

Subdued FX action

Currency markets adopted a subdued tone yesterday. Although, the euro did come under some mild downward pressure following the ECB meeting. This coincided with a downgrading of the central bank's inflation and growth projections. Comments by President Draghi that the balance of risks is moving to the downside were also unhelpful for the currency.

Meanwhile, as expected Theresa May was unable to obtain any concessions on the contentious 'backstop' component of the Withdrawal Agreement at the EU Leaders' Summit. Instead, the EU only offered assurances that the backstop is not intended to be permanent. Overall, sterling reaction was negligible.

In level terms, the main pairs open this morning broadly unchanged versus 24 hours previous. EUR/GBP is trading close to the 90p mark, while EUR/USD is changing hands near the midpoint of the \$1.13-1.14 band. Meanwhile, cable (GBP/USD) remains within the \$1.26-1.27 range.

Turning to the day ahead, a busy data calendar includes the flash Eurozone PMIs for December. The composite index is forecast to be little changed in the month. Wage growth figures for Q3 are also due, with another healthy increase expected. However, the releases are unlikely to have much of an effect on the euro. Elsewhere, sterling will remain sensitive to Brexit headlines.

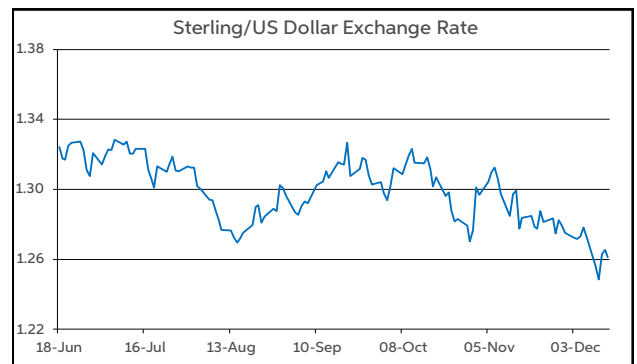
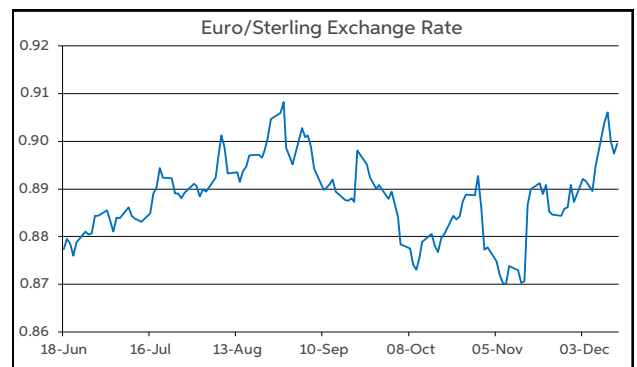
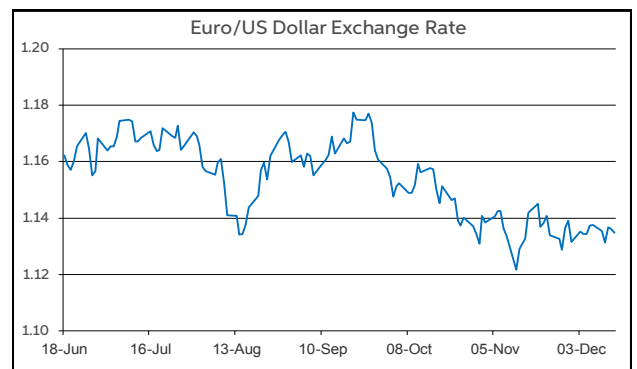
Meantime, there is a packed schedule in the US, the highlight of which is the November retail sales reading. Headline sales are projected to be broadly flat in the month. On the output side of the economy, December flash PMIs, as well as industrial production figures for November, are also set to feature. However, barring any major surprises, dollar impact may be minimal.

Conor Beakey, Economist, AIB

Today's Opening Rates			
		% Change	
		Day *	End 2017
EUR/USD	1.1345	-0.18	-5.43
EUR/GBP	0.8994	-0.13	1.25
GBP/USD	1.2613	-0.03	-6.65
GBP/EUR	1.1114	0.13	-1.23
USD/JPY	113.55	0.09	0.78
EUR/JPY	128.85	-0.07	-4.68

* 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	2.125	2.46	2.79	3.11	2.86	2.83
EUR	0.00	-0.37	-0.31	-0.13	-0.14	0.28
GBP	0.75	0.73	0.90	1.16	1.18	1.36

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2017 to Date	
Dow Jones	24597.38	+0.29	-0.49	
S&P 500	2650.54	-0.02	-0.86	
FTSE 100	6877.5	-0.04	-10.54	
DJ Stoxx 50	3112.17	+0.14	-11.18	
ISEQ	5536.33	+0.23	-21.34	
Nikkei	21374.83	-2.02	-6.11	

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

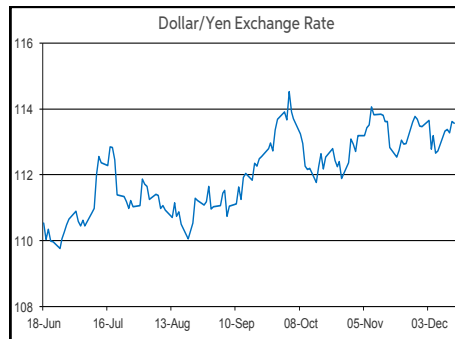
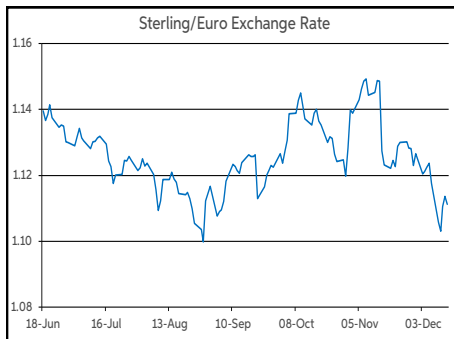
CONTACTS		
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Opening Levels

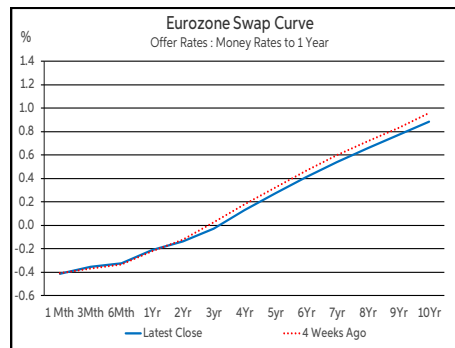
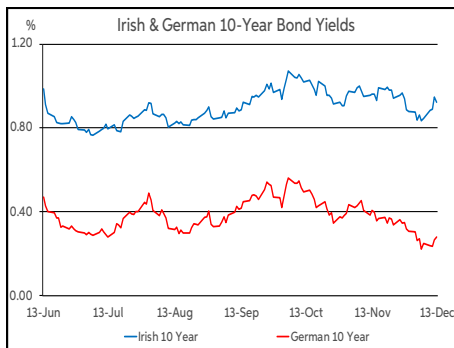
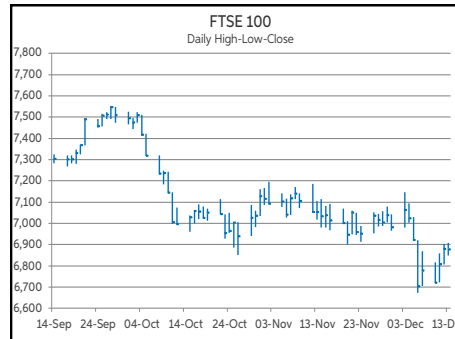
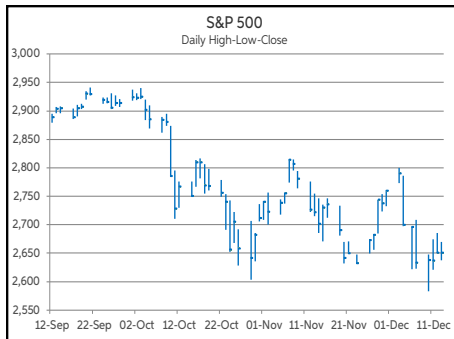
Friday 14 December 2018
07:30 am



Euro		Sterling		Dollar	
EUR/GBP	0.8994	GBP/EUR	1.1114	USD/JPY	113.55
EUR/USD	1.1346	GBP/USD	1.2612	USD/CAD	1.3383
EUR/JPY	128.85	GBP/CAD	1.6881	USD/CHF	0.9946
EUR/SEK	10.3018	GBP/NZD	1.8557	USD/CNY	6.8954
EUR/DKK	7.4653	GBP/JPY	143.21	USD/BRL	3.891
EUR/NOK	9.7396	GBP/SEK	11.4484	USD/RUB	66.4725
EUR/CHF	1.1285	GBP/DKK	8.2961	USD/INR	71.77
EUR/AUD	1.5799	GBP/NOK	10.8282	AUD/USD	0.7179
EUR/HKD	8.8634	GBP/CHF	1.2545	NZD/USD	0.6793
EUR/CAD	1.5185	GBP/AUD	1.7567		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 17
10 Year Yield %				
US	2.91	+0	-20	+51
Germany	0.28	+1	-8	-14
UK	1.29	+3	-8	+11
Ireland	0.92	-2	-1	N/A
Belgium	0.76	+1	-3	+14
France	0.71	-1	-4	-7
Italy	2.95	-4	-52	+96
Spain	1.41	-0	-20	-13
Portugal	1.66	-5	-30	-23
Greece	4.20	-2	-35	+15
5 Year Swap %				
US	2.83	-2	-23	+59
Eurozone	0.27	-2	-5	-4
UK	1.34	+2	+2	+31
2 Year Swap %				
US	2.85	-4	-20	+77
Eurozone	-0.14	-2	-2	+0
UK	1.18	+1	+5	+38
10 Year Government Bond Spreads to Benchmark bps				
Ireland	64	-4	+7	N/A
Belgium	48	-0	+5	+28
France	43	-2	+4	+7
Italy	267	-5	-44	+110
Spain	113	-2	-13	+1
Portugal	138	-6	-22	-9
Greece	392	-3	-27	+29



Commodities				
	Close	% Change		
		Day	4 Weeks	End 17
Brent Oil	61.45	+2.16	-7.76	-8.11
West Texas Oil	52.69	+3.23	-6.66	-12.85
CRB - All Commodity	183.03	+1.01	-1.35	-5.59
CRB - Food	330.26	+1.69	-0.30	-1.72
Gold \$	1242.9	-0.27	+2.45	-4.59

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