

Important week ahead

Last week, sterling was the main mover. The currency made gains amid more polls reinforcing the view that the Conservative Party may win an overall majority in this week's general election. Such an outcome could be viewed as helping to reduce near term Brexit related risk and uncertainty.

In level terms, the firmer tone to sterling was reflected in EUR/GBP trading down in the lower half of the 84-85p band and GBP/USD moving up into \$1.31-1.32 territory. Elsewhere, EUR/USD spent most of the week within the \$1.10-1.11 range.

Ahead this week, there is event risk for sterling with the aforementioned election taking place on Thursday. If the outcome is in line with the current polling data, then sterling could make further gains. However, these could prove to be relatively short lived, once attention turns to trade talks in 2020 and the high degree of risk and uncertainty that these will entail.

Aside from politics, this is an important week for monetary policy. The Fed will hold its final meeting of 2019. It is expected to emphasise that it is on hold waiting to see the impact of its recent rate cuts, especially after Friday's very strong US employment report for November. Therefore, the main interest and directional impact, if any, on the dollar, may come from its updated rate projections. Currently, no FOMC member envisages any further rate cuts. Data-wise, US retail sales for November are the highlight.

In the Eurozone, the ECB also has its last policy meeting of this year. It is Christine Lagarde's first as President. However, the meeting may be a non-event for the euro, with the ECB now in pause mode as it assesses the impact of its recent policy easing.

Conor Beakey, Economist, AIB

Today's Opening FX Rates			
		% Change	
		Day *	End 2018
EUR/USD	1.1062	-0.38	-3.55
EUR/GBP	0.84	-0.50	-6.50
GBP/USD	1.3168	0.10	3.22
GBP/EUR	1.1902	0.50	6.95
USD/JPY	108.57	-0.09	-0.90
EUR/JPY	120.11	-0.48	-4.45

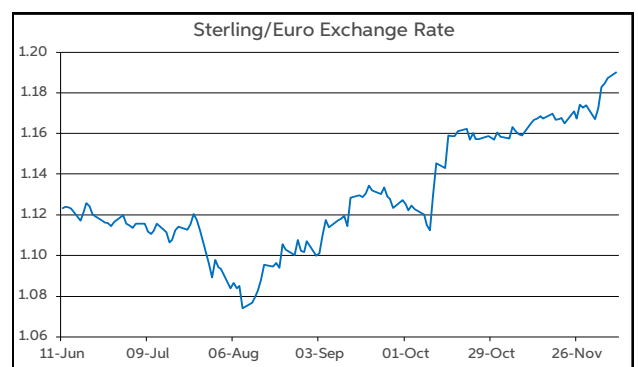
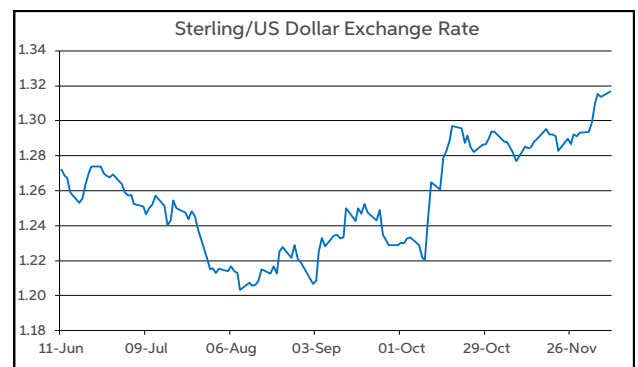
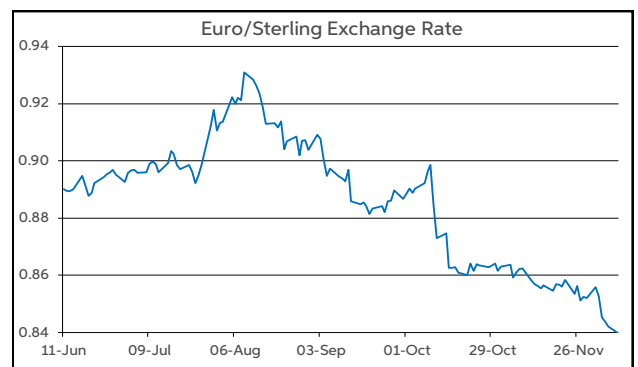
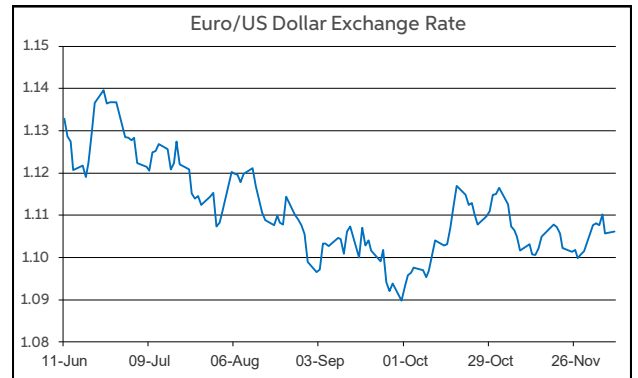
* v Previous Day's European Open
See Next Page for More Rates

Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	1.625	1.72	1.89	1.92	1.62	1.62
EUR	0.00	-0.46	-0.39	-0.27	-0.32	-0.18
GBP	0.75	0.71	0.78	0.97	0.81	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	AIBI 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

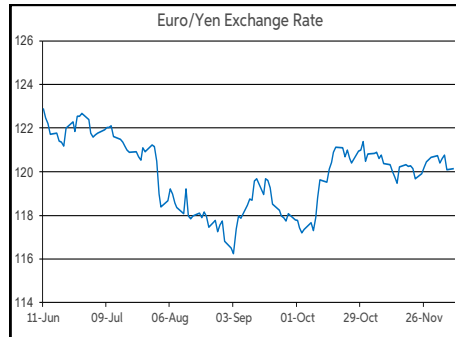
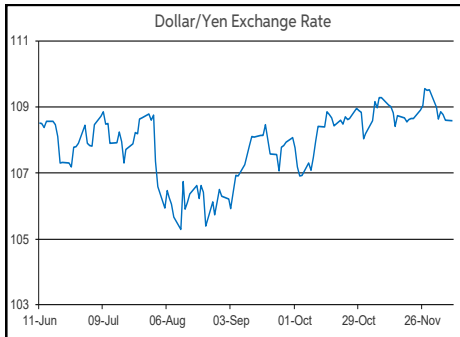


Opening Levels

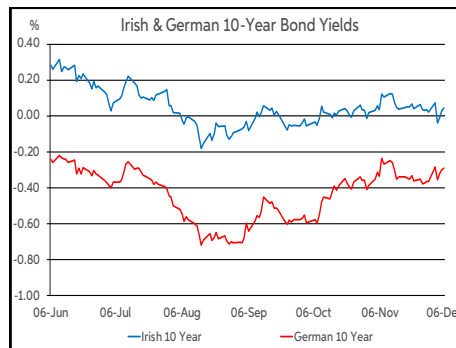
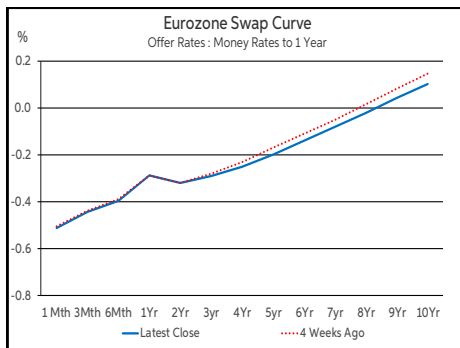
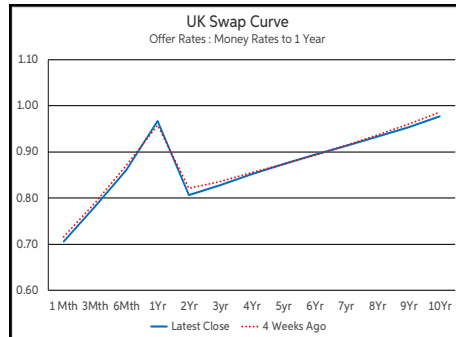
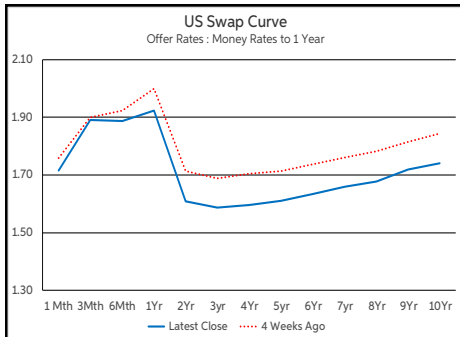
Monday 09 December 2019
07:30 am



Euro		Sterling		Dollar	
EUR/GBP	0.84	GBP/EUR	1.1902	USD/JPY	108.57
EUR/USD	1.1062	GBP/USD	1.3168	USD/CAD	1.3253
EUR/JPY	120.11	GBP/CAD	1.7455	USD/CHF	0.9904
EUR/SEK	10.5076	GBP/NZD	2.0078	USD/CNY	7.0374
EUR/DKK	7.472	GBP/JPY	142.96	USD/BRL	4.1414
EUR/NOK	10.099	GBP/SEK	12.5067	USD/RUB	63.728
EUR/CHF	1.0957	GBP/DKK	8.8925	USD/INR	71.1003
EUR/AUD	1.6185	GBP/NOK	12.0172	AUD/USD	0.6834
EUR/HKD	8.6581	GBP/CHF	1.3042	NZD/USD	0.6556
EUR/CAD	1.4663	GBP/AUD	1.9267		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 18
10 Year Yield %				
US	1.84	+3	-10	-84
Germany	-0.29	+1	-2	-53
UK	0.77	-0	-2	-50
Ireland	0.04	+2	-6	N/A
Belgium	-0.01	+0	-2	-76
France	0.03	+1	+1	-68
Italy	1.43	-0	+16	-128
Spain	0.46	+0	+10	-95
Portugal	0.41	-0	+10	-130
Greece	1.46	-4	+14	-284
5 Year Swap %				
US	1.61	+1	-10	-95
Eurozone	-0.20	-2	-3	-43
UK	0.87	-1	+0	-44
2 Year Swap %				
US	1.61	-0	-11	-103
Eurozone	-0.32	-1	+0	-18
UK	0.81	-1	-2	-36
10 Year Government Bond Spreads to Benchmark bps				
Ireland	33	+1	-4	N/A
Belgium	29	-1	+0	-24
France	32	-0	+3	-15
Italy	172	-1	+18	-76
Spain	75	-1	+12	-42
Portugal	70	-1	+13	-77
Greece	175	-6	+17	-231



Commodities				
	% Change			
	Close	Day	4 Weeks	End 18
Brent Oil	64.39	+1.58	+3.01	+19.68
West Texas Oil	59.2	+1.34	+3.82	+31.12
Gold \$	1460.0	-1.07	+0.08	+13.80

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