

EUR/GBP back below 92p

The action on currency markets yesterday saw sterling trading higher, moving further away from multi-year lows against the euro and the dollar. This may have been in part due to some reversal of what were stretched short positions on the currency. An upside surprise in the July retail sales report (+0.2% vs f'cast -0.2%) could also have aided sterling.

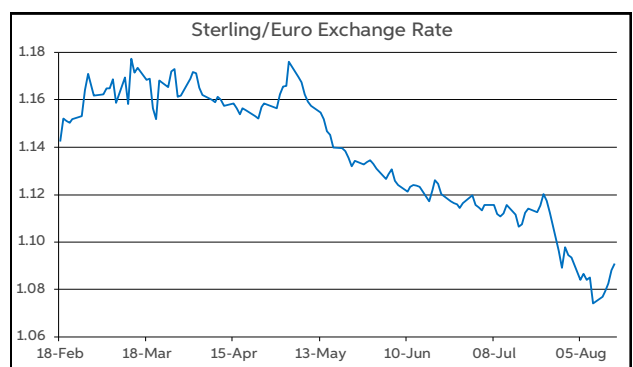
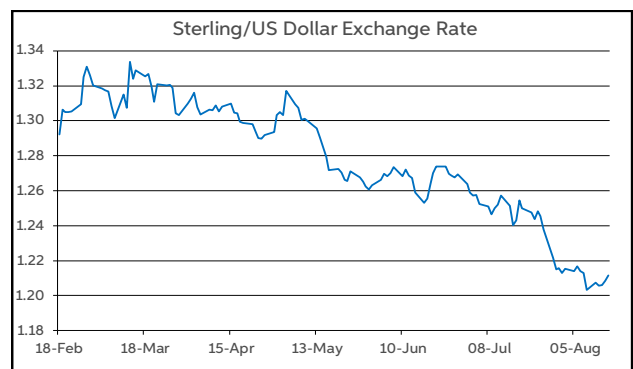
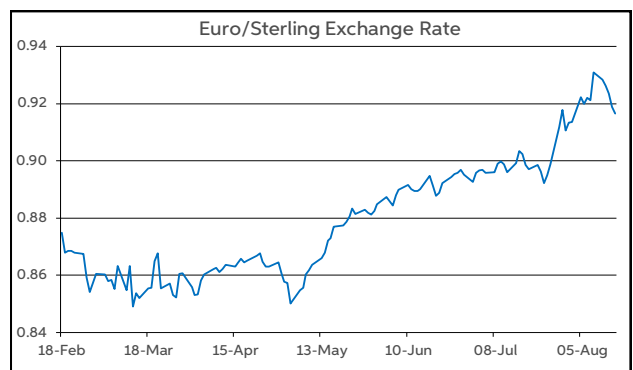
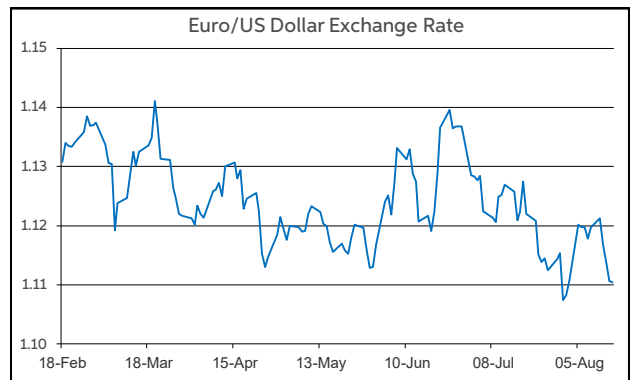
In the US, July retail sales also beat expectations. Headline sales rose by a strong 0.7%, while the closely watch 'control' group increased by 1% (both measures forecast at +0.3%). The increase in July may have been overstated by the 'Amazon Prime' sale. However, the data confirmed that retail sales expenditure remains on an upward trend. Overall though, dollar impact was minimal.

Meanwhile, the ECB's Ollie Rehn yesterday stated that the central bank is preparing to announce a "very strong package of policy measures" in September. His comments coincided with a fall in both Eurozone swap rates and bond yields (German 10-year yields hit new record lows of -0.73%). This in turn saw the euro under some pressure.

In level terms, the support for sterling and a slightly weaker euro sees EUR/GBP open this morning back below the 92p level. At the same time, cable (GBP/USD) is changing hands above \$1.21. Meanwhile, EUR/USD is trading back down at the \$1.11 mark.

Turning to the day ahead, there is no macro-data due for release that could impact either the euro or sterling. Therefore, the EUR/GBP pair could range trade heading into the weekend. In the US, the flash reading of consumer confidence (Uni of Michigan measure) for August is due. It is anticipated that sentiment declined, but it is unlikely to provoke a move in the dollar.

Conor Beakey, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2018
EUR/USD	1.1103	-0.42	-3.19
EUR/GBP	0.9165	-0.89	2.01
GBP/USD	1.2111	0.46	-5.06
GBP/EUR	1.0905	0.89	-1.97
USD/JPY	106.09	0.18	-3.17
EUR/JPY	117.8	-0.24	-6.29

* 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	2.18	2.12	1.93	1.52	1.36
EUR	0.00	-0.40	-0.41	-0.35	-0.56	-0.52
GBP	0.75	0.71	0.77	0.85	0.67	0.59

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

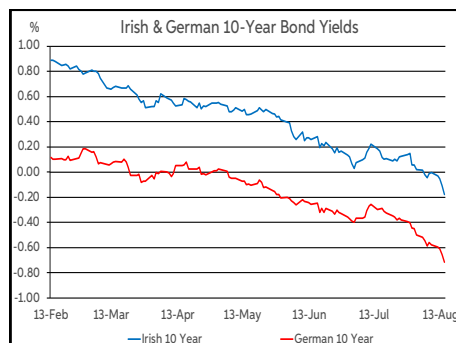
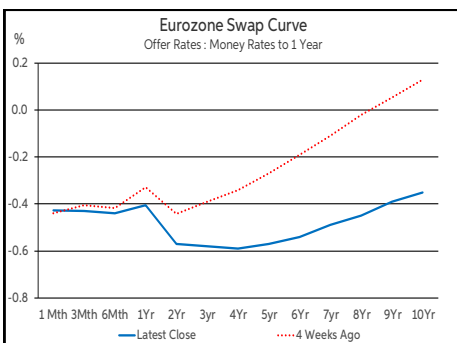
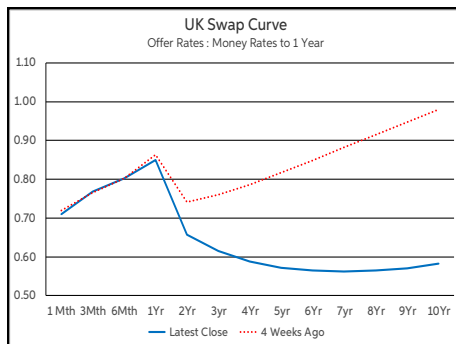
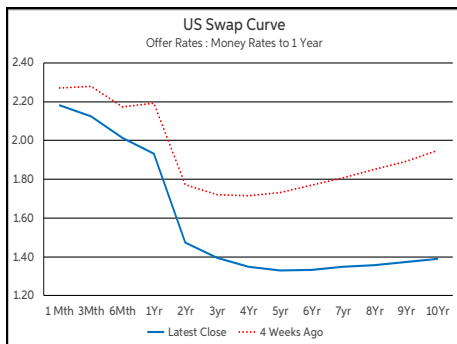
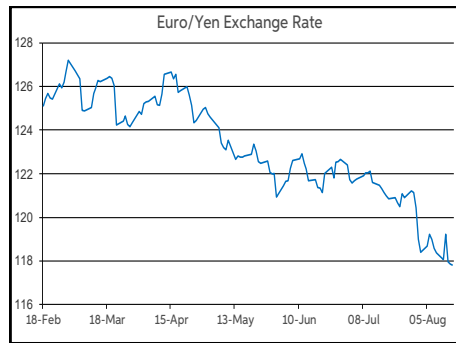
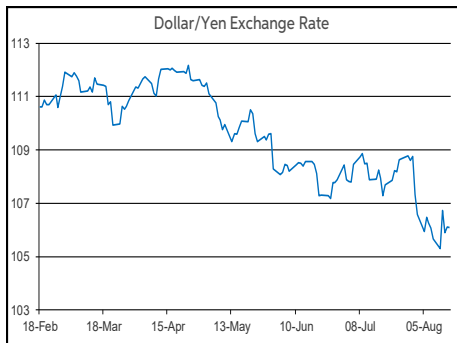
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite Lenny Hogan	Reuters Phone	AIB 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

Friday 16 August 2019
07:12 am



Euro		Sterling		Dollar	
EUR/GBP	0.9165	GBP/EUR	1.0905	USD/JPY	106.09
EUR/USD	1.1103	GBP/USD	1.2111	USD/CAD	1.3307
EUR/JPY	117.8	GBP/CAD	1.6117	USD/CHF	0.9783
EUR/SEK	10.7008	GBP/NZD	1.8801	USD/CNY	7.0369
EUR/DKK	7.4602	GBP/JPY	128.49	USD/BRL	3.9913
EUR/NOK	10.0126	GBP/SEK	11.671	USD/RUB	66.0214
EUR/CHF	1.0865	GBP/DKK	8.1373	USD/INR	71.27
EUR/AUD	1.6359	GBP/NOK	10.9203	AUD/USD	0.6786
EUR/HKD	8.7076	GBP/CHF	1.185	NZD/USD	0.644
EUR/CAD	1.4775	GBP/AUD	1.7844		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 18
10 Year Yield %				
US	1.50	-8	-53	-118
Germany	-0.72	-6	-41	-96
UK	0.40	-4	-35	-86
Ireland	-0.18	-7	-28	N/A
Belgium	-0.39	-6	-39	-115
France	-0.44	-6	-37	-114
Italy	1.32	-17	-23	-140
Spain	0.03	-9	-36	-138
Portugal	0.07	-10	-39	-164
Greece	2.02	+1	-8	-228
5 Year Swap %				
US	1.33	-9	-40	-123
Eurozone	-0.57	-10	-30	-80
UK	0.57	-4	-25	-74
2 Year Swap %				
US	1.47	-10	-30	-117
Eurozone	-0.57	-6	-13	-43
UK	0.66	-1	-8	-51
10 Year Government Bond Spreads to Benchmark bps				
Ireland	54	-1	+13	N/A
Belgium	33	+0	+2	-19
France	28	-0	+3	-19
Italy	204	-11	+18	-44
Spain	75	-3	+5	-42
Portugal	78	-4	+2	-69
Greece	274	+7	+33	-132

Commodities				
	% Change			
	Close	Day	4 Weeks	End 18
Brent Oil	58.23	-2.10	-5.97	+8.23
West Texas Oil	54.51	-1.18	-1.03	+20.73
Gold \$	1523.5	+0.45	+5.31	+18.75

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