

UK labour market data in focus

Action on currency markets amongst the main pairs yesterday was subdued. A sparse macro-data schedule meant there was little to provide direction. Of the limited moves that did register, sterling opens marginally higher this morning. However, it remains close to its multi-year lows against the dollar and the euro.

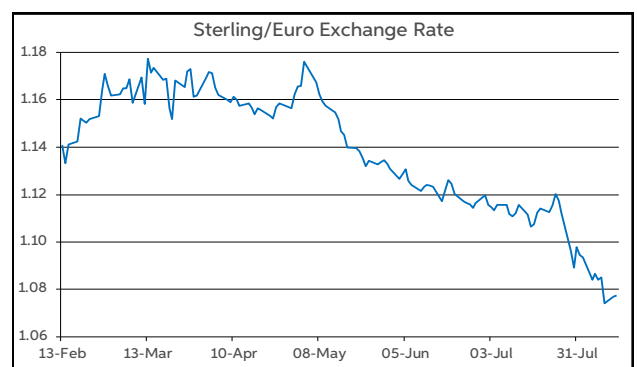
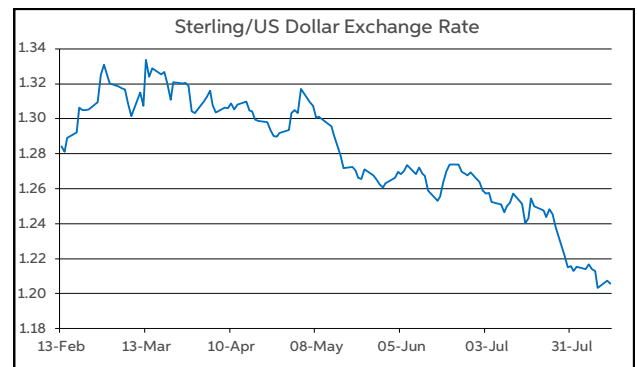
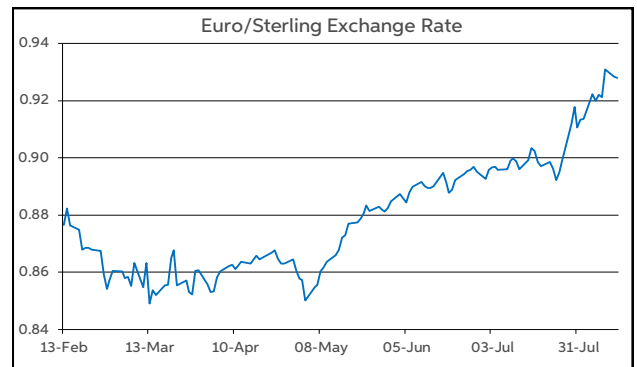
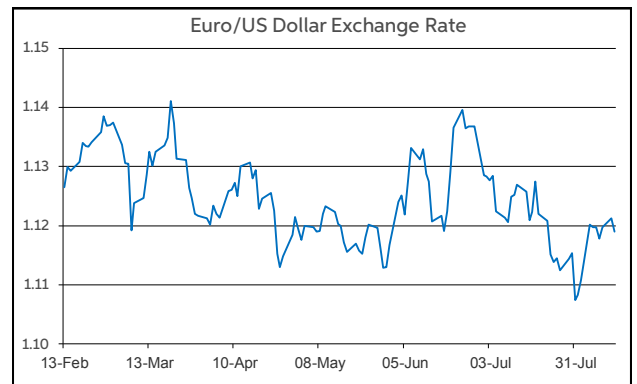
Elsewhere, global political uncertainty (Argentina, Hong Kong and Italy) weighed on investor sentiment yesterday. Equities traded lower, with the S&P 500 closing down 1.2%. Bonds also experienced some safe haven demand, with the 10-year US Treasury yield falling by 10bps to 1.64%.

As trading gets underway this morning, on the currency front the very modest support for sterling sees EUR/GBP open just below the 93p level. At the same time, cable (GBP/USD) has moved up from the \$1.20 mark. Meanwhile, EUR/USD continues to trade in a tight range near the \$1.12 threshold.

Today, there is little data out to influence the euro. On the political front, uncertainty in Italy continues (Senate due to decide on timeframe for no-confidence vote), though so far there has been no impact on the euro. Meantime, in the US July CPI is due. It is anticipated that lower energy prices continued to contain inflation, with the headline rate forecast at 1.7% (June 1.8%). Barring a major surprise, dollar reaction could be limited.

For sterling, the day features the Q2 labour market bulletin. Employment growth looks to have slowed to just 0.1% q/q, though the jobless rate is forecast to have held at 3.8%. Meanwhile, tight labour conditions are expected to result in underlying wage inflation picking up to a new cycle high of 3.8%. Overall though, the data could offer some marginal support to sterling.

Conor Beakey, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2018
EUR/USD	1.1191	-0.14	-2.42
EUR/GBP	0.9281	-0.30	3.31
GBP/USD	1.2057	0.17	-5.49
GBP/EUR	1.0771	0.30	-3.20
USD/JPY	105.34	-0.06	-3.85
EUR/JPY	117.89	-0.21	-6.22

* 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	2.20	2.18	1.99	1.55	1.41
EUR	0.00	-0.40	-0.40	-0.34	-0.50	-0.44
GBP	0.75	0.71	0.76	0.82	0.63	0.59

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

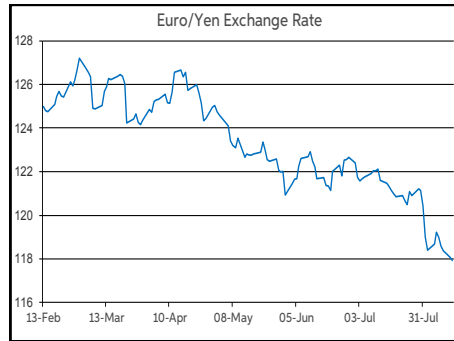
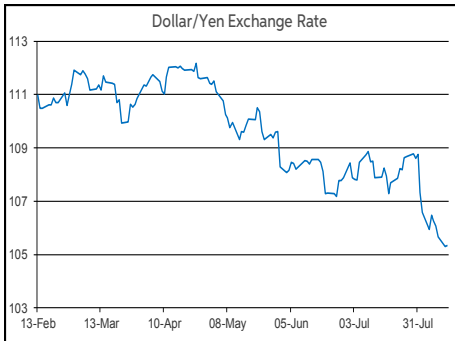
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite Lenny Hogan	Reuters Phone	AIB 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

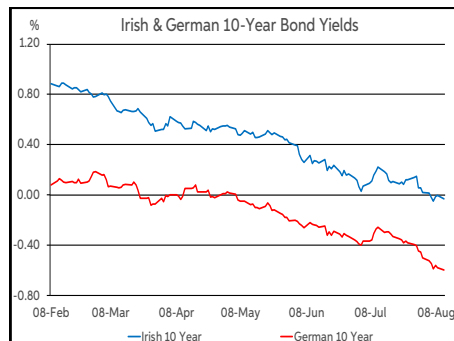
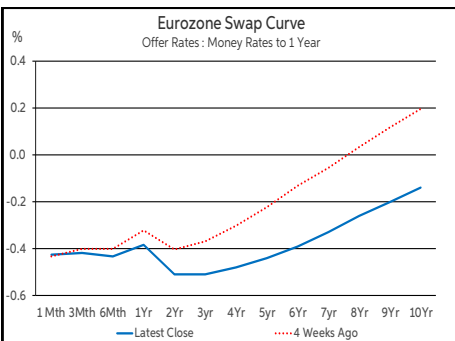
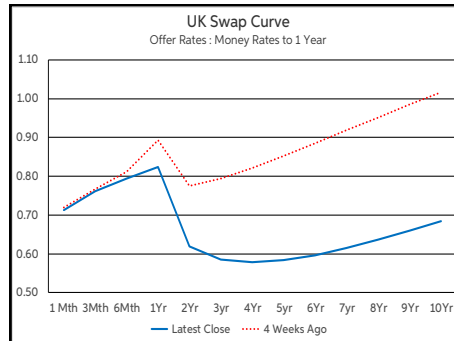
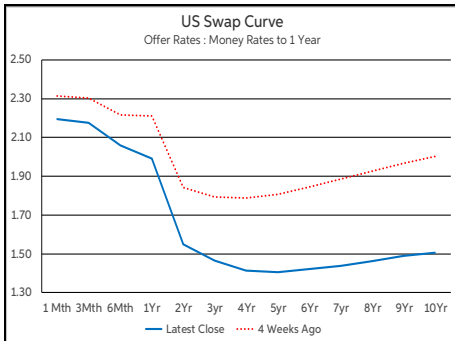
Tuesday 13 August 2019
07:13 am



Euro		Sterling		Dollar	
EUR/GBP	0.9281	GBP/EUR	1.0773	USD/JPY	105.34
EUR/USD	1.119	GBP/USD	1.2057	USD/CAD	1.3241
EUR/JPY	117.89	GBP/CAD	1.5966	USD/CHF	0.9715
EUR/SEK	10.7132	GBP/NZD	1.8688	USD/CNY	7.065
EUR/DKK	7.4635	GBP/JPY	127.01	USD/BRL	3.9848
EUR/NOK	9.9834	GBP/SEK	11.5384	USD/RUB	65.406
EUR/CHF	1.0871	GBP/DKK	8.0405	USD/INR	71.1475
EUR/AUD	1.6548	GBP/NOK	10.7555	AUD/USD	0.6762
EUR/HKD	8.7796	GBP/CHF	1.1712	NZD/USD	0.6448
EUR/CAD	1.4822	GBP/AUD	1.7827		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 18
10 Year Yield %				
US	1.64	-10	-45	-104
Germany	-0.60	-2	-30	-84
UK	0.49	+0	-31	-78
Ireland	-0.03	-3	-22	N/A
Belgium	-0.24	-2	-32	-100
France	-0.29	-2	-30	-99
Italy	1.71	-9	+8	-100
Spain	0.22	-2	-28	-120
Portugal	0.23	-4	-35	-147
Greece	2.14	+4	-13	-216
5 Year Swap %				
US	1.41	-10	-40	-116
Eurozone	-0.44	-2	-22	-67
UK	0.58	-2	-27	-73
2 Year Swap %				
US	1.55	-8	-29	-109
Eurozone	-0.51	-1	-11	-37
UK	0.62	-2	-16	-55
10 Year Government Bond Spreads to Benchmark bps				
Ireland	57	-1	+9	N/A
Belgium	36	+0	-2	-16
France	31	+0	+1	-15
Italy	231	-7	+38	-17
Spain	82	+0	+3	-36
Portugal	83	-2	-4	-64
Greece	274	+6	+17	-132



Commodities				
	% Change			
	Close	Day	4 Weeks	End 18
Brent Oil	58.57	+0.07	-11.90	+8.87
West Texas Oil	54.98	+1.05	-7.28	+21.77
Gold \$	1511.7	+0.94	+6.87	+17.83

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