

Subdued start to the week

There was a muted start to the work on currency markets yesterday. The main pairs were trading in narrow trading ranges. This was to be expected given the quiet data schedule.

Indeed, the only release of any note was the December reading of the Sentix index in the Eurozone. While it surprised strongly to the upside, the lower tier nature of the data meant there was no impact on the euro.

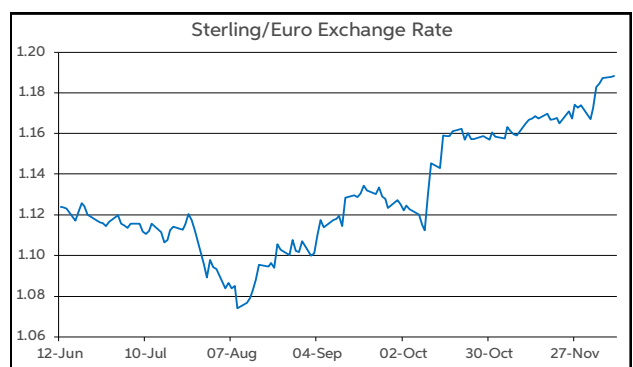
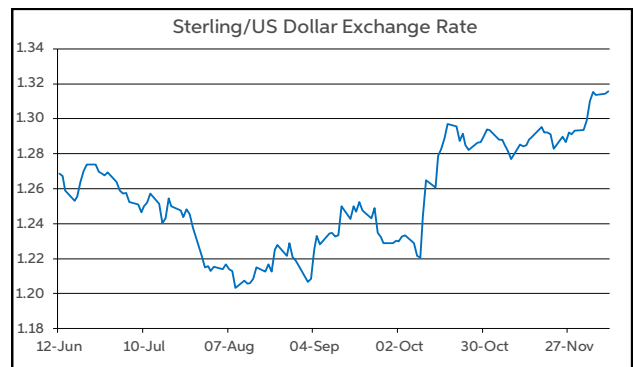
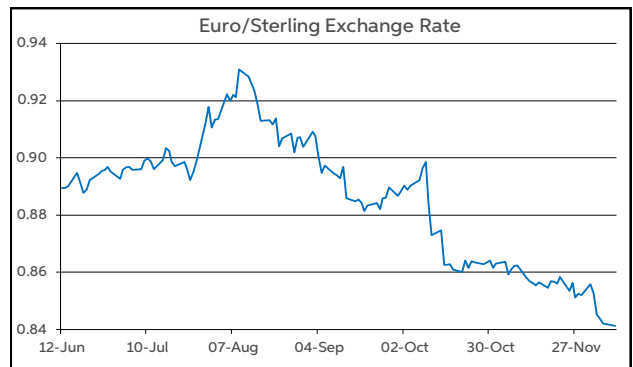
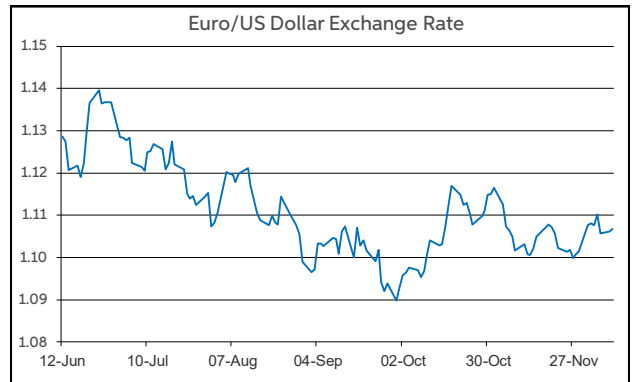
In level terms, the subdued tone is reflected in EUR/GBP trading this morning close to the 84p level, little changed from yesterday's open. At the same time, cable (GBP/USD) is operating at the midpoint of the \$1.31-1.32 band. Meanwhile, EUR/USD continues to change hands in the upper half of the \$1.10-1.11 range.

Elsewhere on financial markets, a somewhat cautious mood was evident, with equities coming under some slight downward pressure. At the close on Wall Street last night, the S&P 500 was down around 0.3%.

Turning to the day ahead, the highlight is the release of UK GDP for the 3 months to October. Growth is expected to have been flat in the period, as Brexit related uncertainty continued to weigh on activity. However, the release tonight of YouGov's final MRD election poll, which markets have previously attached great weight to, may attract more attention from a sterling perspective.

There is a sparse look to the macro schedules in both the Eurozone and the US, meaning that there will be little to provide direction to either the dollar or the euro today. As a result, we could be in for another subdued day of FX trading, with markets remaining in pause mode ahead of the busy event-filled end to the week.

Conor Beakey, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2018
EUR/USD	1.1068	0.10	-3.50
EUR/GBP	0.8412	0.01	-6.37
GBP/USD	1.3157	0.08	3.14
GBP/EUR	1.1885	-0.01	6.80
USD/JPY	108.57	0.01	-0.90
EUR/JPY	120.17	0.09	-4.41

* v Previous Day's European Open

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Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	1.625	1.72	1.89	1.94	1.63	1.62
EUR	0.00	-0.46	-0.39	-0.27	-0.33	-0.19
GBP	0.75	0.71	0.78	0.96	0.82	0.88

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

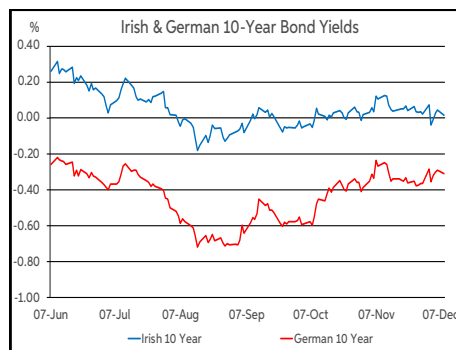
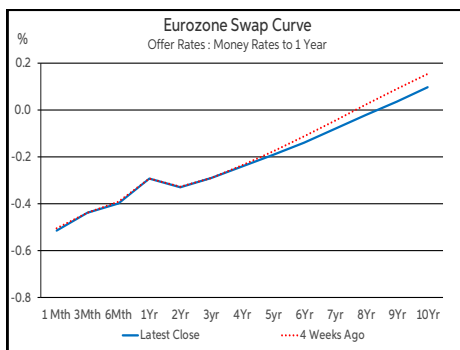
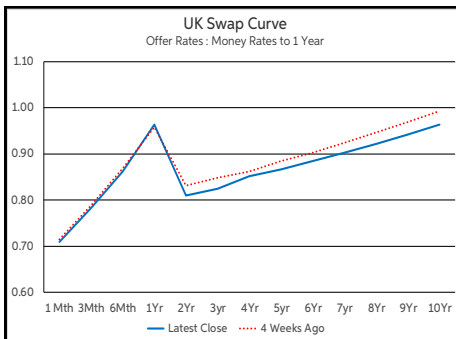
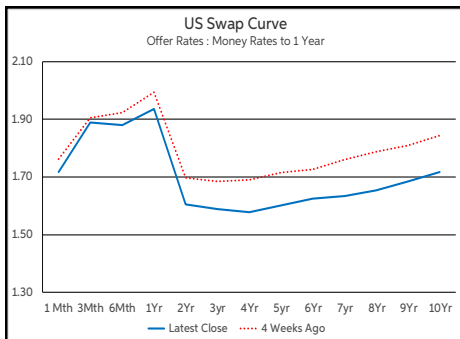
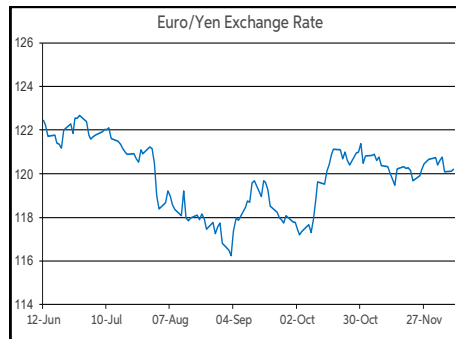
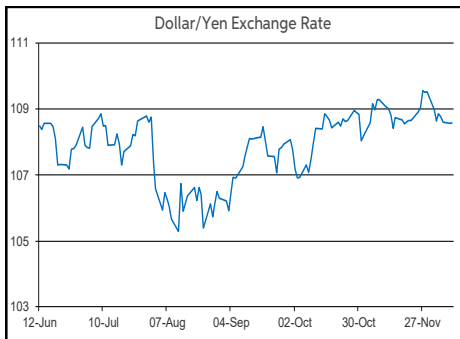
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIB 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

Tuesday 10 December 2019
07:20 am



Euro		Sterling		Dollar	
EUR/GBP	0.8412	GBP/EUR	1.1885	USD/JPY	108.57
EUR/USD	1.1068	GBP/USD	1.3157	USD/CAD	1.3228
EUR/JPY	120.17	GBP/CAD	1.7404	USD/CHF	0.9872
EUR/SEK	10.5565	GBP/NZD	2.0033	USD/CNY	7.0382
EUR/DKK	7.4722	GBP/JPY	142.85	USD/BRL	4.1426
EUR/NOK	10.1225	GBP/SEK	12.5431	USD/RUB	63.5826
EUR/CHF	1.0928	GBP/DKK	8.88	USD/INR	70.9405
EUR/AUD	1.6212	GBP/NOK	12.0303	AUD/USD	0.6827
EUR/HKD	8.662	GBP/CHF	1.2989	NZD/USD	0.6563
EUR/CAD	1.4642	GBP/AUD	1.927		



	Close	Change bps		
		Day	4 Weeks	End 18
10 Year Yield %				
US	1.82	-2	-12	-86
Germany	-0.31	-2	-6	-55
UK	0.76	-1	-5	-51
5 Year Swap %				
US	1.60	-3	-11	-96
Eurozone	-0.19	-2	-1	-42
UK	0.87	-3	-2	-45
2 Year Swap %				
US	1.61	-2	-9	-103
Eurozone	-0.33	-2	-0	-19
UK	0.81	-1	-2	-35
10 Year Government Bond Spreads to Benchmark bps				
Ireland	33	-1	-5	N/A
Belgium	29	+0	+0	-23
France	32	+1	+2	-14
Italy	167	-5	+9	-81
Spain	74	-1	+8	-43
Portugal	69	-1	+10	-78
Greece	165	-10	+8	-241

	% Change			
	Close	Day	4 Weeks	End 18
Brent Oil	64.25	-0.22	+3.33	+19.42
West Texas Oil	58.99	-0.35	+4.20	+30.65
Gold \$	1462.1	+0.14	+0.41	+13.97

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