

Investor sentiment improves

Currency market action yesterday saw sterling remain under the spotlight, as Brexit uncertainty continues to abound. GBP/USD briefly tested below the \$1.21 level, while EUR/GBP hit a 2-year high of 92.6p. However, as trading gets underway this morning, the main sterling pairs open unchanged from yesterday's open.

In level terms, the lack of sustained moves on currency markets sees EUR/GBP open above the 92p for the fourth consecutive morning. At the same time, cable (GBP/USD) continues to trade near to the midpoint of the \$1.21-1.22 range. Meanwhile EUR/USD is changing hands up close to the \$1.12 threshold.

Elsewhere, there was a notable improvement in investor sentiment yesterday. Positive Chinese trade data for July may have been a contributing factor. The 'risk-on' mood on markets saw the main equity indices trading higher, with the S&P 500 rallying by a strong 1.9%. Although, there was no notable reaction on bond markets, with US 10-year Treasury yields remaining close to the 1.7% level.

Today, the calendar is barren in both the Eurozone and the US. Therefore, in the absence of any fresh geo-political developments, we could see the EUR/USD pair remain confined to its current narrow range around the \$1.12 level as we enter the weekend.

In the UK, the highlight is the first estimate of UK GDP for Q2. Growth looks to have flatlined in the quarter as the boost to activity from Brexit related stockpiling in Q1 reverses. We will also get June industrial output figures, with the data likely to confirm that the manufacturing sector remains in difficulty. Overall, at the margin the data may be somewhat unhelpful to sterling given its recent weakening trend.

Conor Beakey, Economist, AIB

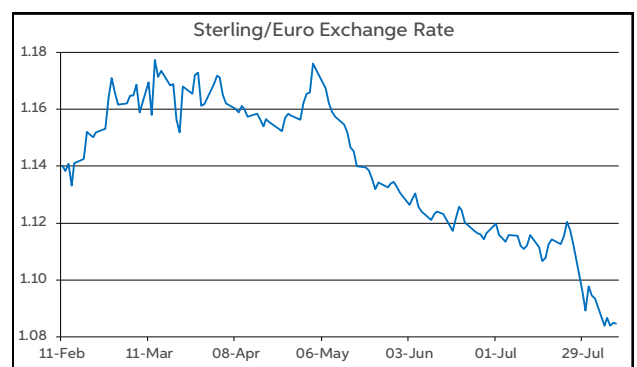
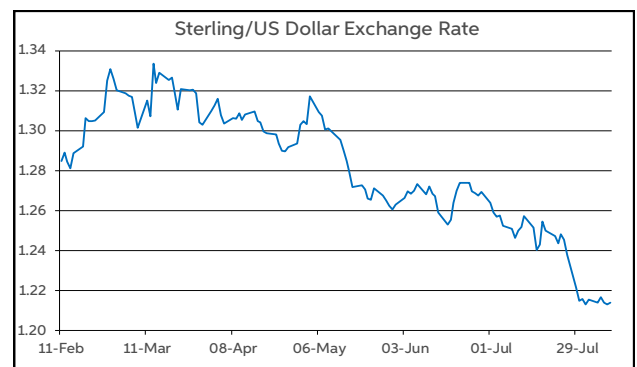
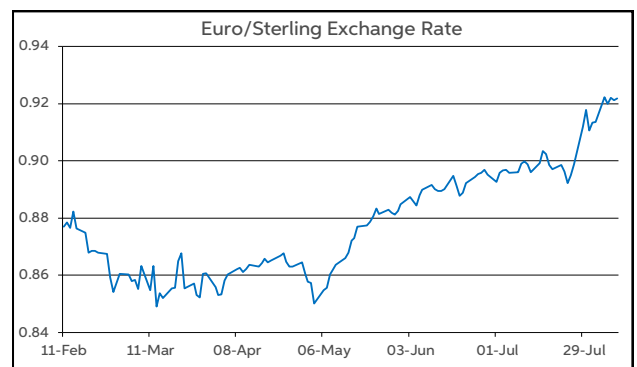
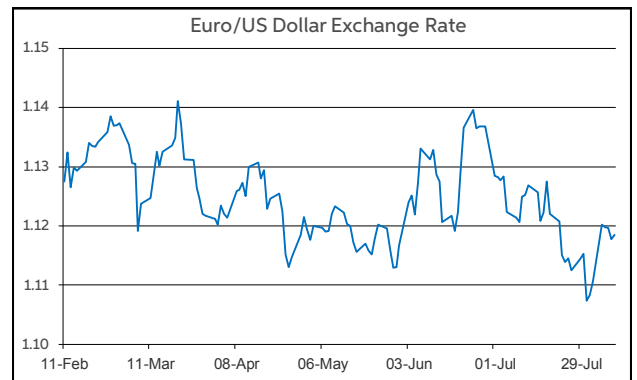
Today's Opening FX Rates			
		% Change	
		Day *	End 2018
EUR/USD	1.1192	-0.15	-2.42
EUR/GBP	0.9219	0.00	2.62
GBP/USD	1.2139	-0.16	-4.84
GBP/EUR	1.0844	0.00	-2.55
USD/JPY	105.86	-0.26	-3.38
EUR/JPY	118.48	-0.43	-5.75

* 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	1.56	1.44
EUR	0.00	-0.40	-0.39	-0.32	-0.51	-0.44
GBP	0.75	0.70	0.77	0.84	0.68	0.64

All rates quoted are indicative market rates

See Next Page For More Rates & Charts



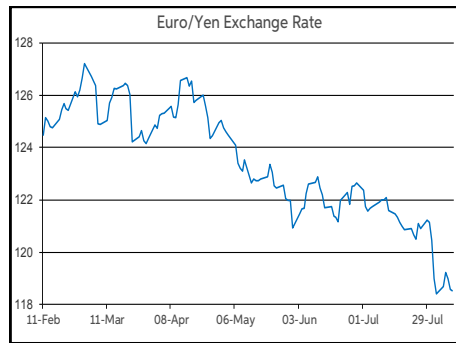
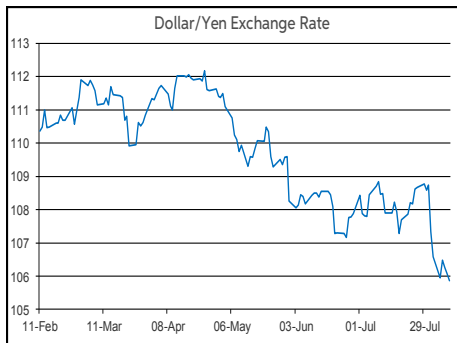
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite Lenny Hogan	Reuters Phone	AlBI 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

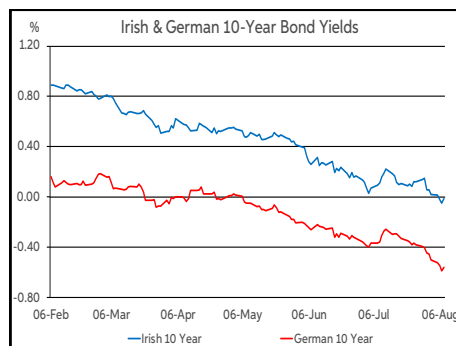
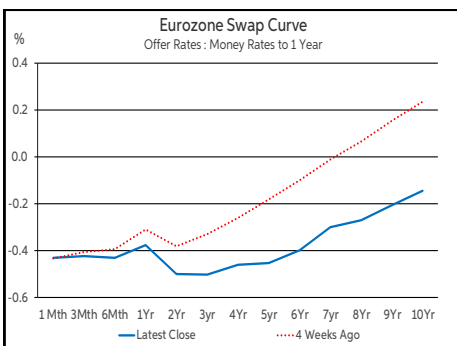
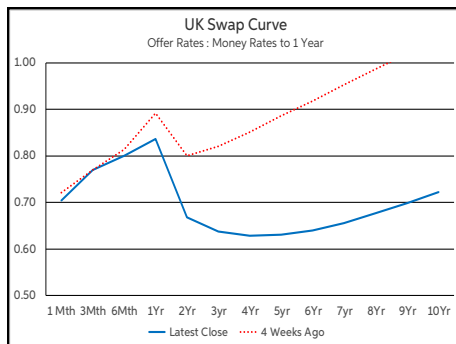
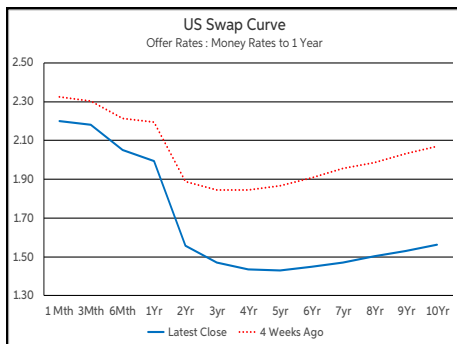
Friday 09 August 2019
07:14 am



Euro		Sterling		Dollar	
EUR/GBP	0.9219	GBP/EUR	1.0844	USD/JPY	105.86
EUR/USD	1.1192	GBP/USD	1.2139	USD/CAD	1.3218
EUR/JPY	118.48	GBP/CAD	1.6045	USD/CHF	0.9736
EUR/SEK	10.7282	GBP/NZD	1.8695	USD/CNY	7.048
EUR/DKK	7.4635	GBP/JPY	128.5	USD/BRL	3.919
EUR/NOK	9.9729	GBP/SEK	11.6339	USD/RUB	65.0696
EUR/CHF	1.0899	GBP/DKK	8.0945	USD/INR	70.4744
EUR/AUD	1.6434	GBP/NOK	10.8167		
EUR/HKD	8.777	GBP/CHF	1.1822	AUD/USD	0.681
EUR/CAD	1.4794	GBP/AUD	1.7826	NZD/USD	0.6492



Debt Markets				
	Close	Day	4 Weeks	End 18
10 Year Yield %				
US	1.72	-0	-42	-97
Germany	-0.56	+2	-29	-80
UK	0.52	+3	-31	-75
Ireland	-0.01	+4	-20	N/A
Belgium	-0.24	+4	-33	-100
France	-0.28	+3	-30	-99
Italy	1.53	+12	-17	-119
Spain	0.19	+3	-28	-122
Portugal	0.23	+5	-33	-148
Greece	2.01	+5	-21	-229
5 Year Swap %				
US	1.43	-2	-43	-113
Eurozone	-0.45	-3	-27	-68
UK	0.63	+2	-25	-68
2 Year Swap %				
US	1.56	-2	-33	-108
Eurozone	-0.50	-1	-12	-36
UK	0.67	+0	-13	-50
10 Year Government Bond Spreads to Benchmark bps				
Ireland	55	+1	+9	N/A
Belgium	32	+1	-4	-20
France	28	+1	-1	-19
Italy	209	+10	+12	-39
Spain	76	+1	+2	-42
Portugal	79	+3	-4	-68
Greece	257	+2	+8	-149



Commodities				
	Close	Day	4 Weeks	End 18
Brent Oil	57.38	+2.05	-13.74	+6.65
West Texas Oil	52.6	+2.85	-12.23	+16.50
Gold \$	1501.9	+0.02	+6.94	+17.07

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.