.75	+4.52	+0.89

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