

## Technical moves and resistance

Currency markets retained their overall subdued tone yesterday, though the euro did manage to edge higher. There were also some important technical moves.

The EUR/GBP pair has been largely confined to a tight 87-90p band since last September. The 89.5p mark has proved to be a key topside resistance level during this period. Brexit related concerns have contributed to the pair eking out some gains this week, with it opening above 89.5p this morning (only second time this year). Likewise, cable (GBP/USD) is changing hands in the lower half of the \$1.29-1.30 band, trading near levels not seen since September.

Meantime, EUR/USD has regained a footing above the \$1.16 level. It failed once again to break below \$1.153 on Monday, with the pair continuing to demonstrate strong support at the \$1.15-1.16 level (has held since July 2017).

Elsewhere, there was a positive tone to financial market sentiment yesterday. The upbeat sentiment seen in overnight Asia trading carried over into yesterday's European and US sessions.

Markets were buoyed by expectations that the Chinese government will move to boost investment in the world's second economy. Higher oil prices (Brent up near \$75 a barrel as US-Iran sanctions reinstated) also provided some support for equity markets. The Euro Stoxx 50 gained 0.6% on the day. Meanwhile in the US, the S&P 500 recorded a modest 0.3% rise.

In the day ahead, the data/events schedule remains very sparse on both sides of the Atlantic. Thus, FX markets could retain their overall subdued tone.

### Dara Turnbull, Economist, AIB

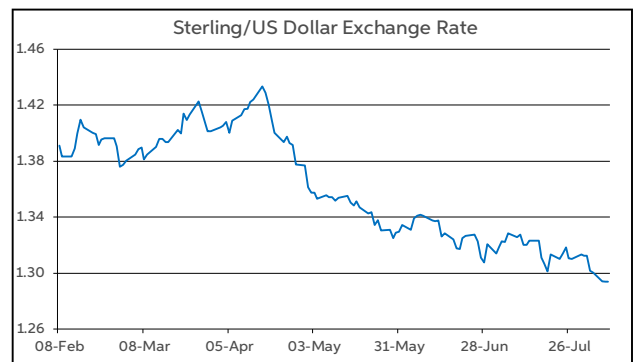
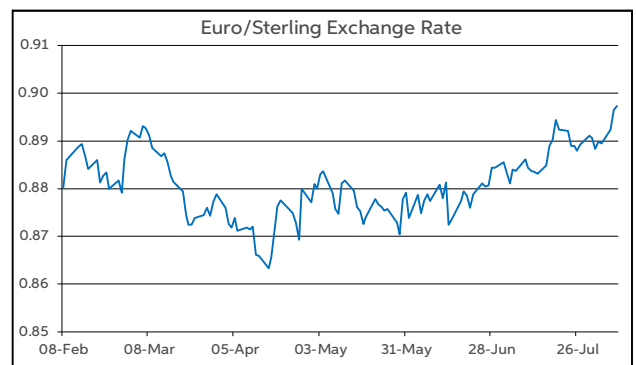
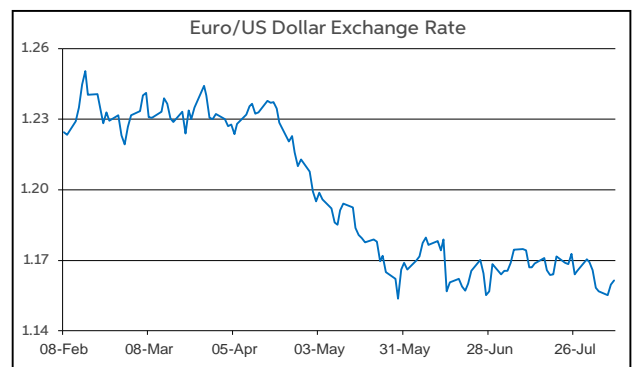
Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	1.875	2.07	2.34	2.82	2.88	2.97
EUR	0.00	-0.37	-0.32	-0.18	-0.14	0.33
GBP	0.75	0.72	0.81	1.05	1.12	1.37

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2017 to Date	
Dow Jones	25628.91	+0.50	+3.68	
S&P 500	2858.45	+0.28	+6.91	
FTSE 100	7718.48	+0.71	+0.40	
DJ Stoxx 50	3504.37	+0.60	+0.01	
ISEQ	6813.61	-0.05	-3.19	
Nikkei	22644.31	-0.08	-0.53	

Today's Opening Rates			
		% Change	
		Day *	End 2017
EUR/USD	1.1613	0.50	-3.19
EUR/GBP	0.8975	0.55	1.04
GBP/USD	1.2939	-0.03	-4.24
GBP/EUR	1.114	-0.55	-1.03
USD/JPY	111.17	-0.15	-1.33
EUR/JPY	129.11	0.33	-4.49

\* v Previous Day's European Open

See Next Page for More Rates ▶▶▶



All rates quoted are indicative market rates

See Next Page For More Rates & Charts

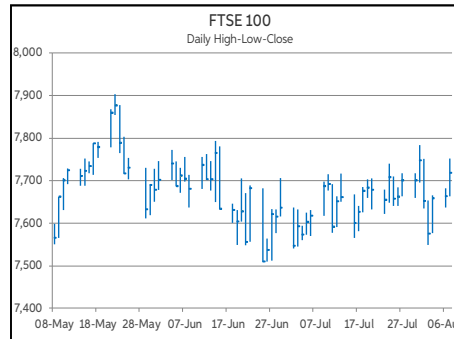
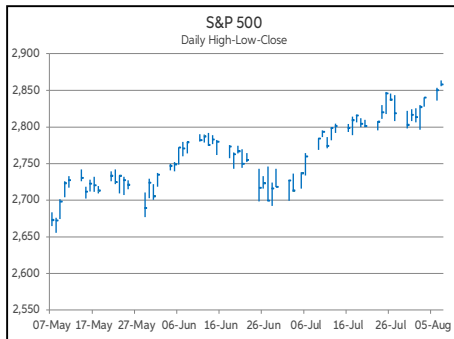
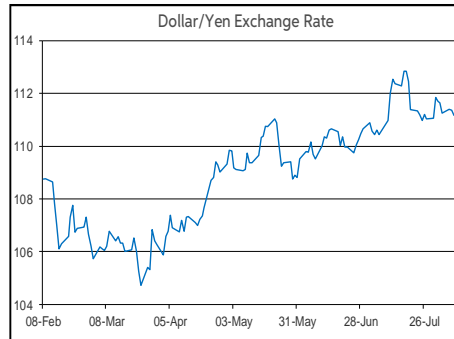
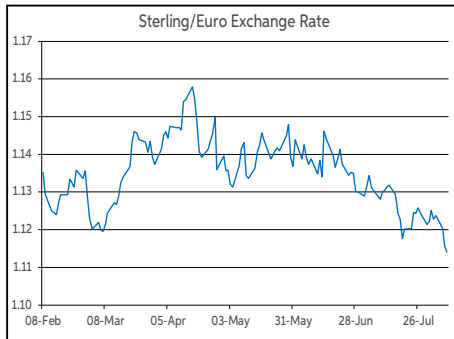
FX Spot	Karl Cooke Shane Gargan Adrian Flanagan Enda Homan	FX Options	Mark Tuite Lenny Hogan	Reuters Phone	AIB 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

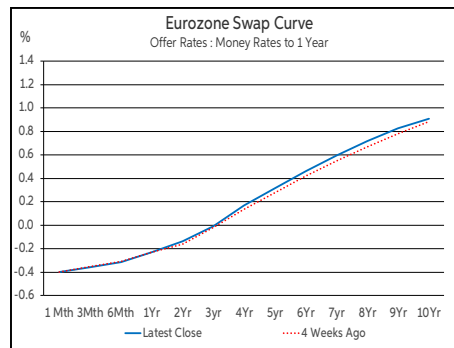
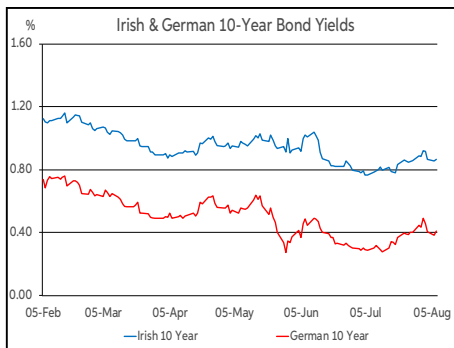
Wednesday 08 August 2018  
07:30 am



Euro		Sterling		Dollar	
EUR/GBP	0.8975	GBP/EUR	1.114	USD/JPY	111.17
EUR/USD	1.1613	GBP/USD	1.2939	USD/CAD	1.3064
EUR/JPY	129.11	GBP/CAD	1.6908	USD/CHF	0.9944
EUR/SEK	10.342	GBP/NZD	1.9171	USD/CNY	6.8264
EUR/DKK	7.4526	GBP/JPY	143.84	USD/BRL	3.7519
EUR/NOK	9.5122	GBP/SEK	11.5199	USD/RUB	63.5251
EUR/CHF	1.1552	GBP/DKK	8.302	USD/INR	68.6425
EUR/AUD	1.5644	GBP/NOK	10.599	AUD/USD	0.7422
EUR/HKD	9.1145	GBP/CHF	1.2868	NZD/USD	0.6747
EUR/CAD	1.5176	GBP/AUD	1.7427		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 17
<b>10 Year Yield %</b>				
US	2.97	+3	+11	+57
Germany	0.41	+3	+9	-1
UK	1.33	+3	+3	+15
Ireland	0.87	+1	+7	N/A
Belgium	0.73	+1	+4	+11
France	0.73	+2	+9	-5
Italy	2.86	-3	+19	+86
Spain	1.37	+0	+10	-17
Portugal	1.73	-1	-2	-17
Greece	3.94	-1	+15	-11
<b>5 Year Swap %</b>				
US	2.94	+0	+6	+70
Eurozone	0.32	+0	+4	+0
UK	1.36	-1	+2	+33
<b>2 Year Swap %</b>				
US	2.84	-0	+5	+75
Eurozone	-0.14	+0	+2	+0
UK	1.10	-1	+3	+30
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	46	-1	-2	N/A
Belgium	32	-2	-5	+13
France	32	-1	-0	-4
Italy	245	-6	+10	+88
Spain	96	-3	+1	-16
Portugal	132	-4	-11	-16
Greece	353	-3	+6	-9



Commodities				
	Close	% Change		
		Day	4 Weeks	End 17
Brent Oil	74.65	+1.22	-5.34	+11.63
West Texas Oil	69.17	+0.23	-6.67	+14.41
CRB - All Commodity	194.49	+0.29	-1.92	+0.33
CRB - Food	334.29	-2.17	-4.30	-0.52
Gold \$	1211.4	+0.30	-3.56	-7.01

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