

## Subdued tone to currency markets

Currency markets adopted a subdued tone yesterday. A relatively quiet macro-calendar resulted in the main pairs trading within narrow ranges.

Of the limited FX action that did register, the dollar softened slightly following the release of the December non-manufacturing ISM. The index surprised to the downside of expectations and was recorded at 57.6 (f'cast 59.0). Despite the decline, the index remains consistent with a robust level of growth.

Meantime, Eurozone retail sales increased by a strong 0.6% in November, while October's figures were also revised up to 0.6%. However, the release generated little reaction in the euro.

In level terms, the marginally weaker dollar tone sees EUR/USD open this morning near the midpoint of the \$1.14-1.15 band, while cable (GBP/USD) is trading just below the \$1.28 level. Elsewhere, EUR/GBP was broadly flat on the day and is changing hands in the middle of the 89-90p range.

For the day ahead, the highlight of the macro-data calendar is the release of the December EC sentiment indices in the Eurozone. Mirroring the composite PMI, the headline index is expected to have moved down (to 108.4, from 109.5). However, in the absence of any major surprises, it is unlikely that there will be a significant impact on the euro.

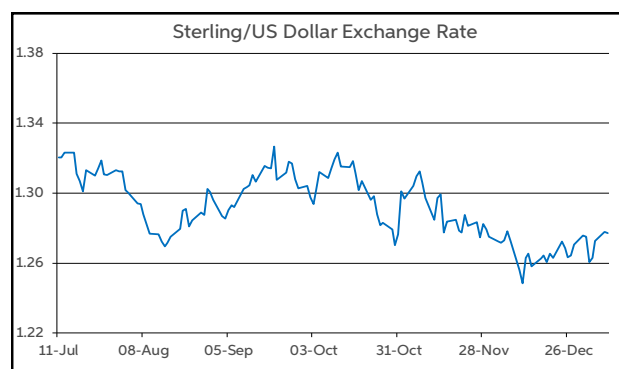
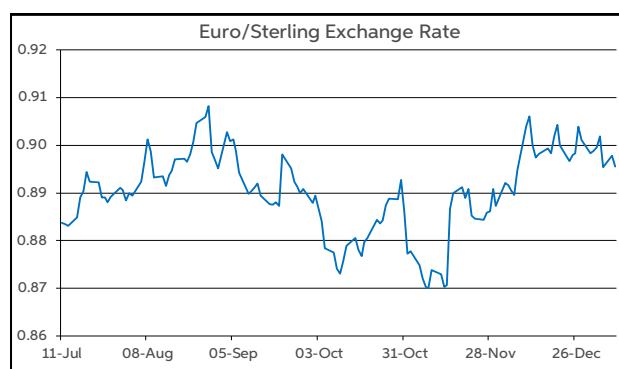
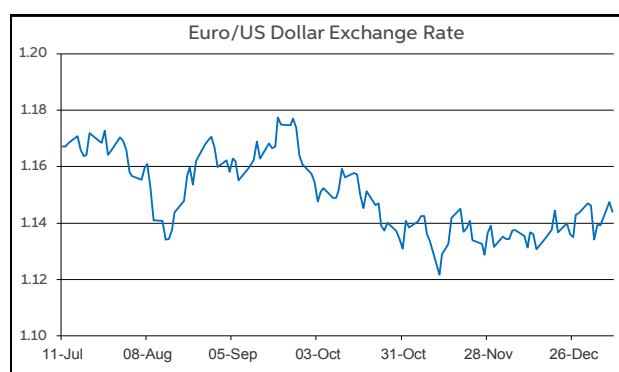
Both the UK and US schedules are very quiet. Therefore, in the absence of new information for markets to digest, moves in the dollar and sterling may be limited today. Although, sterling will remain sensitive to Brexit newsflow. Investors will also continue to keep an eye on developments in the US-China trade talks

**Conor Beakey, Economist, AIB**

Today's Opening Rates			
		% Change	
		Day *	End 2018
EUR/USD	1.1444	0.19	-0.22
EUR/GBP	0.8956	-0.02	-0.31
GBP/USD	1.2775	0.22	0.14
GBP/EUR	1.116	0.02	0.31
USD/JPY	109	0.76	-0.51
EUR/JPY	124.73	0.95	-0.78

\* 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	2.51	2.80	2.99	2.67	2.60
EUR	0.00	-0.36	-0.31	-0.12	-0.14	0.21
GBP	0.75	0.73	0.90	1.17	1.13	1.27

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2018 to Date	
Dow Jones	23531.35	+0.42	+0.87	
S&P 500	2549.69	+0.70	+1.71	
FTSE 100	6810.88	-0.39	+1.23	
DJ Stoxx 50	3033.64	-0.27	+1.07	
ISEQ	5651.16	-0.09	+3.13	
Nikkei	20204.04	+0.82	+0.95	

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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# Opening Levels

Tuesday 08 January 2019  
07:31 am



## Euro

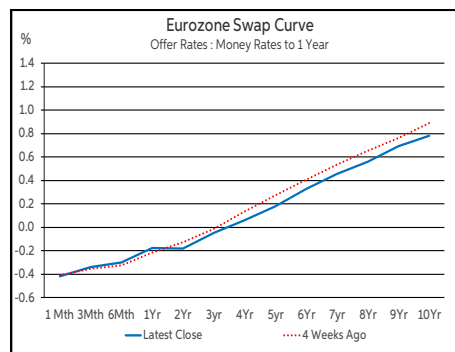
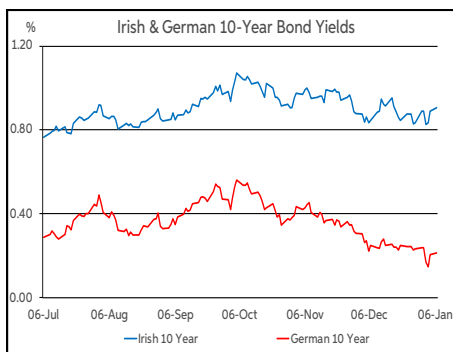
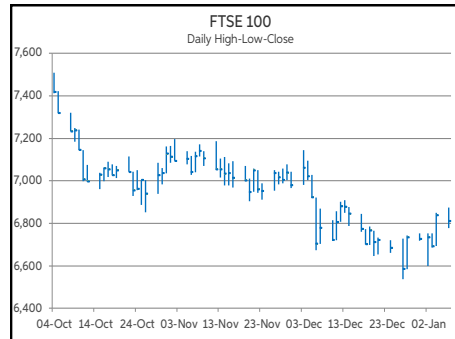
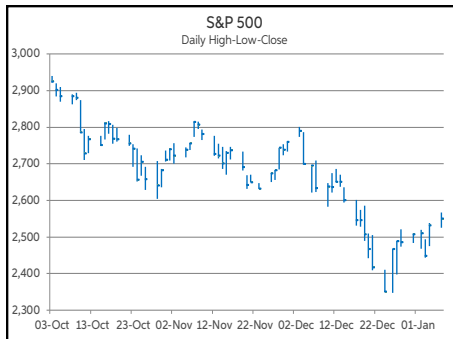
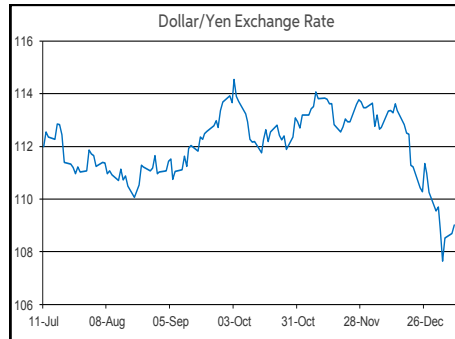
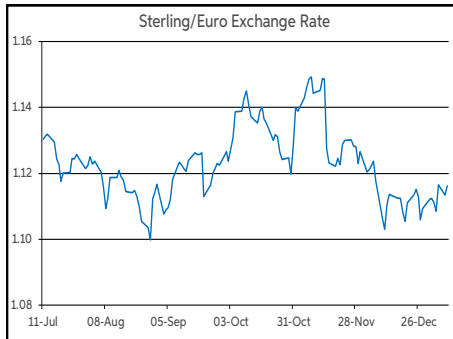
EUR/GBP	0.8956
EUR/USD	1.1444
EUR/JPY	124.73
EUR/SEK	10.2029
EUR/DKK	7.4683
EUR/NOK	9.781
EUR/CHF	1.1225
EUR/AUD	1.6058
EUR/HKD	8.9676
EUR/CAD	1.5197

## Sterling

GBP/EUR	1.116
GBP/USD	1.2775
GBP/CAD	1.6964
GBP/NZD	1.8958
GBP/JPY	139.25
GBP/SEK	11.3911
GBP/DKK	8.335
GBP/NOK	10.9197
GBP/CHF	1.2531
GBP/AUD	1.7928

## Dollar

USD/JPY	109
USD/CAD	1.328
USD/CHF	0.9807
USD/CNY	6.8576
USD/BRL	3.7351
USD/RUB	67.0955
USD/INR	69.92
AUD/USD	0.7125
NZD/USD	0.6736



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 18
<b>10 Year Yield %</b>				
US	2.70	+3	-17	+1
Germany	0.21	+1	-2	-2
UK	1.25	-2	+8	-2
<b>5 Year Swap %</b>				
US	2.58	+2	-20	+2
Eurozone	0.18	-4	-9	-5
UK	1.26	-2	-1	-6
<b>2 Year Swap %</b>				
US	2.65	-0	-18	+1
Eurozone	-0.18	-4	-5	-4
UK	1.11	-2	-1	-5
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	69	+1	+5	N/A
Belgium	56	+2	+7	+4
France	50	+1	+5	+4
Italy	267	+0	-16	+19
Spain	128	+2	+8	+10
Portugal	159	+0	+6	+12
Greece	413	-4	+15	+7

Commodities				
	Close	% Change		
		Day	4 Weeks	End 18
Brent Oil	57.33	+0.47	-4.40	+6.56
West Texas Oil	48.27	+1.07	-5.48	+6.91
CRB - All Commodity	174.64	+0.74	-3.86	+2.85
CRB - Food	331.23	+0.47	-0.68	+2.16
Gold \$	1288.7	+0.29	+3.54	+0.45

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