

Dollar under some pressure

Currency market moves over the past 24 hours have seen the dollar come under some pressure. A more dovish outlook from the Fed and concerns about its outlook for the US economy have resulted in the currency losing some ground over the last two trading sessions. Meanwhile, the S&P 500 closed 1.6% lower on the day as worries over the possibility of a US government shutdown, as well of further Fed interest rate hikes, weighed on investor sentiment. Oil prices also fell sharply again.

Yesterday's calendar highlight, the conclusion of the December BoE meeting, was a non-event for sterling. As expected, the MPC voted unanimously to leave the bank's monetary policy stance unchanged. Meanwhile, the meeting statement highlighted the near term risks of Brexit. On the data front, UK retail sales figures for November surprised significantly to the upside. However, this was in large part due to a distortion owing to the 'Black Friday' sales. Therefore, sterling reaction to the release was minimal.

In level terms, the weaker dollar tone sees EUR/USD opening this morning close to the \$1.145 mark, while GBP/USD is trading in the upper half of the \$1.26-1.27 band. Elsewhere, EUR/GBP has moved up to near the midpoint of the 90-91p range.

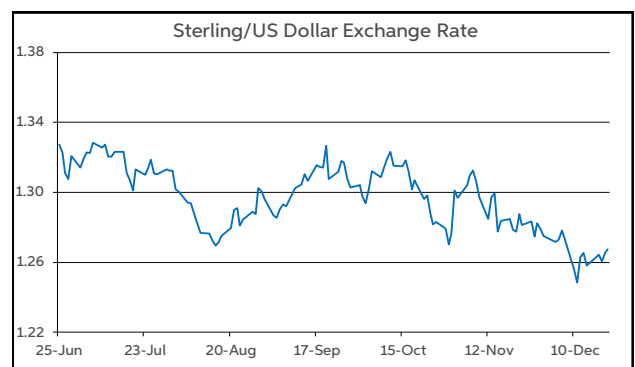
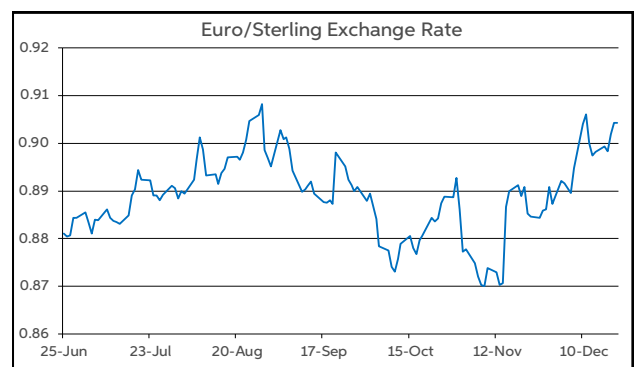
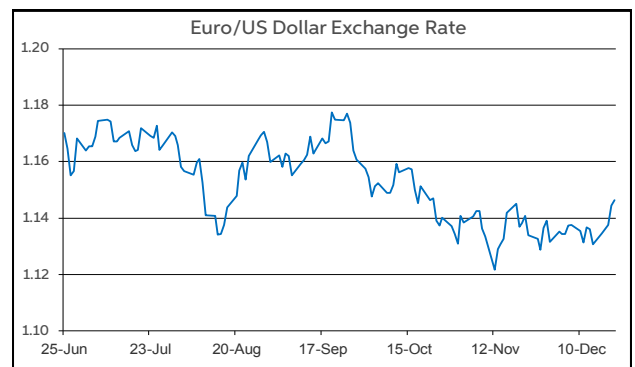
Turning to the day ahead, the November printing of the Fed's preferred measure of inflation, core PCE, is expected to show that price pressures have moderated. Meantime, US consumption figures and durable goods orders (both November) are also due. Overall, the data may offer a supportive backdrop to the dollar. In the Eurozone, flash consumer confidence figures are set to feature, with sentiment anticipated to have edged down in the month. However, euro impact will likely be limited. Meanwhile, a quiet UK calendar could result in sterling struggling for direction today.

Conor Beakey, Economist, AIB

Today's Opening Rates			
		% Change	
		Day *	End 2017
EUR/USD	1.1462	0.64	-4.45
EUR/GBP	0.9042	0.37	1.79
GBP/USD	1.2676	0.29	-6.19
GBP/EUR	1.1056	-0.36	-1.76
USD/JPY	111.28	-0.70	-1.23
EUR/JPY	127.55	-0.08	-5.64

* 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	2.50	2.82	3.07	2.82	2.75
EUR	0.00	-0.37	-0.31	-0.12	-0.14	0.25
GBP	0.75	0.73	0.91	1.16	1.14	1.30

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2017 to Date	
Dow Jones	22859.6	-1.99	-7.52	
S&P 500	2467.42	-1.58	-7.71	
FTSE 100	6711.93	-0.80	-12.69	
DJ Stoxx 50	3000.06	-1.68	-14.38	
ISEQ	5376.61	-1.23	-23.61	
Nikkei	20166.19	-1.11	-11.42	

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

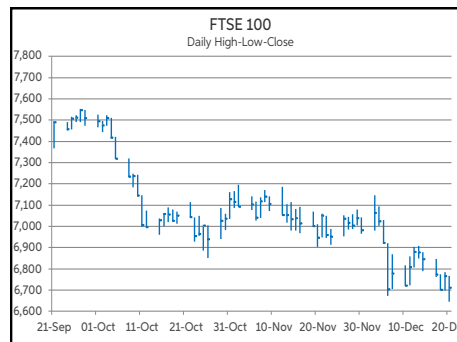
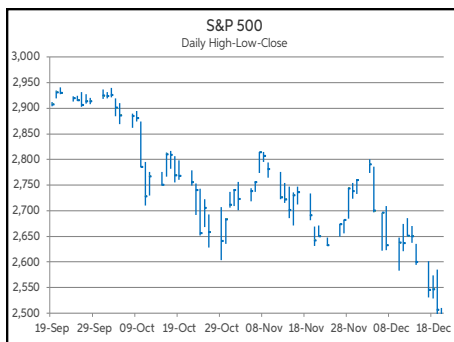
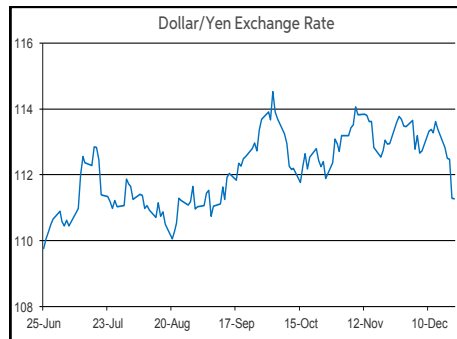
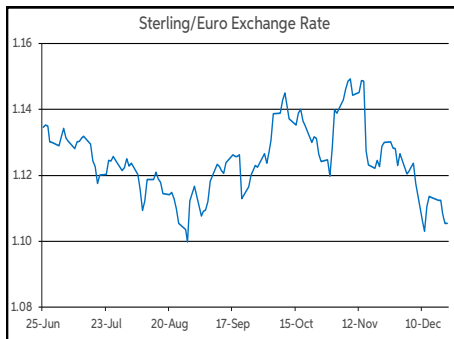
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Opening Levels

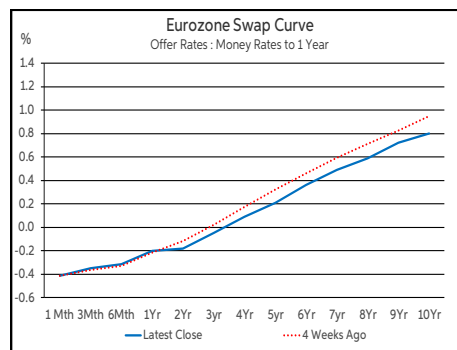
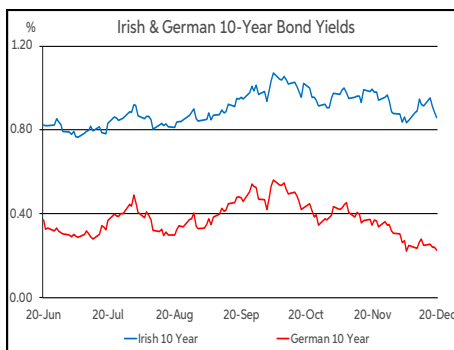
Friday 21 December 2018
07:29 am



Euro		Sterling		Dollar	
EUR/GBP	0.9041	GBP/EUR	1.1055	USD/JPY	111.27
EUR/USD	1.1462	GBP/USD	1.2674	USD/CAD	1.3492
EUR/JPY	127.54	GBP/CAD	1.7105	USD/CHF	0.9865
EUR/SEK	10.278	GBP/NZD	1.8723	USD/CNY	6.8936
EUR/DKK	7.4666	GBP/JPY	141.02	USD/BRL	3.8419
EUR/NOK	9.9295	GBP/SEK	11.3642	USD/RUB	67.9696
EUR/CHF	1.1307	GBP/DKK	8.2553	USD/INR	70.023
EUR/AUD	1.611	GBP/NOK	10.9793	AUD/USD	0.7115
EUR/HKD	8.9719	GBP/CHF	1.2503	NZD/USD	0.6767
EUR/CAD	1.5468	GBP/AUD	1.7814		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 17
10 Year Yield %				
US	2.81	+5	-26	+40
Germany	0.23	-1	-14	-19
UK	1.26	-0	-15	+8
Ireland	0.86	-3	-12	N/A
Belgium	0.74	-1	-8	+13
France	0.67	-4	-8	-11
Italy	2.71	-4	-71	+72
Spain	1.36	-1	-25	-18
Portugal	1.64	+1	-29	-25
Greece	4.25	-1	-28	+21
5 Year Swap %				
US	2.73	+3	-30	+49
Eurozone	0.21	-6	-11	-11
UK	1.30	-2	-9	+27
2 Year Swap %				
US	2.80	-0	-20	+71
Eurozone	-0.18	-5	-6	-4
UK	1.14	-1	-4	+34
10 Year Government Bond Spreads to Benchmark bps				
Ireland	63	-2	+2	N/A
Belgium	51	+0	+6	+32
France	44	-3	+6	+8
Italy	248	-3	-58	+91
Spain	113	+1	-11	+1
Portugal	141	+2	-16	-6
Greece	402	+1	-14	+40



Commodities				
	Close	% Change		
		Day	4 Weeks	End 17
Brent Oil	54.35	-5.05	-13.18	-18.72
West Texas Oil	45.64	-4.84	-16.12	-24.51
CRB - All Commodity	172.67	-2.01	-6.67	-10.93
CRB - Food	325.91	-1.01	-1.43	-3.01
Gold \$	1260.5	+1.35	+2.63	-3.23

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