

Brexit continues to weigh on sterling

Once again, the newsflow yesterday was dominated by Brexit. Speculation was mounting throughout the morning that the much awaited vote in the UK parliament on the Withdrawal Agreement was going to be postponed. This was confirmed by Prime Minister May in the afternoon. The decision was taken amid the prospect of a heavy defeat for the government in the vote.

From a currency viewpoint, as reports began emerging during the morning session of the vote being delayed, sterling came under downward pressure. In level terms this was reflected in EUR/GBP regaining the 90p level and GBP/USD falling below the \$1.27 threshold. The currency came under further selling pressure during the afternoon after the PM's announcement in parliament. EUR/GBP traded as high as 90.8p and GBP/USD fell to a low of \$1.25.

Elsewhere yesterday, a very quiet macro calendar in both the Eurozone and US meant there was little from a data viewpoint to provide direction. However, the pair did move modestly lower over the course of the day, edging back below the \$1.14 handle.

Today, the main data highlights are from the UK, with a raft of labour market updates due. This includes unemployment, employment and wage growth for the three month period to October. However, much like yesterday's GDP data (which showed growth at 0.4% in October on a 3mth/3mth basis), today's macro news may be overshadowed by the market's fixation with Brexit. Therefore, sterling remains sensitive to headlines with the upcoming EU Leaders' summit looming on the horizon (Dec 13/14).

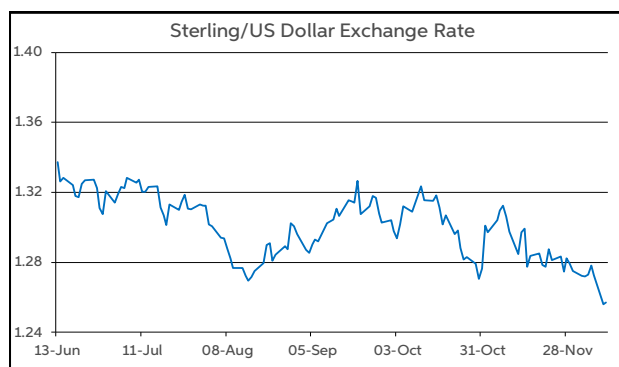
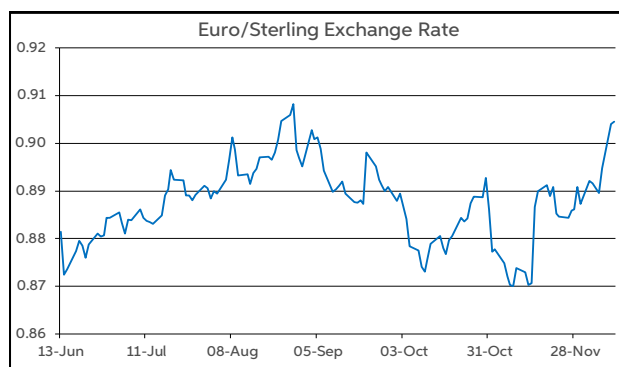
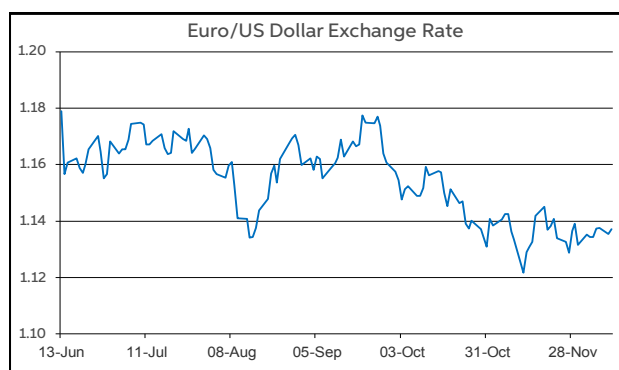
Meantime, for a second day, both the US and Eurozone macro agendas remain fairly quiet. As a result, EUR/USD could continue to trade in a tight range near its current level.

John Fahey, Senior Economist, AIB

Today's Opening Rates			
		% Change	
		Day *	End 2017
EUR/USD	1.1373	-0.53	-5.19
EUR/GBP	0.9046	0.89	1.83
GBP/USD	1.257	-1.42	-6.97
GBP/EUR	1.1052	-0.88	-1.80
USD/JPY	113.12	0.59	0.40
EUR/JPY	128.68	0.06	-4.81

* 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	2.42	2.78	3.08	2.85	2.80
EUR	0.00	-0.37	-0.32	-0.14	-0.13	0.28
GBP	0.75	0.74	0.91	1.15	1.12	1.26

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2017 to Date	
Dow Jones	24423.26	+0.14	-1.20	
S&P 500	2637.72	+0.18	-1.34	
FTSE 100	6721.54	-0.83	-12.57	
DJ Stoxx 50	3016.99	-1.36	-13.90	
ISEQ	5409.17	-2.52	-23.15	
Nikkei	21148.02	-0.34	-7.10	

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

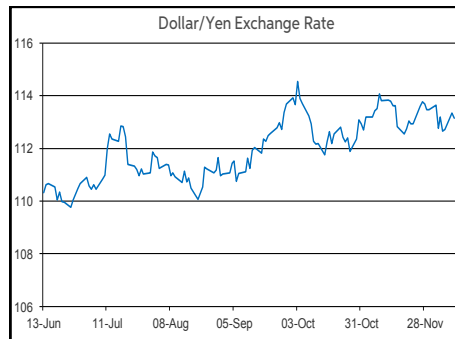
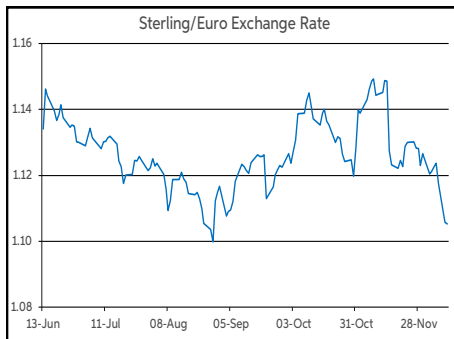
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Opening Levels

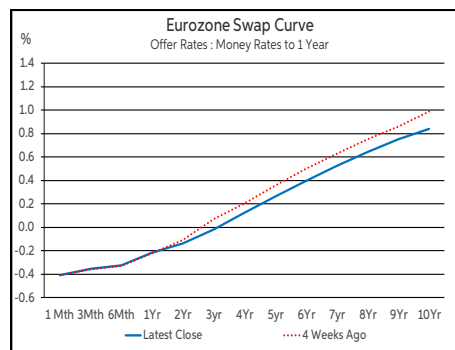
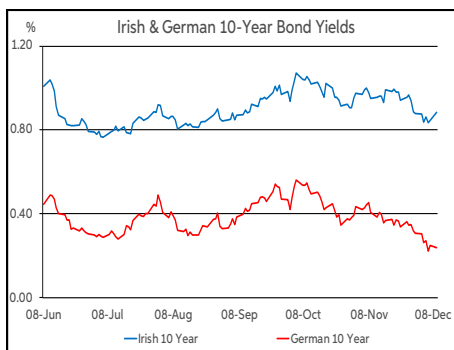
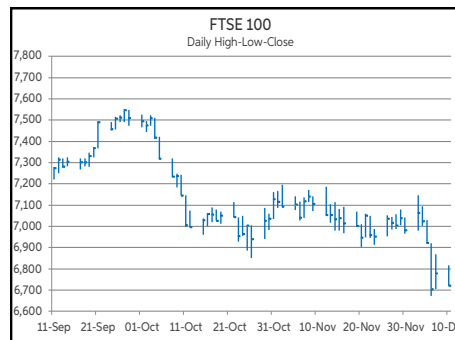
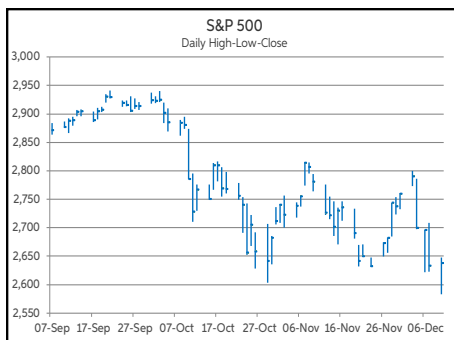
Tuesday 11 December 2018
07:29 am



Euro		Sterling		Dollar	
EUR/GBP	0.9046	GBP/EUR	1.1052	USD/JPY	113.12
EUR/USD	1.1373	GBP/USD	1.257	USD/CAD	1.3405
EUR/JPY	128.68	GBP/CAD	1.6852	USD/CHF	0.9889
EUR/SEK	10.311	GBP/NZD	1.829	USD/CNY	6.8979
EUR/DKK	7.4638	GBP/JPY	142.19	USD/BRL	3.9178
EUR/NOK	9.7151	GBP/SEK	11.3939	USD/RUB	66.4861
EUR/CHF	1.1247	GBP/DKK	8.2496	USD/INR	71.883
EUR/AUD	1.5782	GBP/NOK	10.7332	AUD/USD	0.7204
EUR/HKD	8.8846	GBP/CHF	1.2431	NZD/USD	0.6871
EUR/CAD	1.5245	GBP/AUD	1.7444		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 17
10 Year Yield %				
US	2.86	+1	-32	+46
Germany	0.24	-1	-15	-18
UK	1.17	-9	-27	-1
Ireland	0.89	+4	-7	N/A
Belgium	0.72	-1	-9	+11
France	0.69	+1	-8	-9
Italy	3.07	-3	-35	+108
Spain	1.43	-0	-14	-11
Portugal	1.77	-2	-16	-13
Greece	4.22	+3	-15	+18
5 Year Swap %				
US	2.76	-4	-40	+52
Eurozone	0.26	-1	-9	-6
UK	1.25	-6	-17	+22
2 Year Swap %				
US	2.81	-4	-30	+73
Eurozone	-0.14	-1	-3	+0
UK	1.11	-5	-7	+31
10 Year Government Bond Spreads to Benchmark bps				
Ireland	65	+5	+7	N/A
Belgium	49	+1	+5	+29
France	45	+2	+7	+9
Italy	283	-2	-20	+126
Spain	119	+1	+0	+7
Portugal	153	-1	-2	+5
Greece	398	+4	-0	+36



Commodities				
	Close	% Change		
		Day	4 Weeks	End 17
Brent Oil	59.97	-2.76	-14.48	-10.32
West Texas Oil	51.07	-3.20	-14.67	-15.53
CRB - All Commodity	181.65	-1.36	-3.37	-6.30
CRB - Food	334.18	+0.00	+0.53	-0.55
Gold \$	1244.7	-0.31	+3.66	-4.45

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