

## Quiet 24 hours on the FX front

Compared to the start of the previous two weeks, risk appetite commenced this week on a firmer footing. The lack of any further escalation in the US/China trade dispute and news that Germany was considering a fiscal stimulus package for its economy helped to create a more supportive backdrop.

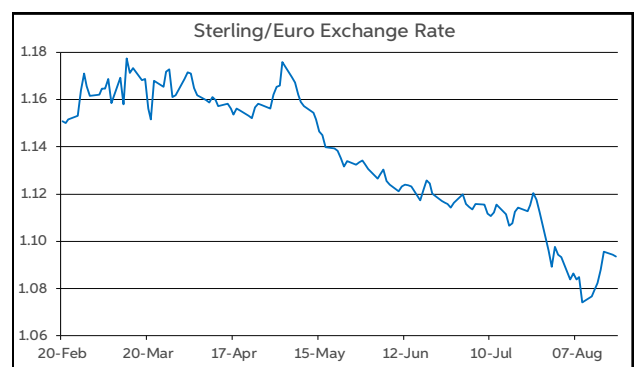
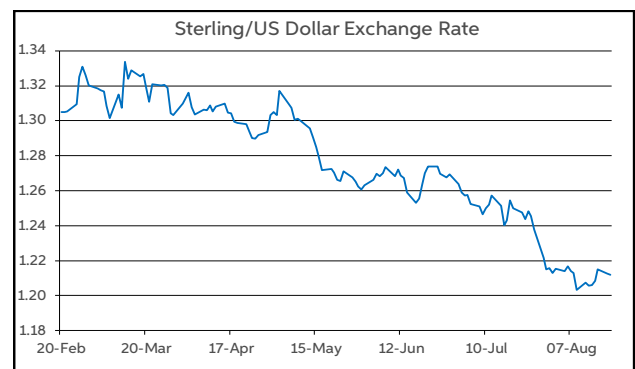
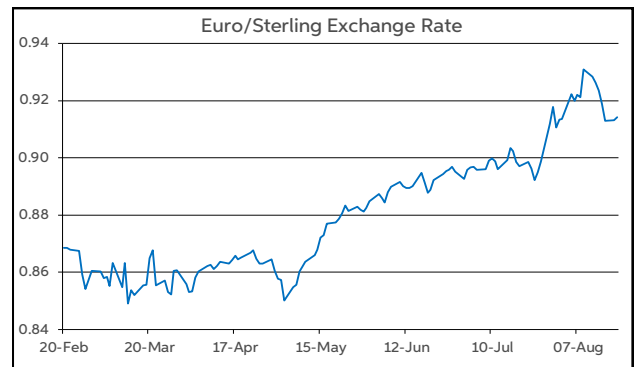
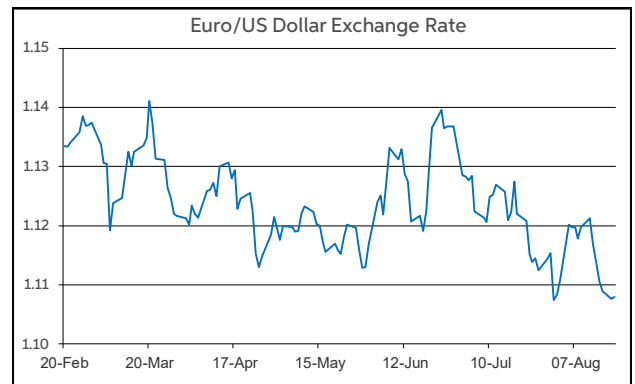
The improvement in investor sentiment was reflected in gains for equity markets on both sides of the Atlantic. In Europe, the Euro Stoxx 50 gained 1.2%. Meanwhile, at the closing bell on Wall Street last night, the S&P 500 was also up 1.2% on the day. Given the more positive tone to risk appetite, there was reduced demand on bond markets. This was reflected in rising bond yields.

On the currency front, the action over the past 24 hours has been confined to fairly tight ranges. The very sparse macro data calendar meant there was little to be of influence on the main currency pairs. Of the limited moves to register, sterling is slightly lower over the period.

As trading gets underway this morning, EUR/GBP remains in the lower half of the 91-92p band, while EUR/USD opens once again below the \$1.11 level. Meantime, GBP/USD is changing hands within the \$1.21-1.22 trading range.

Looking ahead to today, it is another sparse diary in terms of macro data or events. Indeed, both the Eurozone and US schedules contain no releases of any note. As a result, EUR/USD could continue to operate in a tight range near its current level. Elsewhere, the only calendar highlight in the UK is the CBI industrial orders data for August. From a sterling viewpoint, this data may not garner much attention. However, the currency remains sensitive to Brexit newsflow.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2018
EUR/USD	1.1079	-0.11	-3.40
EUR/GBP	0.9142	0.20	1.76
GBP/USD	1.2118	-0.30	-5.01
GBP/EUR	1.0934	-0.20	-1.73
USD/JPY	106.46	0.12	-2.83
EUR/JPY	117.96	0.01	-6.16

\* 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	2.17	2.15	1.95	1.53	1.40
EUR	0.00	-0.42	-0.42	-0.39	-0.55	-0.52
GBP	0.75	0.71	0.77	0.87	0.71	0.65

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

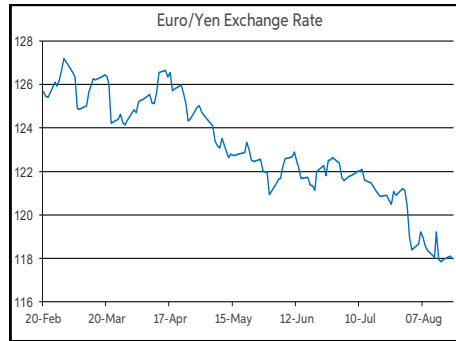
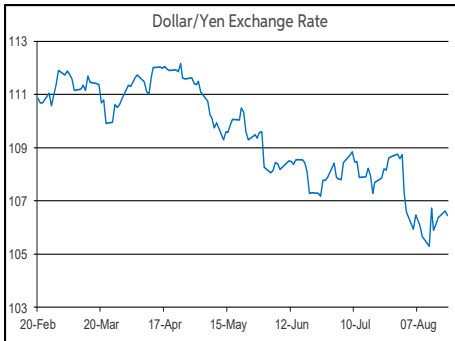
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite Lenny Hogan	Reuters Phone	AIB 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

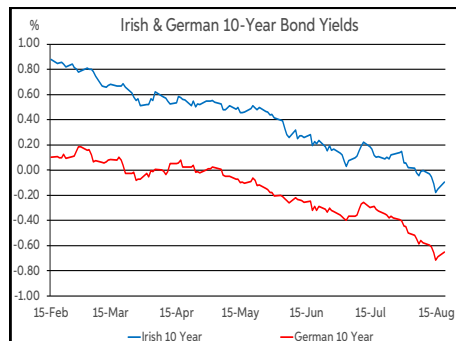
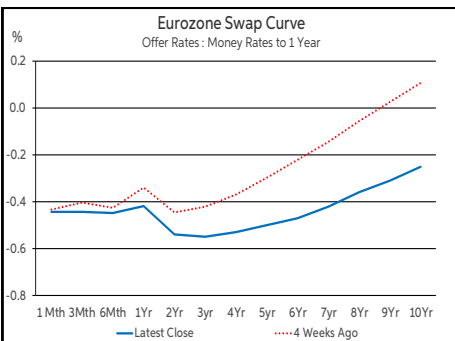
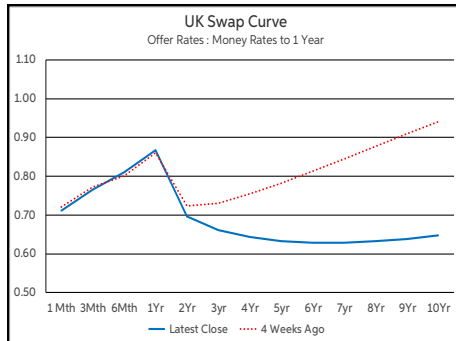
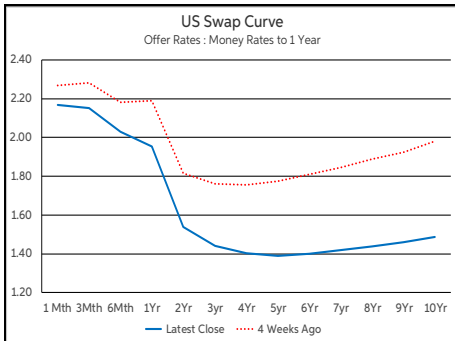
Tuesday 20 August 2019  
07:24 am



Euro		Sterling		Dollar	
EUR/GBP	0.9142	GBP/EUR	1.0934	USD/JPY	106.46
EUR/USD	1.1079	GBP/USD	1.2118	USD/CAD	1.3313
EUR/JPY	117.96	GBP/CAD	1.6135	USD/CHF	0.9803
EUR/SEK	10.7306	GBP/NZD	1.886	USD/CNY	7.0621
EUR/DKK	7.457	GBP/JPY	129	USD/BRL	4.0747
EUR/NOK	9.944	GBP/SEK	11.7339	USD/RUB	66.815
EUR/CHF	1.0864	GBP/DKK	8.154	USD/INR	71.575
EUR/AUD	1.632	GBP/NOK	10.8705	AUD/USD	0.6789
EUR/HKD	8.6904	GBP/CHF	1.188	NZD/USD	0.6422
EUR/CAD	1.4753	GBP/AUD	1.7849		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 18
<b>10 Year Yield %</b>				
US	1.61	+5	-44	-108
Germany	-0.65	+3	-31	-89
UK	0.47	+1	-24	-80
Ireland	-0.10	+6	-19	N/A
Belgium	-0.32	+5	-29	-108
France	-0.37	+4	-28	-107
Italy	1.42	+2	-23	-129
Spain	0.11	+4	-26	-130
Portugal	0.15	+4	-31	-156
Greece	2.00	+7	-7	-229
<b>5 Year Swap %</b>				
US	1.39	+0	-38	-117
Eurozone	-0.50	+5	-20	-73
UK	0.63	-2	-15	-68
<b>2 Year Swap %</b>				
US	1.54	+5	-28	-110
Eurozone	-0.54	+3	-10	-40
UK	0.70	-3	-3	-47
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	56	+2	+12	N/A
Belgium	33	+1	+1	-19
France	28	+1	+2	-18
Italy	208	-2	+8	-40
Spain	76	+0	+4	-41
Portugal	80	+1	+0	-67
Greece	266	+4	+24	-140



Commodities				
	% Change			
	Close	Day	4 Weeks	End 18
Brent Oil	59.74	+1.88	-5.56	+11.04
West Texas Oil	56.24	+2.57	+0.66	+24.56
Gold \$	1495.6	-1.25	+4.92	+16.58

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