

EUR/GBP at 93p

The action on currency markets last week ended with sterling coming under further downward pressure. The currency hit fresh multi-year lows against the euro and the dollar respectively. Weak Q2 GDP data and concerns about the possibility of a no-deal Brexit impacted the currency.

Sterling weakness sees EUR/GBP open this morning up at 93p, near its weakest levels in the post-referendum period. Meanwhile, GBP/USD is below the midpoint of the \$1.20-1.21 range. At the same time, EUR/USD continues to straddle the \$1.12 handle.

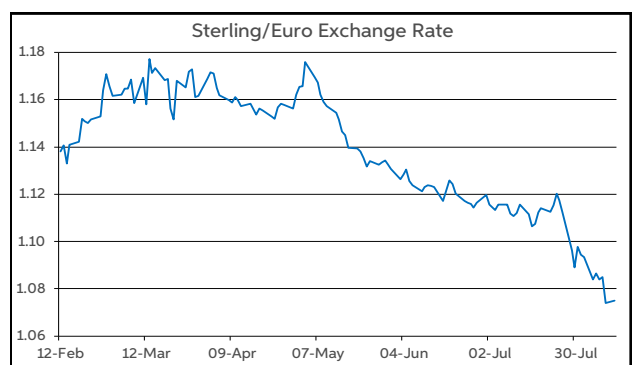
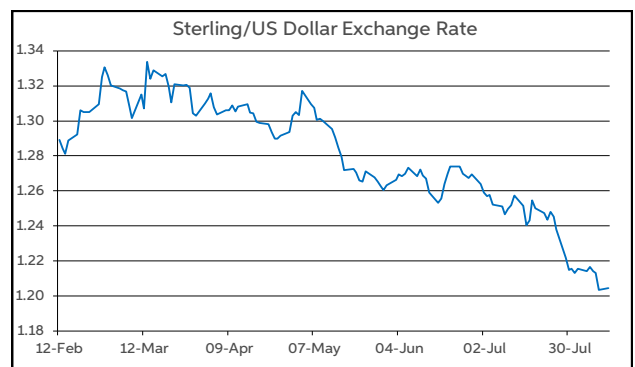
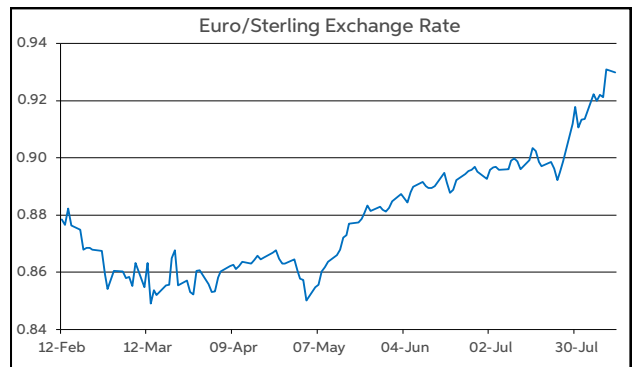
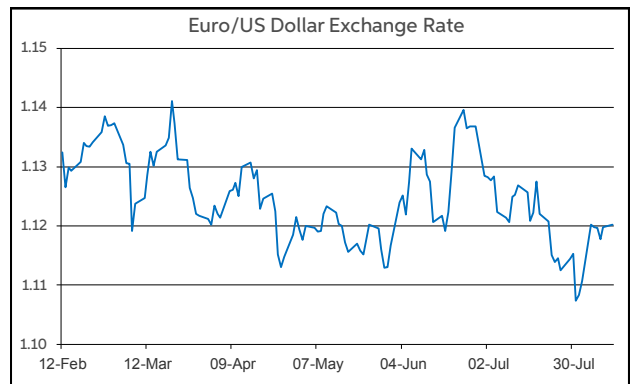
Elsewhere, markets alternated between a 'risk-on' and 'risk-off' mood for much of last week. In addition to a no-deal Brexit, fears of a breakout of a currency war between the US and China and political turmoil in Italy all weighed on sentiment at various stages.

This week, in the UK Q2 labour market data is due. Employment growth looks to have slowed to a crawl, though underlying earnings growth is projected to have hit a new cycle high. Despite strong earnings growth, retail sales are expected to have dipped by 0.3% in July. Overall though, the data may have a negligible impact, as markets remain focussed on Brexit.

In the US, the July retail sales report is the main highlight of the calendar. Buoyed by a strong labour market, the consensus is for the key control measure of sales to have risen by a solid 0.3%. The data may offer some support to the dollar.

For the euro, the macro calendar is unlikely to be a source of direction for the currency this week. Meantime, market sentiment may continue to exhibit sensitivity to geo-political developments over the week.

Conor Beakey, Economist. AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2018
EUR/USD	1.1201	0.07	-2.34
EUR/GBP	0.9299	0.80	3.51
GBP/USD	1.2043	-0.75	-5.60
GBP/EUR	1.0748	-0.80	-3.39
USD/JPY	105.41	-0.54	-3.79
EUR/JPY	118.09	-0.47	-6.06

* v Previous Day's European Open

See Next Page for More Rates

Opening Interest Rates						
Base Rate	Short Term			Long Term		
	1-Mth	3-Mth	12-Mth	2-Yr	5-Yr	
USD	2.125	2.19	2.18	1.99	1.60	1.47
EUR	0.00	-0.40	-0.40	-0.34	-0.51	-0.44
GBP	0.75	0.71	0.76	0.83	0.64	0.60

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

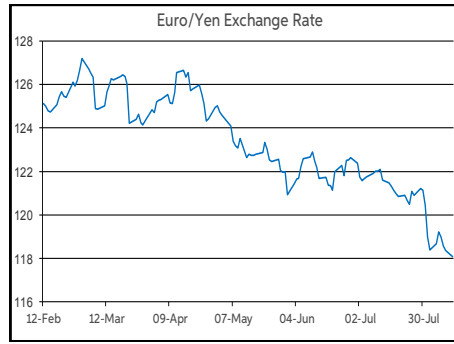
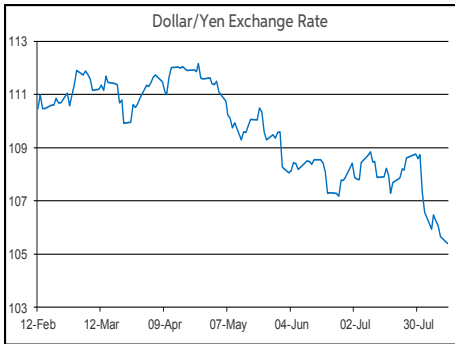
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite Lenny Hogan	Reuters Phone	AIBI 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

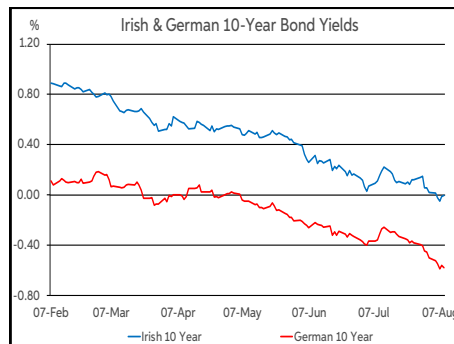
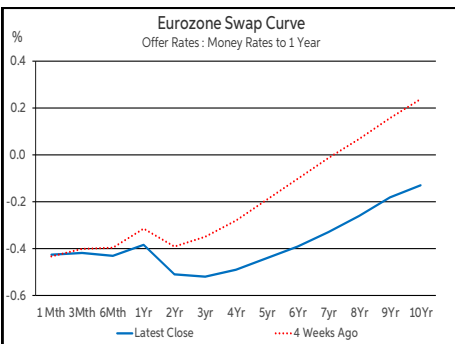
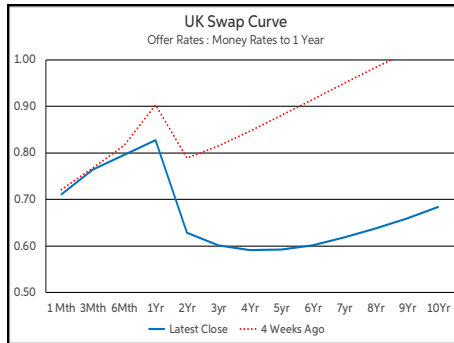
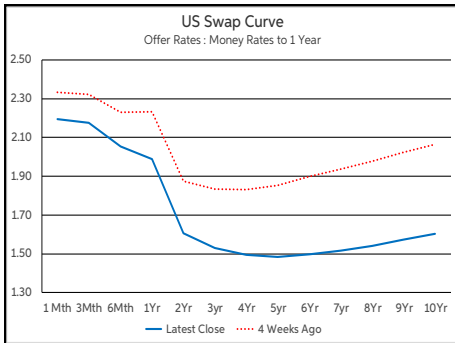
Monday 12 August 2019
07:43 am



Euro		Sterling		Dollar	
EUR/GBP	0.93	GBP/EUR	1.075	USD/JPY	105.41
EUR/USD	1.1201	GBP/USD	1.2044	USD/CAD	1.3227
EUR/JPY	118.11	GBP/CAD	1.593	USD/CHF	0.9727
EUR/SEK	10.7059	GBP/NZD	1.8623	USD/CNY	7.0631
EUR/DKK	7.4637	GBP/JPY	126.96	USD/BRL	3.9391
EUR/NOK	9.9477	GBP/SEK	11.5088	USD/RUB	65.25
EUR/CHF	1.0898	GBP/DKK	8.0227	USD/INR	70.991
EUR/AUD	1.6518	GBP/NOK	10.6951		
EUR/HKD	8.7856	GBP/CHF	1.1714	AUD/USD	0.6779
EUR/CAD	1.4817	GBP/AUD	1.7758	NZD/USD	0.6465



Debt Markets				
	Close	Day	4 Weeks	End 18
10 Year Yield %				
US	1.74	+2	-38	-94
Germany	-0.58	-2	-32	-82
UK	0.48	-4	-35	-78
Ireland	-0.01	+1	-23	N/A
Belgium	-0.22	+1	-36	-98
France	-0.27	+1	-33	-97
Italy	1.81	+28	+9	-91
Spain	0.24	+4	-31	-118
Portugal	0.27	+4	-37	-144
Greece	2.10	+9	-21	-220
5 Year Swap %				
US	1.49	+4	-37	-108
Eurozone	-0.44	+1	-25	-67
UK	0.59	-5	-29	-72
2 Year Swap %				
US	1.61	+3	-27	-103
Eurozone	-0.51	-2	-12	-37
UK	0.63	-5	-16	-54
10 Year Government Bond Spreads to Benchmark bps				
Ireland	57	+2	+10	N/A
Belgium	36	+3	-4	-17
France	31	+3	-1	-16
Italy	239	+30	+41	-9
Spain	82	+6	+1	-36
Portugal	85	+6	-4	-62
Greece	268	+11	+12	-138



Commodities				
	Close	Day	4 Weeks	End 18
Brent Oil	58.53	+2.00	-12.28	+8.79
West Texas Oil	54.41	+3.44	-9.30	+20.51
Gold \$	1497.6	-0.28	+5.77	+16.74

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