

## Sterling makes some gains

Once again, Brexit dominated the market newsflow yesterday. This time it was the goings-on within the Conservative party, with the early morning confirmation of an evening vote of no-confidence in the leadership of Theresa May, setting the focus of attention for the day.

For sterling, as it became clear as the day progressed that Theresa May was likely to survive the vote, the currency adopted a firmer tone. Although, the result of the vote (200 to 117) was closer than many had expected. The outcome does at least remove one aspect of uncertainty surrounding Brexit (i.e. PM May's leadership—she cannot be challenged again for at least 12 months).

In level terms, the firmer tone to sterling is reflected in EUR/GBP back down at the 90p mark. The gains for sterling are also evident in cable (GBP/USD) moving up from the \$1.25 level to regain some ground up in \$1.26 territory. Meanwhile, the action in EUR/USD has seen it edge modestly higher over the past 24 hours. The pair opens this morning in the upper half of the \$1.13-1.14 band.

Ahead today, Brexit will remain in focus with the EU Leaders' summit getting underway. PM May will be seeking assurances around the issue of the 'backstop'. As a result, sterling may remain sensitive to headlines in this regard.

On the euro side, today sees the final ECB meeting of the year. While the ECB has guided that rates are on hold until at least through the summer of 2019, there is still some event risk for the currency. The market will be looking to the meeting statement and updated staff projections to see if the recent weaker macro data and market volatility has impacted the ECB's outlook. Elsewhere, for the dollar, there is a very sparse data schedule today.

**John Fahey, Senior Economist, AIB**

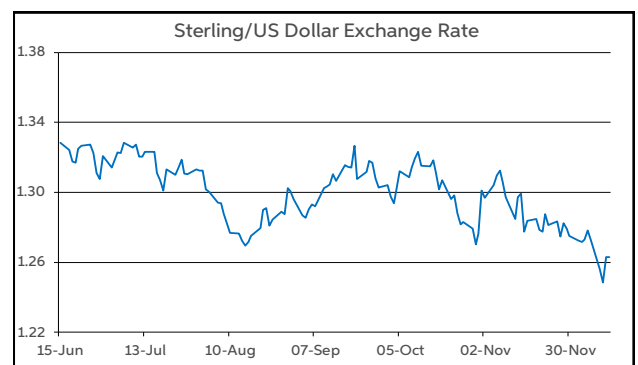
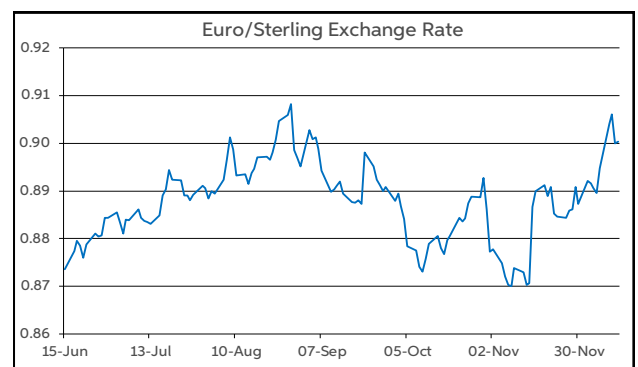
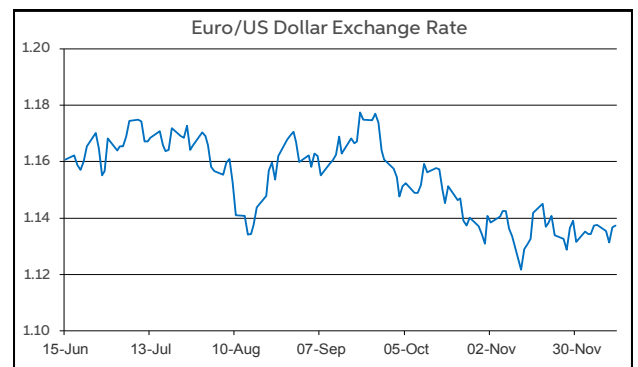
Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	2.125	2.44	2.78	3.10	2.90	2.87
EUR	0.00	-0.37	-0.31	-0.13	-0.13	0.29
GBP	0.75	0.73	0.90	1.15	1.17	1.32

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2017 to Date	
Dow Jones	24527.27	+0.64	-0.78	
S&P 500	2651.07	+0.54	-0.84	
FTSE 100	6880.19	+1.08	-10.50	
DJ Stoxx 50	3107.97	+1.72	-11.30	
ISEQ	5523.38	+0.57	-21.52	
Nikkei	21816.19	+0.99	-4.17	

Today's Opening Rates			
		% Change	
		Day *	End 2017
EUR/USD	1.1373	0.37	-5.19
EUR/GBP	0.9002	-0.56	1.34
GBP/USD	1.263	0.94	-6.53
GBP/EUR	1.1101	0.57	-1.32
USD/JPY	113.42	0.00	0.67
EUR/JPY	129	0.37	-4.57

\* 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

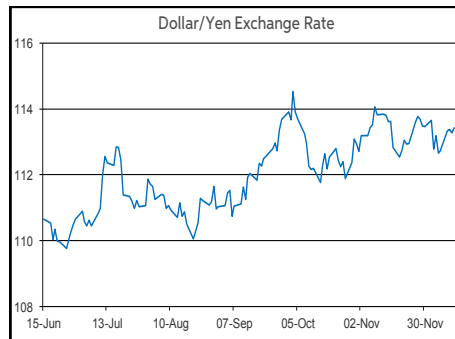
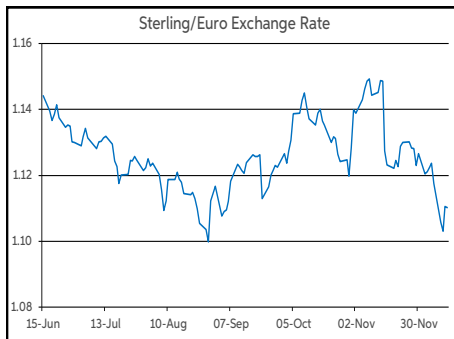
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# Opening Levels

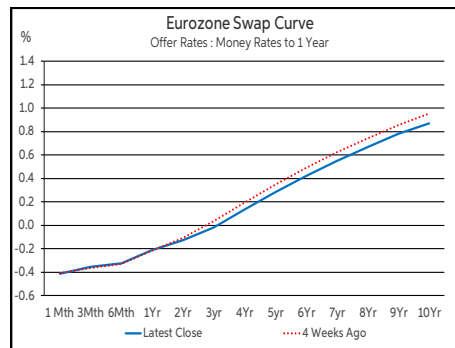
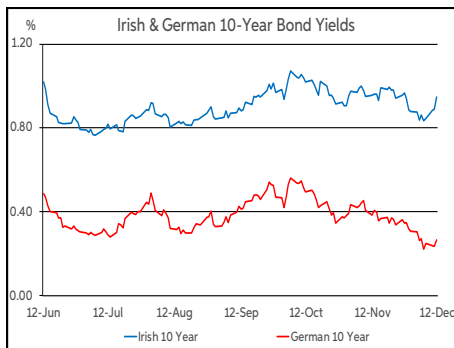
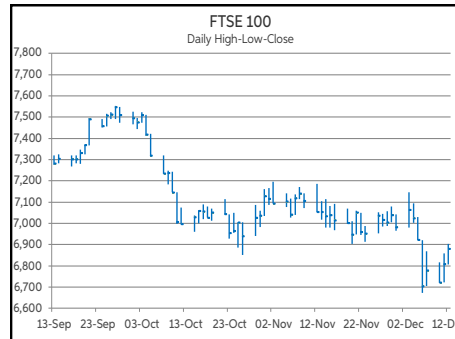
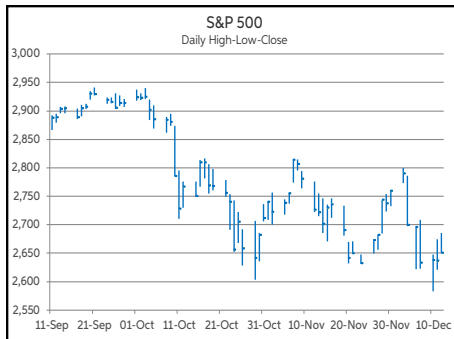
Thursday 13 December 2018  
07:28 am



Euro		Sterling		Dollar	
EUR/GBP	0.9002	GBP/EUR	1.1101	USD/JPY	113.42
EUR/USD	1.1373	GBP/USD	1.263	USD/CAD	1.3347
EUR/JPY	129	GBP/CAD	1.6861	USD/CHF	0.993
EUR/SEK	10.3019	GBP/NZD	1.8366	USD/CNY	6.8645
EUR/DKK	7.4645	GBP/JPY	143.26	USD/BRL	3.8554
EUR/NOK	9.7334	GBP/SEK	11.4415	USD/RUB	66.2649
EUR/CHF	1.1293	GBP/DKK	8.2888	USD/INR	71.53
EUR/AUD	1.5703	GBP/NOK	10.8098		
EUR/HKD	8.8791	GBP/CHF	1.254	AUD/USD	0.7241
EUR/CAD	1.5182	GBP/AUD	1.7439	NZD/USD	0.6875



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 17
<b>10 Year Yield %</b>				
US	2.91	+3	-22	+50
Germany	0.27	+3	-13	-15
UK	1.26	+6	-25	+8
Ireland	0.95	+6	-2	N/A
Belgium	0.75	+2	-8	+13
France	0.72	+2	-6	-6
Italy	2.99	-12	-50	+100
Spain	1.42	-1	-20	-13
Portugal	1.71	-3	-23	-18
Greece	4.22	-0	-23	+17
<b>5 Year Swap %</b>				
US	2.84	+2	-26	+60
Eurozone	0.28	+1	-7	-4
UK	1.31	+5	-14	+28
<b>2 Year Swap %</b>				
US	2.88	+0	-17	+80
Eurozone	-0.13	+0	-2	+1
UK	1.16	+4	-3	+36
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	68	+3	+12	N/A
Belgium	48	-2	+5	+29
France	45	-1	+7	+10
Italy	272	-15	-37	+115
Spain	115	-4	-7	+3
Portugal	145	-6	-10	-3
Greece	395	-3	-10	+33



Commodities				
	Close	% Change		
		Day	4 Weeks	End 17
Brent Oil	60.15	-0.08	-9.03	-10.05
West Texas Oil	51.04	-1.18	-9.12	-15.58
CRB - All Commodity	181.20	-0.33	-3.65	-6.53
CRB - Food	328.57	+0.89	-0.54	-2.22
Gold \$	1246.2	+0.25	+2.91	-4.33

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