

UK labour market data fails to boost sterling

Currency markets retained a subdued tone yesterday. The highlight of the macro calendar, the UK labour market report for the 3-months to February, prompted no major movement in sterling. Employment growth edged down to 1.4%, from 1.5%, and the jobless rate held at the multi-decade low level of 3.9%. At the same time, underlying wage inflation was recorded at 3.4%, while the corresponding figure for the previous period was revised up a new cycle high of 3.5%.

In terms of the day's other macro releases, US industrial production fell by 0.1% in March, disappointing to the downside (f'cast +0.2%). Manufacturing output growth was held back by a fall in vehicle production. However, the data had little dollar impact.

Overnight, we got Chinese GDP data for Q1. The YoY growth rate printed slightly ahead of expectations, holding at 6.4% (f'cast 6.3%). Although, the usual caveat applies to official Chinese figures.

Overall, the lack of moves on currency markets sees EUR/GBP remain close to the midpoint of the 86-87p band, while EUR/USD continues to straddle the \$1.13 level. Elsewhere, cable (GBP/USD) is changing hands in the \$1.30-\$1.31 range.

Today, there is a similarly sparse calendar in both the Eurozone and the US, with the publication of the Fed's Beige Book the only release of any note. Therefore, both the euro and the dollar could again struggle for direction.

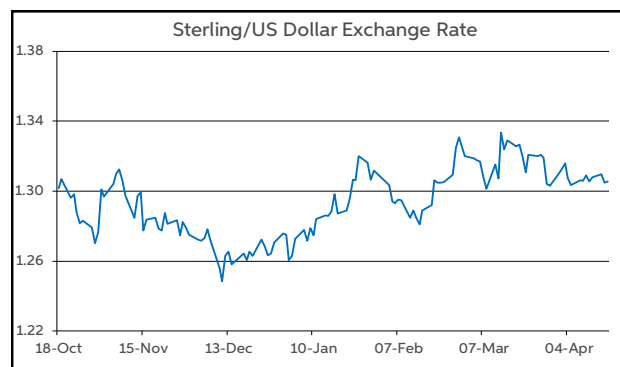
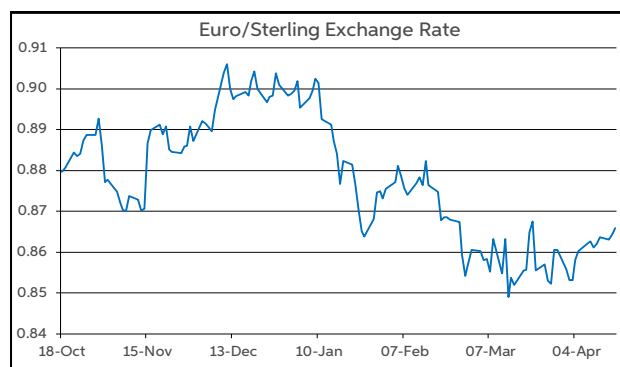
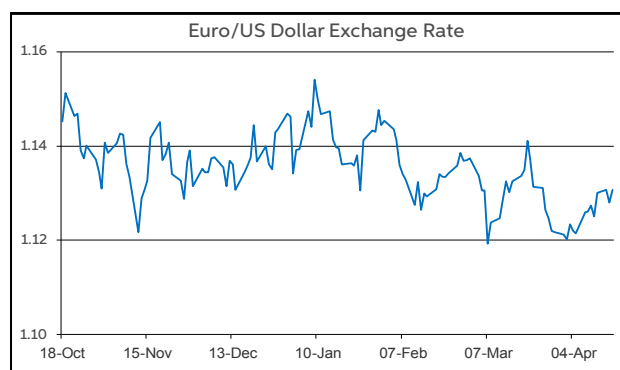
In the UK, the March reading of CPI is due. The consensus is for both the headline and the core rates of inflation to have edged up to just 2.0% and 1.9% respectively. Barring a major surprise, sterling reaction may be limited.

Conor Beakey, Economist, AIB

Today's Opening Rates			
		% Change	
		Day *	End 2018
EUR/USD	1.1307	0.03	-1.41
EUR/GBP	0.866	0.29	-3.61
GBP/USD	1.3055	-0.24	2.34
GBP/EUR	1.1541	-0.29	3.74
USD/JPY	111.95	-0.01	2.18
EUR/JPY	126.57	0.02	0.68

* 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	2.48	2.60	2.76	2.51	2.43
EUR	0.00	-0.37	-0.31	-0.11	-0.18	0.08
GBP	0.75	0.73	0.82	1.10	1.06	1.23

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2018 to Date	
Dow Jones	26452.66	+0.26	+13.40	
S&P 500	2907.06	+0.05	+15.96	
FTSE 100	7469.92	+0.44	+11.03	
DJ Stoxx 50	3463.36	+0.37	+15.39	
ISEQ	6433.97	+0.61	+17.41	
Nikkei	22280.28	+0.26	+11.32	

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

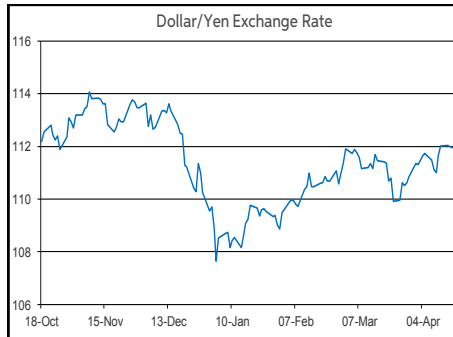
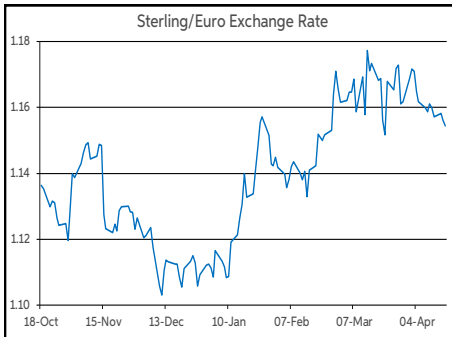
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite Lenny Hogan	Reuters Phone	AIB 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

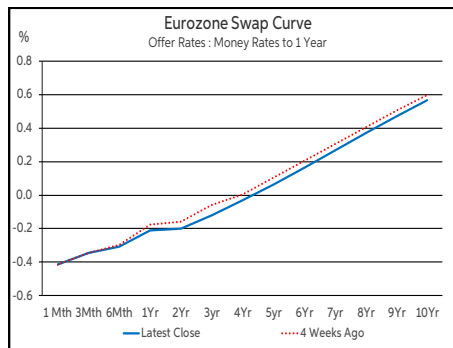
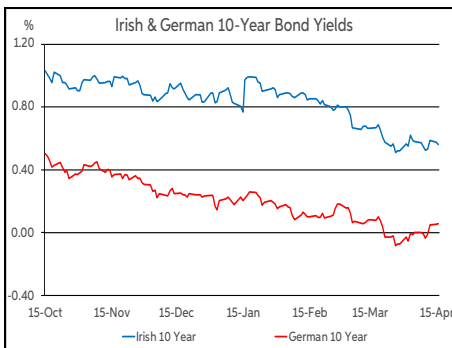
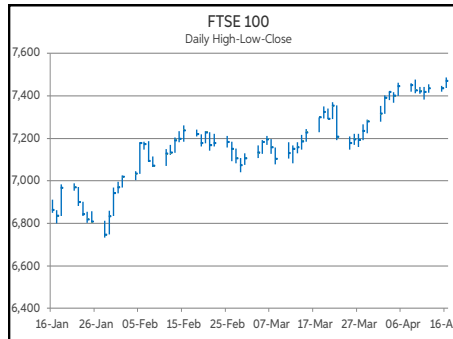
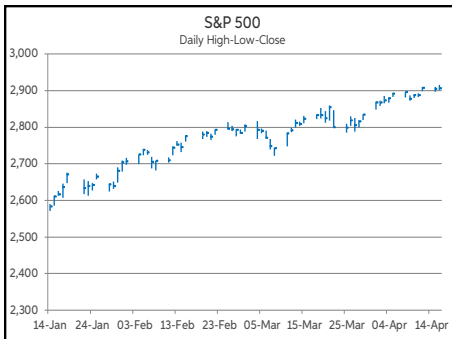
Wednesday 17 April 2019
07:20 am



Euro		Sterling		Dollar	
EUR/GBP	0.866	GBP/EUR	1.154	USD/JPY	111.95
EUR/USD	1.1307	GBP/USD	1.3055	USD/CAD	1.3331
EUR/JPY	126.57	GBP/CAD	1.7403	USD/CHF	1.0067
EUR/SEK	10.448	GBP/NZD	1.9361	USD/CNY	6.6934
EUR/DKK	7.4646	GBP/JPY	146.15	USD/BRL	3.9043
EUR/NOK	9.583	GBP/SEK	12.0618	USD/RUB	64.0403
EUR/CHF	1.1385	GBP/DKK	8.6163	USD/INR	69.492
EUR/AUD	1.5709	GBP/NOK	11.0617	AUD/USD	0.7197
EUR/HKD	8.8683	GBP/CHF	1.3146	NZD/USD	0.6741
EUR/CAD	1.507	GBP/AUD	1.814		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 18
10 Year Yield %				
US	2.59	+4	-3	-9
Germany	0.06	+0	-4	-18
UK	1.21	-0	+2	-5
Ireland	0.56	-1	-12	N/A
Belgium	0.51	-0	-3	-25
France	0.41	-1	-6	-29
Italy	2.59	+2	+11	-12
Spain	1.08	+1	-7	-34
Portugal	1.19	+0	-11	-52
Greece	3.23	-4	-43	-107
5 Year Swap %				
US	2.41	+2	-5	-15
Eurozone	0.06	+0	-4	-17
UK	1.22	-1	-1	-9
2 Year Swap %				
US	2.48	+1	-9	-16
Eurozone	-0.20	-1	-4	-6
UK	1.05	-1	-3	-11
10 Year Government Bond Spreads to Benchmark bps				
Ireland	51	-2	-8	N/A
Belgium	45	-1	+1	-7
France	35	-1	-1	-11
Italy	254	+2	+15	+6
Spain	102	+0	-3	-16
Portugal	113	+0	-6	-34
Greece	317	-4	-39	-89



Commodities				
	Close	% Change		
		Day	4 Weeks	End 18
Brent Oil	71.72	+0.76	+6.08	+33.31
West Texas Oil	64.01	+0.91	+8.27	+41.77
CRB - All Commodity	187.28	-0.07	+1.10	+10.29
CRB - Food	345	-1.32	+2.61	+6.41
Gold \$	1277.0	-0.87	-2.28	-0.46

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