

Sterling remains under pressure

The action on currency markets was muted for much of yesterday. However, sterling remained on the back foot amid reports (confirmed this morning) that PM Theresa May could be facing a Conservative Party motion of no confidence in her leadership.

Data-wise, some better than expected UK labour market figures had little impact on sterling. The annual growth rate of underlying earnings accelerated to a near 10-year high of 3.3% in the 3 months to October. Employment growth figures also surprised significantly to the upside, while the unemployment rate held at just 4.1%.

With Brexit uncertainty weighing on sterling, as well as a modest firming of the dollar, cable (GBP/USD) opens this morning close to the \$1.25 threshold. The firmer dollar is also reflected in EUR/USD changing hands in the lower half of the \$1.13-1.14 range. Meanwhile, EUR/GBP has been trading near the midpoint of the 90-91p band for much of the past 24 hours.

Turning to the day ahead, sterling could come under further pressure following this morning's official confirmation that Theresa May is facing a no-confidence vote this evening. While the PM is expected to win the vote, the newsflow has added further uncertainty to the whole Brexit process and in turn will likely add to the already challenging backdrop for sterling.

On the data front, we get November's CPI figures from the US today. Headline inflation is expected to have moderated to 2.2%, from 2.5%, on falling oil prices. However, the release is unlikely to generate much of a reaction in the dollar. In the Eurozone, the October reading of industrial production is due. Although, euro impact is likely to be negligible.

Conor Beakey, Economist, AIB

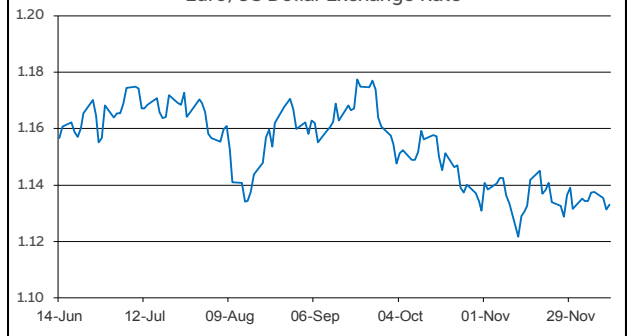
Today's Opening Rates

		% Change	
		Day *	End 2017
EUR/USD	1.1329	-0.35	-5.56
EUR/GBP	0.9053	0.11	1.91
GBP/USD	1.2512	-0.49	-7.40
GBP/EUR	1.1042	-0.11	-1.88
USD/JPY	113.46	0.34	0.70
EUR/JPY	128.55	-0.02	-4.90

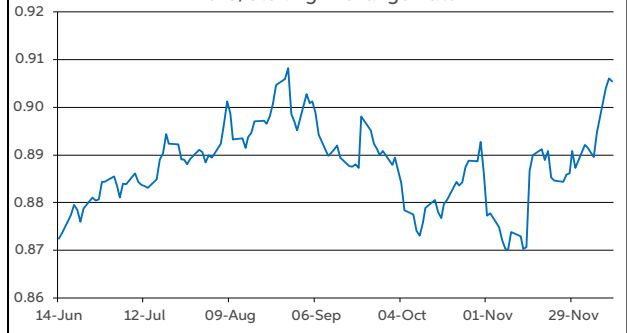
* v Previous Day's European Open

See Next Page for More Rates ▶▶▶

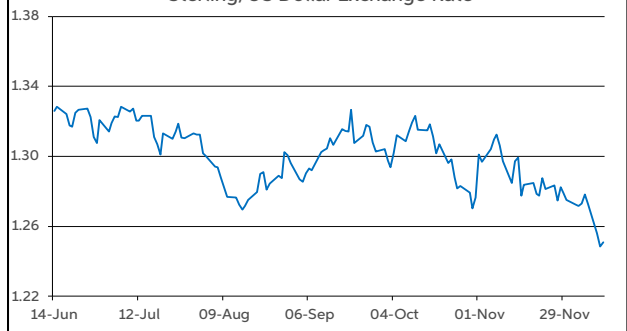
Euro/US Dollar Exchange Rate



Euro/Sterling Exchange Rate



Sterling/US Dollar Exchange Rate



	Opening Interest Rates					
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	2.125	2.43	2.78	3.09	2.88	2.85
EUR	0.00	-0.37	-0.31	-0.13	-0.13	0.28
GBP	0.75	0.73	0.90	1.15	1.12	1.25

	Equity Indices		
	Latest Close	% Changes	
		on Day	End 2017 to Date
Dow Jones	24370.24	-0.22	-1.41
S&P 500	2636.78	-0.04	-1.38
FTSE 100	6806.94	+1.27	-11.46
DJ Stoxx 50	3055.32	+1.27	-12.80
ISEQ	5491.94	+1.53	-21.97
Nikkei	21602.75	+2.15	-5.11

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

CONTACTS

AIB Customer Treasury Services
business.treasury@aib.ie
aib.corporate.treasury@aib.ie
fxcentre.aib.ie

Customer Treasury Services GB
treasury.gb@aib.ie
aibgb.co.uk/fxcentre

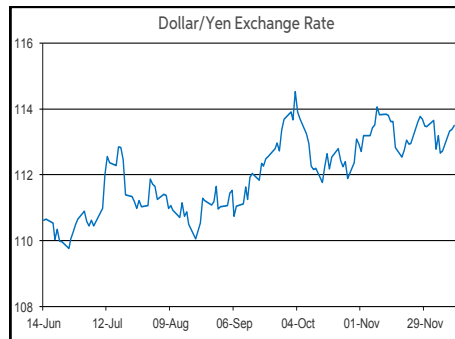
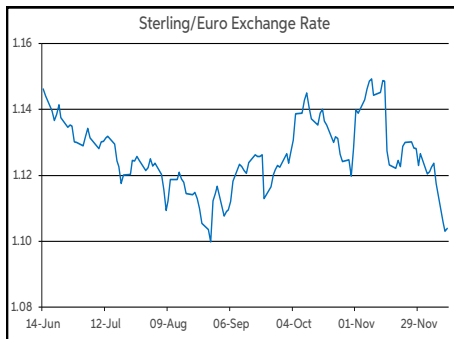
Customer Treasury Services NI
FTBtreasury@aib.ie
firsttrustbank.co.uk/fxcentre

Opening Levels

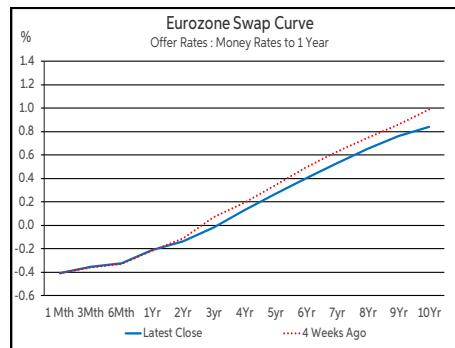
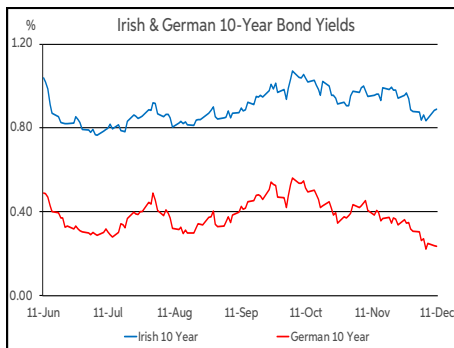
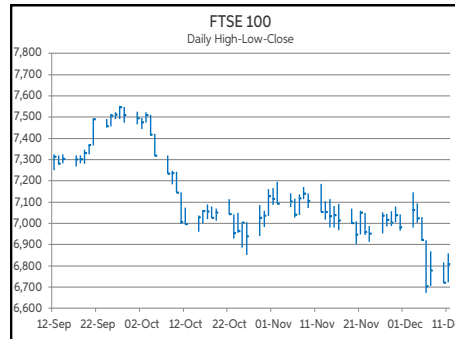
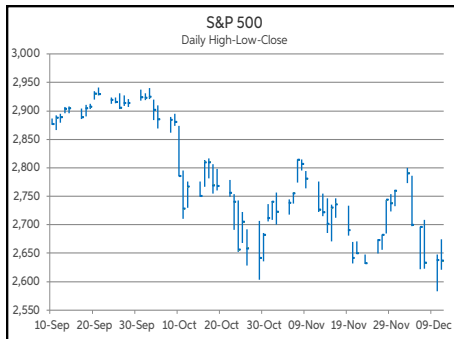
Wednesday 12 December 2018
07:29 am



Euro		Sterling		Dollar	
EUR/GBP	0.9053	GBP/EUR	1.104	USD/JPY	113.46
EUR/USD	1.1329	GBP/USD	1.2511	USD/CAD	1.3378
EUR/JPY	128.56	GBP/CAD	1.6738	USD/CHF	0.9931
EUR/SEK	10.2787	GBP/NZD	1.8228	USD/CNY	6.8913
EUR/DKK	7.465	GBP/JPY	141.95	USD/BRL	3.9039
EUR/NOK	9.7058	GBP/SEK	11.3479	USD/RUB	66.4049
EUR/CHF	1.1251	GBP/DKK	8.2426	USD/INR	72.025
EUR/AUD	1.5716	GBP/NOK	10.7139	AUD/USD	0.7207
EUR/HKD	8.8543	GBP/CHF	1.2424	NZD/USD	0.6861
EUR/CAD	1.5157	GBP/AUD	1.7351		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 17
10 Year Yield %				
US	2.88	+2	-26	+47
Germany	0.23	-0	-17	-19
UK	1.20	+3	-32	+1
Ireland	0.89	+0	-7	N/A
Belgium	0.73	+1	-10	+12
France	0.70	+1	-7	-8
Italy	3.11	+4	-32	+112
Spain	1.42	-1	-17	-12
Portugal	1.74	-3	-19	-15
Greece	4.22	-0	-19	+17
5 Year Swap %				
US	2.79	+1	-33	+55
Eurozone	0.27	-1	-8	-5
UK	1.24	-3	-23	+21
2 Year Swap %				
US	2.86	+3	-22	+78
Eurozone	-0.14	-1	-3	+0
UK	1.11	-1	-10	+31
10 Year Government Bond Spreads to Benchmark bps				
Ireland	66	+1	+10	N/A
Belgium	50	+1	+7	+30
France	46	+1	+10	+11
Italy	288	+5	-15	+130
Spain	119	-0	+0	+7
Portugal	151	-2	-2	+3
Greece	398	-0	-2	+36



Commodities				
	Close	% Change		
		Day	4 Weeks	End 17
Brent Oil	60.2	+0.38	-8.05	-9.97
West Texas Oil	51.65	+1.14	-7.15	-14.57
CRB - All Commodity	181.80	+0.09	-1.48	-6.22
CRB - Food	327.68	-5.83	-0.76	-2.49
Gold \$	1243.0	-0.13	+3.35	-4.58

This publication is for information purposes and is not an invitation to deal. The information is believed to be reliable but is not guaranteed. Any expressions of opinions are subject to change without notice. This publication is not to be reproduced in whole or in part without prior permission. In the Republic of Ireland it is distributed by Allied Irish Banks, p.l.c. In the UK it is distributed by Allied Irish Banks, p.l.c. and Allied Irish Bank (GB). In Northern Ireland it is distributed by First Trust Bank. In the United States of America it is distributed by Allied Irish Banks, p.l.c. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland. Allied Irish Bank (GB) and First Trust Bank are trade marks used under licence by AIB Group (UK) p.l.c. (a wholly owned subsidiary of Allied Irish Banks, p.l.c.), incorporated in Northern Ireland. Registered Office 92 Ann Street, Belfast BT1 3HH. Registered Number NI018800. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In the United States of America, Allied Irish Banks, p.l.c., New York Branch, is a branch licensed by the New York State Department of Financial Services. Deposits and other investment products are not FDIC insured, they are not guaranteed by any bank and they may lose value. Please note that telephone calls may be recorded in line with market practice.