

More Brexit event risk for sterling this week

The dollar was holding the upper hand against both the euro and sterling last week, in what was generally subdued trading. Eurozone macro updates provided further evidence of an economy that has weakened. Meanwhile, the more cautious BoE tone and weaker than expected PMI data acted as a drag on sterling.

Overall, the dollar was up around 1% against both currencies. In level terms, EUR/USD has moved down from just above the \$1.14 level to trade nearer to the \$1.13 mark. GBP/USD has traded back down from close to \$1.31 to below the \$1.30 threshold towards \$1.29. Meanwhile, EUR/GBP has spent most of the past week within the 87-88p band.

Looking ahead to this week, from a sterling viewpoint, the currency faces some Brexit related event risk. PM May is due to address parliament (Wed) on the progress she has made in her recent talks, while the following day, parliament will debate a Brexit motion. If the outcome of this, is more parliamentary control and reduced risk of a no-deal scenario, then sterling could firm. However, if it ends up in further parliamentary logjam and increased uncertainty, then the currency could come under downward pressure.

Data-wise, the UK diary includes Q4 GDP and January retail sales figures. The data are likely to paint a weak growth picture for the UK. Therefore, it could create an unhelpful backdrop for sterling. In the US, the main calendar highlights are retail sales (Dec), CPI and industrial production (both Jan). Meanwhile in the Eurozone, the macro agenda features Q4 German GDP, Q4 Eurozone employment and industrial production (Dec). Overall, unless any of the US or Eurozone data surprises significantly, the directional impact may be limited on the respective currencies.

John Fahey, Senior Economist, AIB

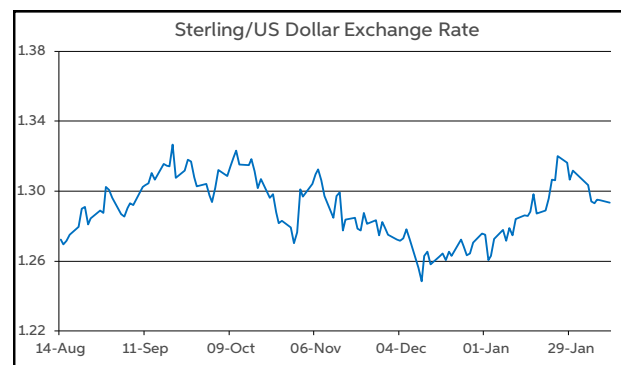
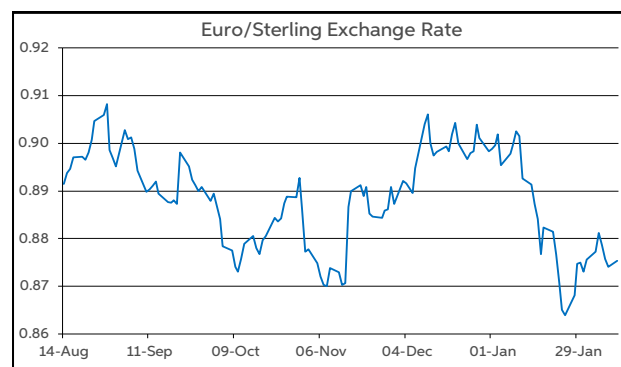
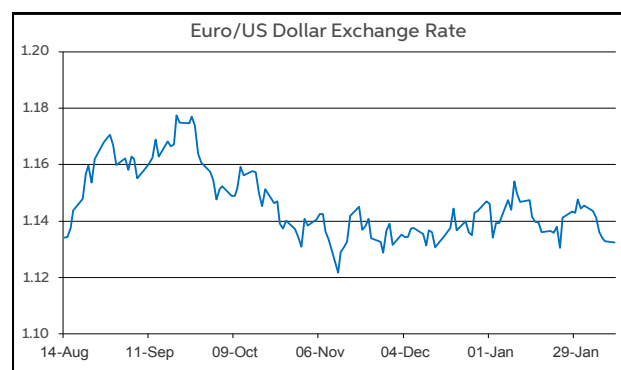
Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	2.375	2.50	2.70	2.94	2.59	2.52
EUR	0.00	-0.37	-0.31	-0.11	-0.15	0.11
GBP	0.75	0.73	0.88	1.14	1.05	1.18

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2018 to Date	
Dow Jones	25106.33	-0.25	+7.63	
S&P 500	2707.88	+0.07	+8.02	
FTSE 100	7071.18	-0.32	+5.10	
DJ Stoxx 50	3135.62	-0.48	+4.47	
ISEQ	5832.59	-0.17	+6.44	
Nikkei	20333.17	+0.00	+1.59	

Today's Opening Rates			
		% Change	
		Day *	End 2018
EUR/USD	1.1323	-0.13	-1.27
EUR/GBP	0.8751	-0.06	-2.59
GBP/USD	1.2935	-0.11	1.40
GBP/EUR	1.1421	0.06	2.66
USD/JPY	109.95	0.19	0.36
EUR/JPY	124.52	0.06	-0.95

* v Previous Day's European Open

See Next Page for More Rates ▶▶▶



All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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Opening Levels

Monday 11 February 2019
07:28 am



Euro

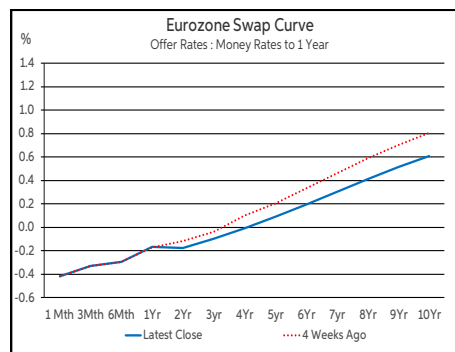
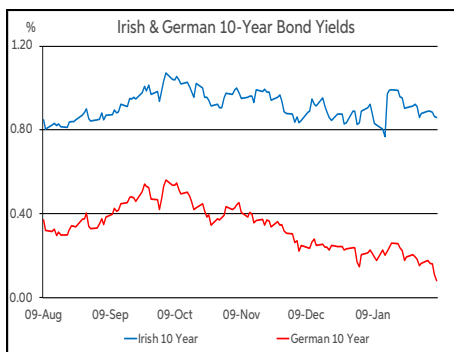
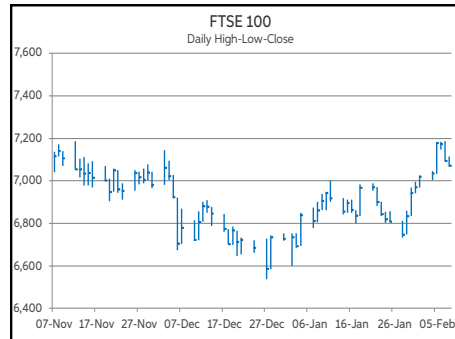
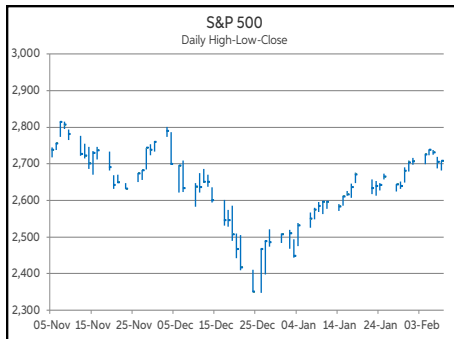
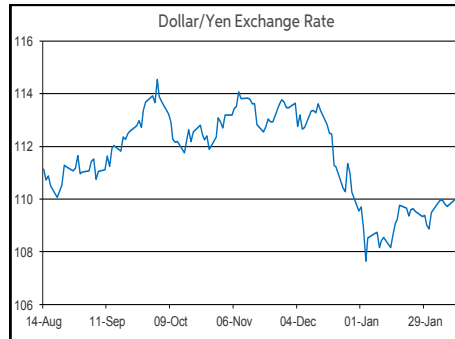
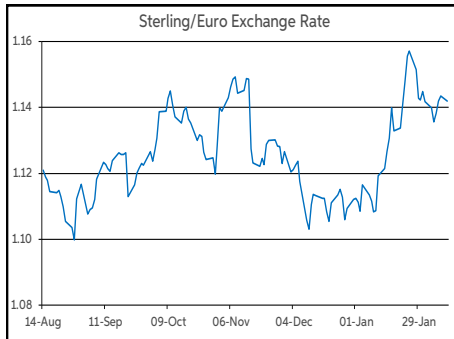
EUR/GBP	0.8752
EUR/USD	1.1325
EUR/JPY	124.52
EUR/SEK	10.5097
EUR/DKK	7.4636
EUR/NOK	9.8351
EUR/CHF	1.1329
EUR/AUD	1.5949
EUR/HKD	8.8863
EUR/CAD	1.5046

Sterling

GBP/EUR	1.142
GBP/USD	1.2936
GBP/CAD	1.7185
GBP/NZD	1.9114
GBP/JPY	142.24
GBP/SEK	12.0021
GBP/DKK	8.5241
GBP/NOK	11.2343
GBP/CHF	1.2937
GBP/AUD	1.8217

Dollar

USD/JPY	109.96
USD/CAD	1.3285
USD/CHF	1.0002
USD/CNY	6.7711
USD/BRL	3.7311
USD/RUB	65.6781
USD/INR	71.1775
AUD/USD	0.7099
NZD/USD	0.6764



	Close	Change bps		
		Day	4 Weeks	End 18
10 Year Yield %				
US	2.63	-2	-6	-5
Germany	0.08	-3	-10	-16
UK	1.15	-3	-14	-12
5 Year Swap %				
US	2.51	-3	-9	-5
Eurozone	0.09	-4	-12	-14
UK	1.17	-4	-16	-15
2 Year Swap %				
US	2.59	-4	-10	-5
Eurozone	-0.18	-3	-6	-4
UK	1.03	-3	-15	-13
10 Year Government Bond Spreads to Benchmark bps				
Ireland	78	+2	N/A	N/A
Belgium	60	+1	+7	+8
France	45	+2	-2	-1
Italy	287	+3	+20	+39
Spain	113	+1	-12	-4
Portugal	155	+2	+4	+8
Greece	391	+5	-17	-15

	Close	% Change		
		Day	4 Weeks	End 18
Brent Oil	62.1	+0.76	+2.68	+15.43
West Texas Oil	52.75	+0.13	+2.55	+16.83
CRB - All Commodity	178.04	-0.04	-0.02	+4.85
CRB - Food	331.63	-0.27	+0.26	+2.28
Gold \$	1314.1	+0.30	+1.99	+2.43

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