

Uneventful FX action

It was another largely uneventful day on currency markets yesterday. There was a lack of top tier data releases to provide direction. As a result, the main pairs remained contained within relatively tight ranges. In terms of the limited action that registered, sterling remained under some downward pressure amid the ongoing uncertainty in relation to Brexit.

Data-wise, the only Eurozone release of any note were the EC sentiment indices for December. The headline index printed below expectations, continuing the trend of weakening that has been evident throughout 2018. The latest survey result suggests that the economy failed to regain momentum heading into year end.

So as trading gets underway this morning, the majors open showing only modest changes over the last 24 hours. The EUR/USD pair continues to change hands near the midpoint of the \$1.14 -1.15 band. Elsewhere, EUR/GBP has edged up towards the 90p threshold, while GBP/USD is trading in the lower half of the \$1.27-1.28 range.

Ahead today, it is another uninspiring global data agenda. Therefore, macro data is unlikely to be a source of influence for currency markets.

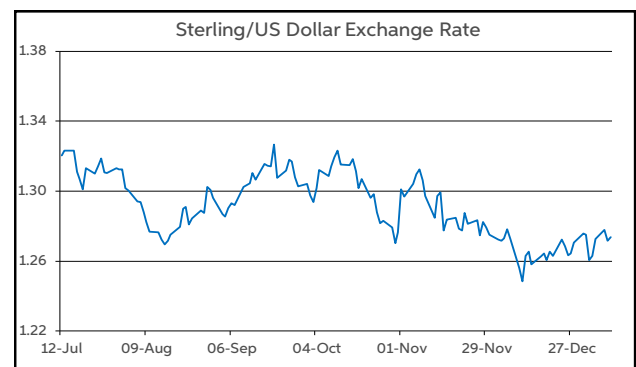
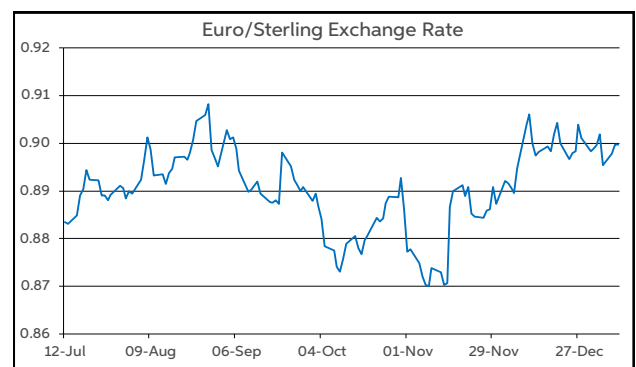
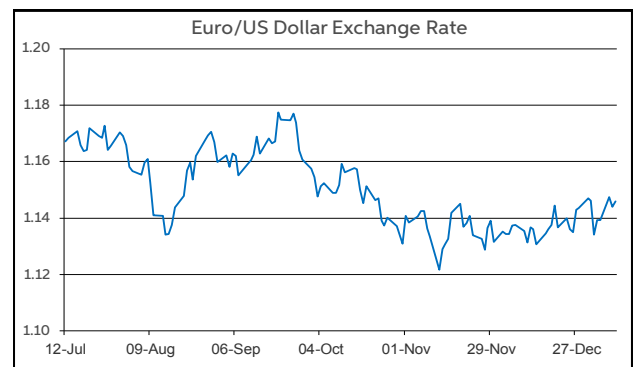
The US macro diary does include though the release (after close in Europe) of the Fed meeting minutes for December. At this meeting, the Fed hiked rates as expected, but it also reduced its rate hike projections for this year (from three to two). So the minutes will be looked to for further insight into the Fed's thinking. Although, we already have had a more timely update in this regard from a speech by Fed Chair Powell last Friday. Therefore, dollar sensitivity to the minutes may be limited.

John Fahey, Senior Economist, AIB

Today's Opening Rates			
		% Change	
		Day *	End 2018
EUR/USD	1.146	0.15	-0.08
EUR/GBP	0.8997	0.37	0.14
GBP/USD	1.2736	-0.20	-0.16
GBP/EUR	1.111	-0.37	-0.14
USD/JPY	108.91	0.12	-0.59
EUR/JPY	124.82	0.28	-0.71

* 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	2.78	3.02	2.72	2.64
EUR	0.00	-0.36	-0.31	-0.12	-0.13	0.23
GBP	0.75	0.73	0.91	1.18	1.14	1.28

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2018 to Date	
Dow Jones	23787.45	+1.09	+1.97	
S&P 500	2574.41	+0.97	+2.70	
FTSE 100	6861.6	+0.74	+1.98	
DJ Stoxx 50	3054.94	+0.70	+1.78	
ISEQ	5680.57	+0.52	+3.66	
Nikkei	20427.06	+1.10	+2.06	

All rates quoted are indicative market rates

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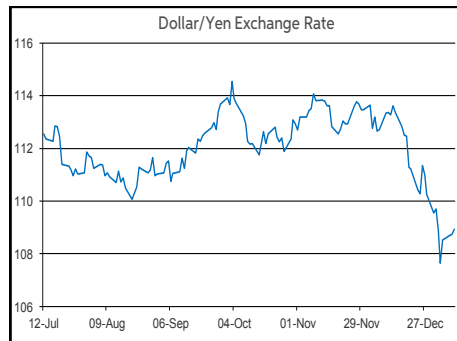
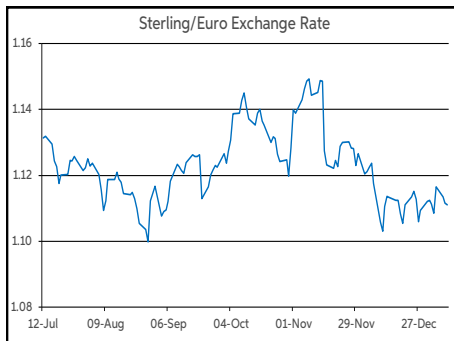
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Opening Levels

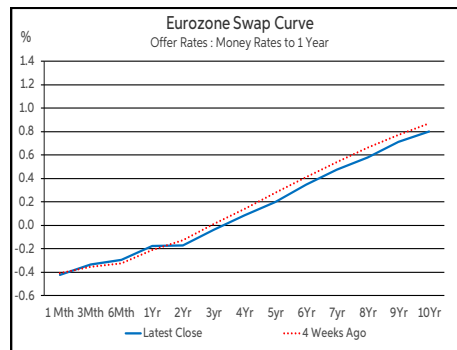
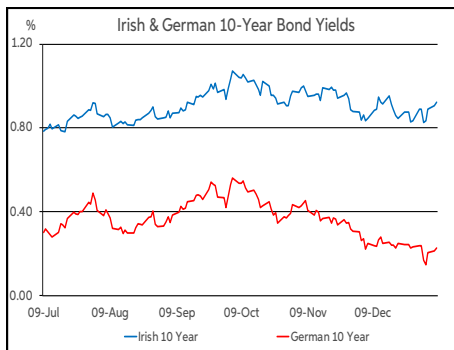
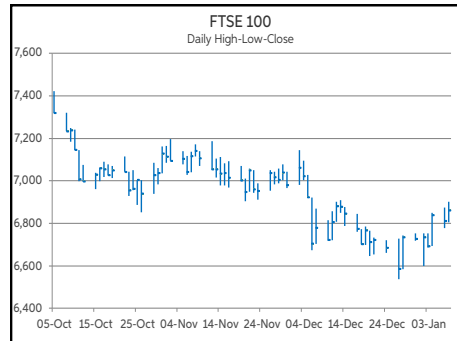
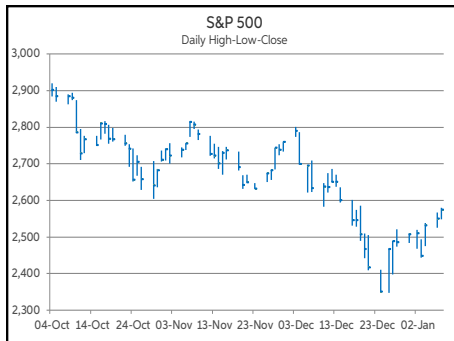
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Euro		Sterling		Dollar	
EUR/GBP	0.8997	GBP/EUR	1.111	USD/JPY	108.91
EUR/USD	1.146	GBP/USD	1.2736	USD/CAD	1.3229
EUR/JPY	124.82	GBP/CAD	1.6853	USD/CHF	0.9809
EUR/SEK	10.218	GBP/NZD	1.8854	USD/CNY	6.8359
EUR/DKK	7.4662	GBP/JPY	138.71	USD/BRL	3.7132
EUR/NOK	9.7809	GBP/SEK	11.354	USD/RUB	67.0925
EUR/CHF	1.1243	GBP/DKK	8.2976	USD/INR	70.37
EUR/AUD	1.6023	GBP/NOK	10.8699	AUD/USD	0.7151
EUR/HKD	8.983	GBP/CHF	1.2492	NZD/USD	0.6753
EUR/CAD	1.5164	GBP/AUD	1.7808		



	Close	Change bps		
		Day	4 Weeks	End 18
10 Year Yield %				
US	2.73	+3	-15	+5
Germany	0.23	+1	-1	-1
UK	1.26	+1	+7	-0
Ireland	0.92	+2	+3	+3
Belgium	0.78	+0	+5	+2
France	0.73	+1	+3	+3
Italy	2.95	+6	-16	+23
Spain	1.50	+1	+7	+8
Portugal	1.81	+2	+7	+11
Greece	4.31	-3	+9	+1
5 Year Swap %				
US	2.62	+4	-20	+6
Eurozone	0.20	-3	-8	-3
UK	1.27	-0	+1	-5
2 Year Swap %				
US	2.67	-0	-21	+3
Eurozone	-0.17	-2	-4	-3
UK	1.13	+1	+1	-3
10 Year Government Bond Spreads to Benchmark bps				
Ireland	70	+0	+4	N/A
Belgium	55	-1	+5	+3
France	50	-0	+4	+4
Italy	272	+5	-16	+24
Spain	127	-1	+8	+9
Portugal	159	+0	+8	+12
Greece	408	-5	+10	+2



	Close	% Change		
		Day	4 Weeks	End 18
Brent Oil	58.72	+2.42	-2.46	+9.14
West Texas Oil	49.58	+2.71	-4.01	+9.81
CRB - All Commodity	175.96	+0.76	-3.21	+3.63
CRB - Food	331.21	-0.02	+1.08	+2.15
Gold \$	1285.9	-0.22	+3.44	+0.23

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