

EUR/USD back above \$1.15

The moves on currency markets yesterday saw the dollar adopt a softer tone. This coincided with cautious sounding comments from a number of Fed speakers. Meanwhile, the release of the central bank's December meeting minutes later in the day reinforced the more patient approach from the Fed in relation to rate hikes.

Elsewhere on the currency front, sterling had to contend with Brexit newsflow. The main source of this yesterday was Westminster. The UK parliament resumed its debate on Brexit ahead of next week's planned vote (scheduled for Tuesday 15th) on the Withdrawal Agreement (WA). For a second straight day, Theresa May's government was defeated in a vote, with the passing of an amendment which means that the PM has three working days to present a plan B if the WA vote is defeated.

As trading gets underway this morning, the euro is holding some gains against the dollar and sterling. In level terms, this is reflected in EUR/USD regaining the \$1.15 threshold and EUR/GBP moving up into 90p territory. The weaker dollar tone is also evident in USD/JPY moving back below the ¥108 level. Meanwhile, cable (GBP/USD) starts this morning's session in the upper half of the \$1.27-1.28 band.

Looking ahead to today, there is once again a barren look to the macro diary. Indeed, there are no data releases of any note due on either side of the Atlantic and therefore little to influence the main currency pairs from this perspective.

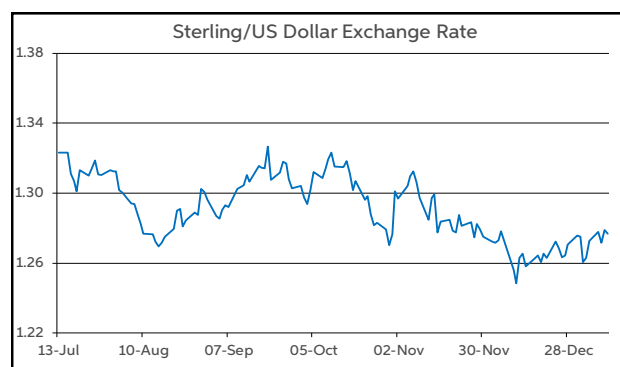
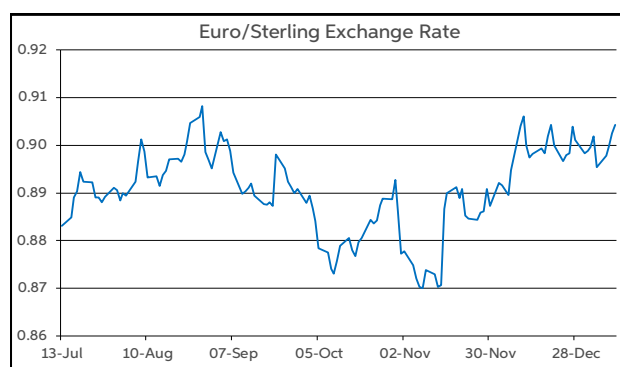
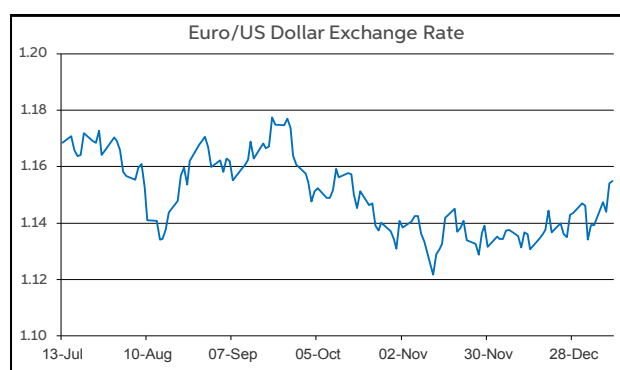
There is some central bank events from a dollar and euro viewpoint with a speech from Fed Chair Powell and the release of the ECB's December meeting 'account'. Meanwhile, sterling remains sensitive to Brexit headlines.

John Fahey, Senior Economist, AIB

Today's Opening Rates			
		% Change	
		Day *	End 2018
EUR/USD	1.155	0.79	0.71
EUR/GBP	0.9043	0.54	0.66
GBP/USD	1.2771	0.24	0.11
GBP/EUR	1.1053	-0.54	-0.65
USD/JPY	107.87	-0.90	-1.54
EUR/JPY	124.62	-0.10	-0.87

* 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	2.52	2.80	3.04	2.66	2.59
EUR	0.00	-0.36	-0.31	-0.12	-0.15	0.22
GBP	0.75	0.73	0.90	1.18	1.13	1.28

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2018 to Date	
Dow Jones	23879.12	+0.39	+2.36	
S&P 500	2584.96	+0.41	+3.12	
FTSE 100	6906.63	+0.66	+2.65	
DJ Stoxx 50	3070.24	+0.50	+2.29	
ISEQ	5734.83	+0.96	+4.65	
Nikkei	20163.8	-1.29	+0.74	

All rates quoted are indicative market rates

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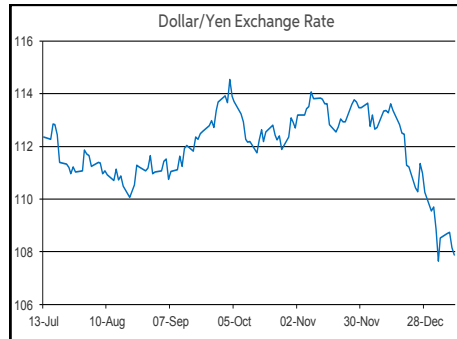
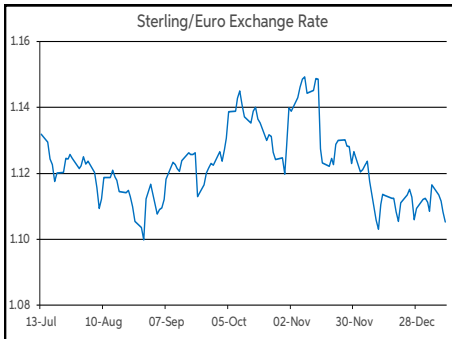
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Opening Levels

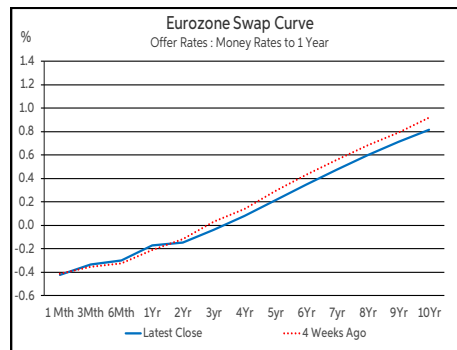
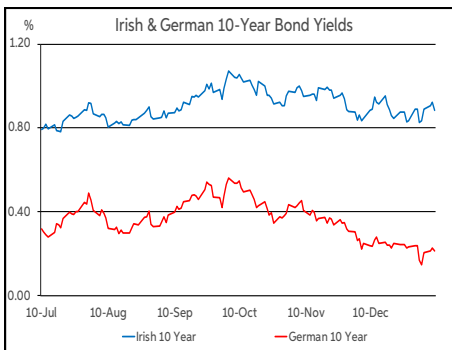
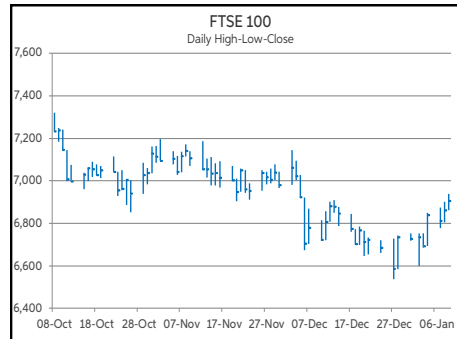
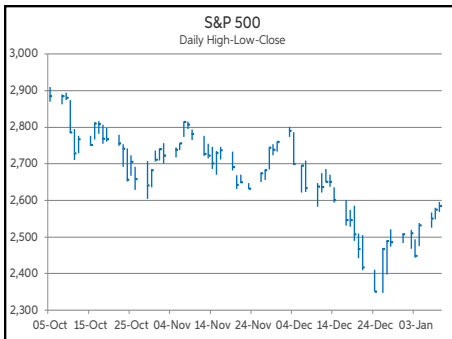
Thursday 10 January 2019
07:26 am



Euro		Sterling		Dollar	
EUR/GBP	0.9043	GBP/EUR	1.1053	USD/JPY	107.87
EUR/USD	1.155	GBP/USD	1.2771	USD/CAD	1.3238
EUR/JPY	124.62	GBP/CAD	1.6904	USD/CHF	0.9729
EUR/SEK	10.247	GBP/NZD	1.8819	USD/CNY	6.7884
EUR/DKK	7.4668	GBP/JPY	137.76	USD/BRL	3.6806
EUR/NOK	9.7781	GBP/SEK	11.328	USD/RUB	66.86
EUR/CHF	1.1238	GBP/DKK	8.2527	USD/INR	70.551
EUR/AUD	1.6079	GBP/NOK	10.8115		
EUR/HKD	9.0527	GBP/CHF	1.2425	AUD/USD	0.7183
EUR/CAD	1.529	GBP/AUD	1.775	NZD/USD	0.6783



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 18
10 Year Yield %				
US	2.71	-2	-20	+3
Germany	0.21	-1	-5	-2
UK	1.25	-2	-1	-2
5 Year Swap %				
US	2.59	-6	-27	+3
Eurozone	0.21	-4	-8	-2
UK	1.27	-1	-5	-4
2 Year Swap %				
US	2.67	-3	-22	+3
Eurozone	-0.15	-3	-3	-1
UK	1.13	-1	-4	-3
10 Year Government Bond Spreads to Benchmark bps				
Ireland	67	-2	-1	N/A
Belgium	54	-1	+6	+2
France	48	-2	+3	+2
Italy	266	-6	-6	+18
Spain	127	-0	+12	+9
Portugal	154	-4	+10	+7
Greece	406	-2	+11	+0



Commodities				
	Close	% Change		
		Day	4 Weeks	End 18
Brent Oil	61.44	+4.63	+2.14	+14.20
West Texas Oil	52.19	+5.26	+2.25	+15.59
CRB - All Commodity	179.04	+1.75	-1.19	+5.44
CRB - Food	331.72	+0.51	+0.96	+2.31
Gold \$	1293.2	+0.57	+3.77	+0.80

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