

Main pairs continue to range trade

Market sentiment shifted again yesterday. Following on from Tuesday's cautious session, there was an improvement in risk appetite. This was reflected in the Euro Stoxx 50 and the S&P 500 finishing the day up 1.3% and 0.8% respectively.

Meanwhile, yesterday's release of the Fed's July meeting minutes had no dollar impact. Markets are instead looking ahead to Chair Powell's speech on Friday for a more up to date insight into the Fed's rate outlook given the recent escalation in trade tensions. Elsewhere, UK PM Johnson's meeting with German Chancellor Merkel proved to be a non-event for sterling.

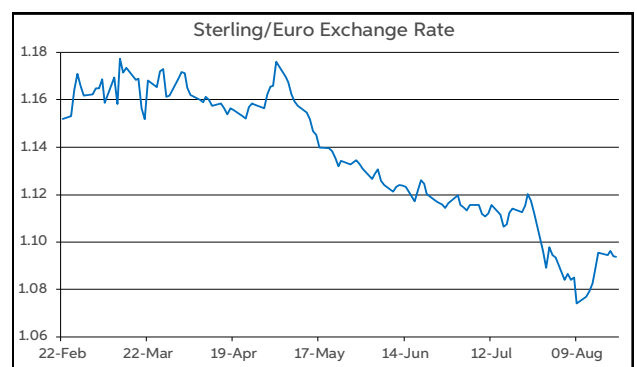
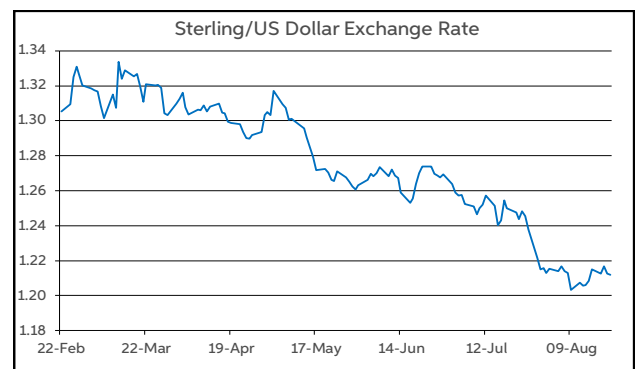
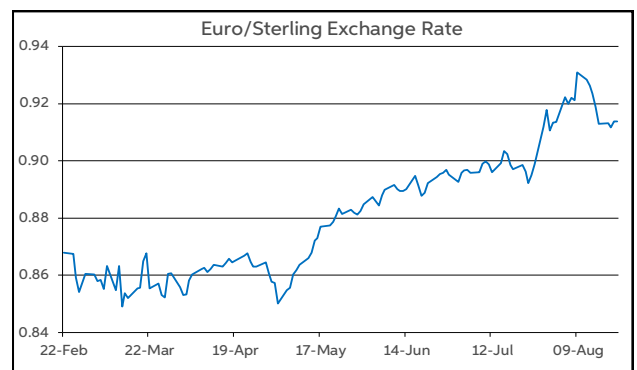
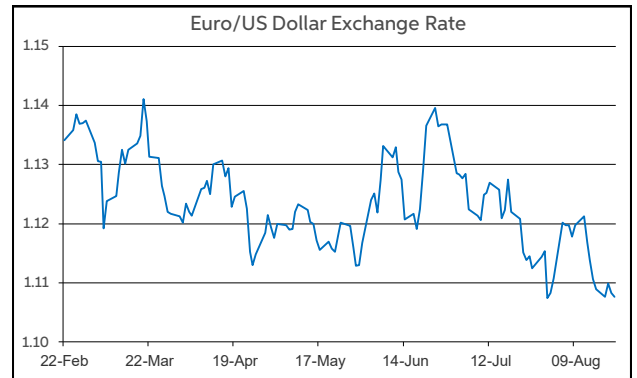
The lack of moves on currency markets sees the main pairs open this morning broadly unchanged from 24 hours previous. EUR/GBP remains close to the 91.5p mark, while EUR/USD is below the \$1.11 level. Meantime, GBP/USD is in the lower half of \$1.21-1.22.

Turning to the day ahead, there is no data due out that could prompt a move in sterling. However, Brexit related risk remains a possible source of influence for the currency, with PM Johnson due to meet with French President Emmanuel Macron.

In the Eurozone, the ECB's account of its July meeting is due but is unlikely to attract much attention from an FX perspective. However, the August PMIs could be of some significance for the euro, given ongoing concerns about growth in the region. The composite index is forecast to have dipped to 51.2, from 51.5.

Flash August PMIs are also the main release in the US. The forecast is for the composite PMI to have edged down slightly. However, barring a major surprise, dollar impact could be limited. Meantime, the Fed's Jackson Hole symposium gets underway today.

Conor Beakey, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2018
EUR/USD	1.1077	-0.14	-3.42
EUR/GBP	0.9139	0.12	1.73
GBP/USD	1.2118	-0.29	-5.01
GBP/EUR	1.0939	-0.12	-1.70
USD/JPY	106.3	-0.14	-2.98
EUR/JPY	117.75	-0.29	-6.33

* 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	-0.41	-0.42	-0.40	-0.53	-0.49
GBP	0.75	0.71	0.76	0.86	0.69	0.66

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

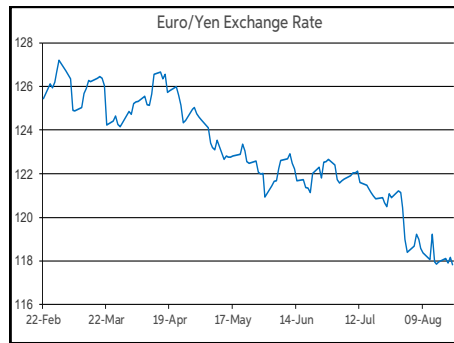
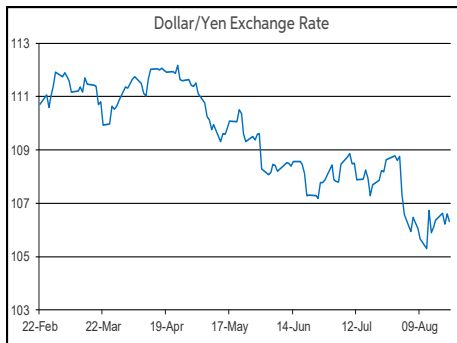
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIB 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

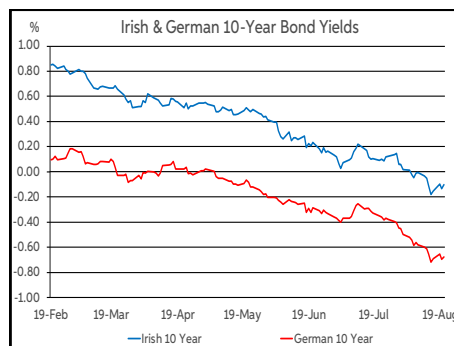
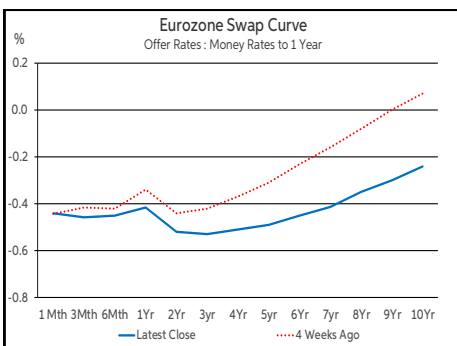
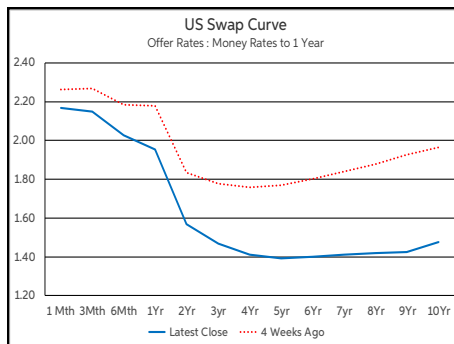
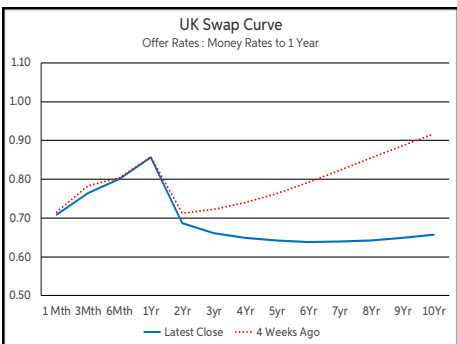
Thursday 22 August 2019
07:17 am



Euro		Sterling		Dollar	
EUR/GBP	0.9139	GBP/EUR	1.0939	USD/JPY	106.3
EUR/USD	1.1077	GBP/USD	1.2118	USD/CAD	1.3308
EUR/JPY	117.75	GBP/CAD	1.613	USD/CHF	0.982
EUR/SEK	10.6753	GBP/NZD	1.8984	USD/CNY	7.0713
EUR/DKK	7.4564	GBP/JPY	128.81	USD/BRL	4.0257
EUR/NOK	9.9242	GBP/SEK	11.6758	USD/RUB	65.825
EUR/CHF	1.0879	GBP/DKK	8.1559	USD/INR	71.7
EUR/AUD	1.637	GBP/NOK	10.8549	AUD/USD	0.6765
EUR/HKD	8.685	GBP/CHF	1.1901	NZD/USD	0.6383
EUR/CAD	1.4745	GBP/AUD	1.7908		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 18
10 Year Yield %				
US	1.59	+4	-46	-109
Germany	-0.68	+2	-30	-92
UK	0.47	+2	-20	-79
Ireland	-0.10	+4	-19	N/A
Belgium	-0.35	+1	-29	-111
France	-0.40	+1	-28	-111
Italy	1.32	-3	-16	-139
Spain	0.07	+0	-25	-134
Portugal	0.11	+0	-29	-159
Greece	1.95	-0	-1	-235
5 Year Swap %				
US	1.39	+2	-38	-117
Eurozone	-0.49	+2	-18	-72
UK	0.64	-0	-12	-67
2 Year Swap %				
US	1.57	+5	-26	-107
Eurozone	-0.52	+2	-8	-38
UK	0.69	-1	-3	-48
10 Year Government Bond Spreads to Benchmark bps				
Ireland	58	+2	+11	N/A
Belgium	33	-0	+1	-19
France	27	-0	+1	-19
Italy	200	-5	+13	-48
Spain	75	-2	+5	-43
Portugal	79	-1	+0	-68
Greece	263	-2	+28	-143



Commodities				
	% Change			
	Close	Day	4 Weeks	End 18
Brent Oil	60.3	+0.45	-4.56	+12.08
West Texas Oil	55.65	-0.94	-0.45	+23.26
Gold \$	1502.6	-0.32	+5.37	+17.12

This publication is for information purposes and is not an invitation to deal. The information is believed to be reliable but is not guaranteed. Any expressions of opinions are subject to change without notice. This publication is not to be reproduced in whole or in part without prior permission. In the Republic of Ireland it is distributed by Allied Irish Banks, p.l.c. In the UK it is distributed by Allied Irish Banks, p.l.c. and Allied Irish Bank (GB). In Northern Ireland it is distributed by First Trust Bank. In the United States of America it is distributed by Allied Irish Banks, p.l.c. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland. Allied Irish Bank (GB) and First Trust Bank are trade marks used under licence by AIB Group (UK) p.l.c. (a wholly owned subsidiary of Allied Irish Banks, p.l.c.), incorporated in Northern Ireland. Registered Office 92 Ann Street, Belfast BT1 3HH. Registered Number NI018800. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In the United States of America, Allied Irish Banks, p.l.c., New York Branch, is a branch licensed by the New York State Department of Financial Services. Deposits and other investment products are not FDIC insured, they are not guaranteed by any bank and they may lose value. Please note that telephone calls may be recorded in line with market practice.