

FX market action remains subdued

An apparent de-escalation of US-Iran tensions helped provide some support to risk appetite yesterday. This was evident in equity markets registering some modest gains.

At the close last night on Wall Street, the S&P 500 was up 0.5% on the day. At the same time, bond yields rose, while oil prices fell back, with Brent crude below \$66 a barrel.

Meanwhile, the action on currency markets continued to be largely uneventful. A quiet data schedule meant there was little to provide direction to the main pairs.

The only macro release of note yesterday was in the Eurozone with the December reading of the EC economic sentiment index. The headline index printed slightly ahead of expectations. Overall though given the second tier nature of the data, not surprisingly there was no impact on the euro.

In level terms, the lack of forex moves is reflected in the main pairs starting this morning showing only minor changes compared to yesterday's open. EUR/GBP remains in a tight trading range up near to the 85p level. Meanwhile EUR/USD continues to change hands in the lower half of the \$1.11-1.12 band. Elsewhere, cable (GBP/USD) is straddling the \$1.31 threshold.

Today, there is once again a very sparse look to the global macro calendar. Indeed, the only release of any note is the November reading of unemployment in the Eurozone. Therefore, unless geopolitical events (e.g. US/Iran tensions, Brexit) create some directional impact, the action on the currency front could remain limited.

John Fahey, Senior Economist, AIB

Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.1114	-0.30	-0.86
EUR/GBP	0.8481	-0.20	0.32
GBP/USD	1.3105	-0.08	-1.16
GBP/EUR	1.1786	0.20	-0.32
USD/JPY	109.27	0.58	0.61
EUR/JPY	121.47	0.60	-0.30

* v Previous Day's European Open

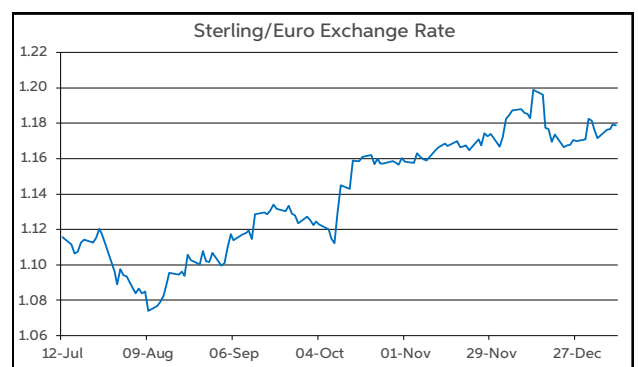
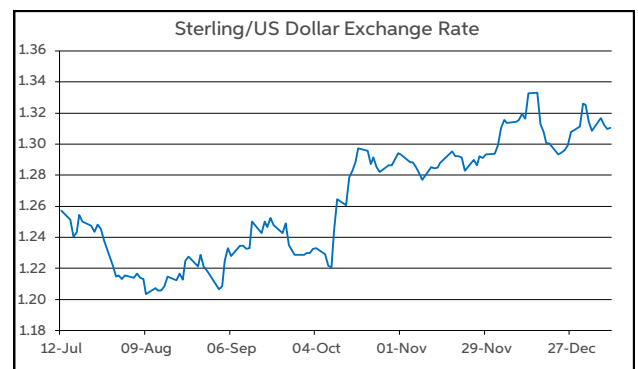
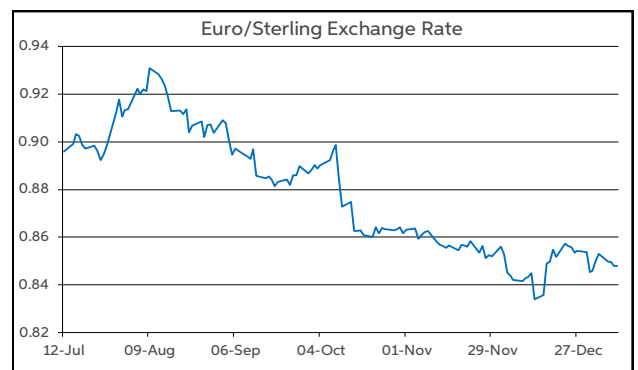
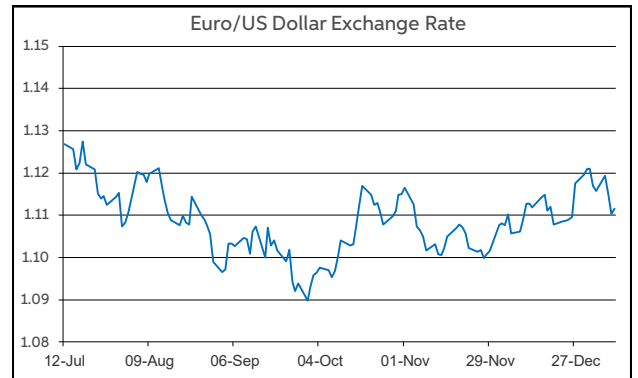
See Next Page for More Rates

Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	1.625	1.68	1.83	1.95	1.65	1.67
EUR	0.00	-0.45	-0.39	-0.25	-0.31	-0.16
GBP	0.75	0.70	0.80	0.97	0.82	0.89

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				

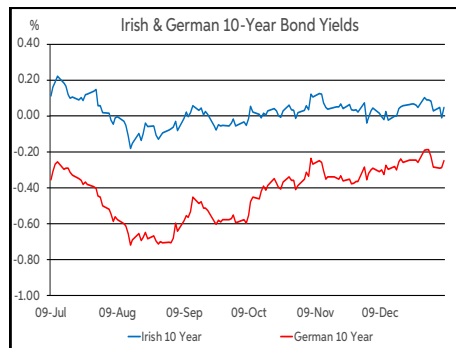
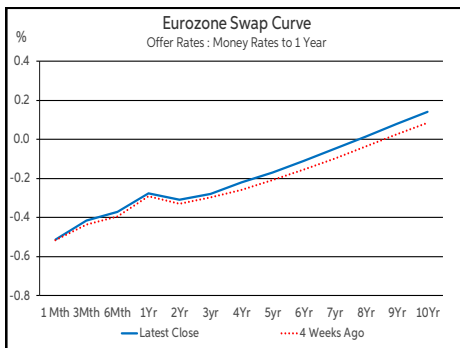
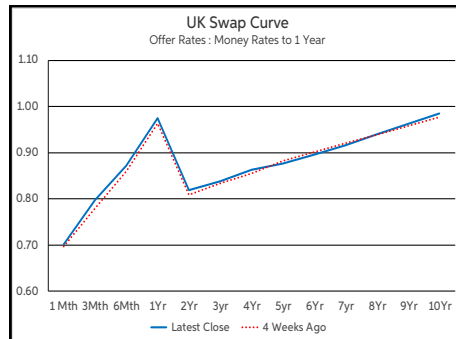
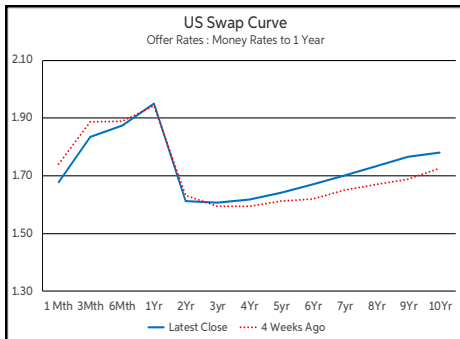
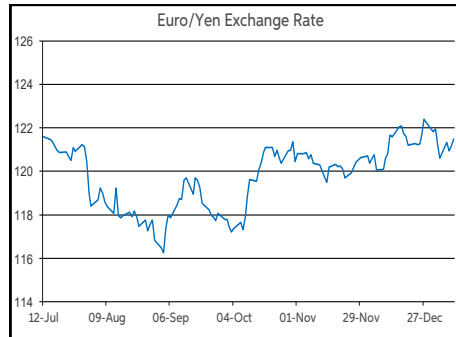
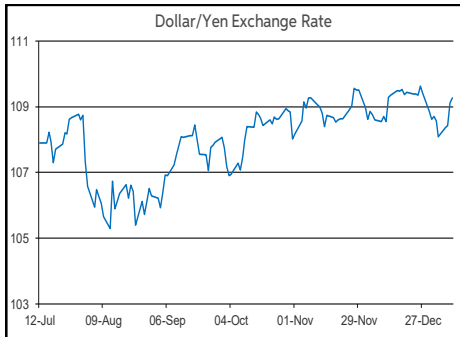


Opening Levels

Thursday 09 January 2020
07:30 am



Euro		Sterling		Dollar	
EUR/GBP	0.8481	GBP/EUR	1.1786	USD/JPY	109.27
EUR/USD	1.1114	GBP/USD	1.3105	USD/CAD	1.3038
EUR/JPY	121.47	GBP/CAD	1.7088	USD/CHF	0.9738
EUR/SEK	10.4998	GBP/NZD	1.9709	USD/CNY	6.9258
EUR/DKK	7.4722	GBP/JPY	143.2	USD/BRL	4.0644
EUR/NOK	9.842	GBP/SEK	12.3806	USD/RUB	61.18
EUR/CHF	1.0824	GBP/DKK	8.8089	USD/INR	71.5
EUR/AUD	1.6166	GBP/NOK	11.6059	AUD/USD	0.6873
EUR/HKD	8.6404	GBP/CHF	1.2763	NZD/USD	0.6647
EUR/CAD	1.4493	GBP/AUD	1.9061		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 19
10 Year Yield %				
US	1.87	+6	+8	-5
Germany	-0.25	+4	+8	-6
UK	0.82	+3	+5	-0
Ireland	0.05	+6	+7	-4
Belgium	0.02	+3	+6	-6
France	0.05	+3	+6	-7
Italy	1.39	+2	+11	+2
Spain	0.42	+4	+3	-4
Portugal	0.37	+1	+2	-5
Greece	1.37	+0	+5	-4
5 Year Swap %				
US	1.64	+2	+3	-7
Eurozone	-0.17	+1	+4	-5
UK	0.88	+1	-1	-1
2 Year Swap %				
US	1.61	+1	-2	-9
Eurozone	-0.31	+0	+2	-2
UK	0.82	+1	+1	+1
10 Year Government Bond Spreads to Benchmark bps				
Ireland	30	+2	-1	+2
Belgium	27	-1	-2	+0
France	29	-1	-2	-2
Italy	164	-2	+3	+8
Spain	67	+0	-5	+2
Portugal	61	-3	-6	+1
Greece	162	-4	-3	+2

Commodities				
	% Change			
	Close	Day	4 Weeks	End 19
Brent Oil	65.44	-4.15	+2.70	-0.85
West Texas Oil	59.65	-4.86	+1.55	-2.44
Gold \$	1555.9	-1.15	+5.49	+2.51

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