

Sterling under pressure

Currency market moves over the past 24 hours have seen sterling come under sustained pressure. The currency is down around 1.9% and 1.7% against the euro and the dollar respectively.

Markets have reacted negatively to Brexit related newsflow over the weekend. The new UK government has adopted a more hard-line approach to Brexit, insisting that the backstop component of the Withdrawal Agreement must be removed before negotiations with the EU can restart. At the same time, the administration has begun to ramp up preparations for a no-deal exit at end-October.

As trading gets underway this morning, EUR/GBP is operating in the upper half of the 91-92p band for the first time since autumn 2017. Meantime, cable (GBP/USD) has fallen through the \$1.22 level, an over 2-year low. Elsewhere, there was little to influence either the euro or the dollar yesterday, meaning EUR/USD remains within the lower half of the \$1.11-1.12 band.

Turning to the day ahead, the UK schedule is devoid of any market moving releases. However, sterling may continue to prove sensitive to Brexit developments. In the US, the highlight is the July reading of the Conference Board measure of consumer confidence, with sentiment expected to have improved in the month. Dollar reaction could be negligible. We do also get June core-PCE inflation and consumption figures in the US, but they have been overtaken by the flash estimate of Q2 GDP.

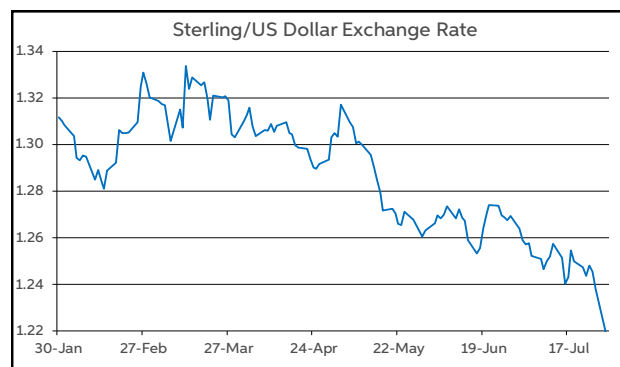
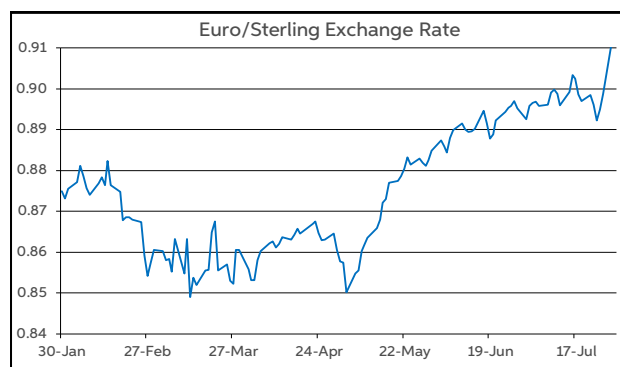
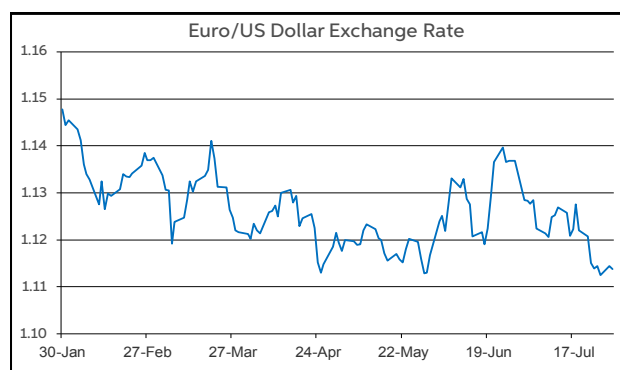
Meanwhile, the EC economic sentiment indices will likely confirm that the Eurozone economy remains on the back foot at the start of Q3. The headline index is projected to have fallen to an over 3-year low, dragged down by its industrial sub-component. The release could prove somewhat unhelpful to the euro.

Conor Beakey, Economist, AIB

Today's Opening Rates			
		% Change	
		Day *	End 2018
EUR/USD	1.1139	0.11	-2.88
EUR/GBP	0.9163	1.86	1.99
GBP/USD	1.2155	-1.71	-4.72
GBP/EUR	1.0909	-1.82	-1.95
USD/JPY	108.6	0.03	-0.88
EUR/JPY	120.96	0.13	-3.78

* 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	2.375	2.23	2.26	2.20	1.86	1.81
EUR	0.00	-0.40	-0.37	-0.31	-0.43	-0.31
GBP	0.75	0.71	0.78	0.86	0.69	0.73

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2018 to Date	
Dow Jones	27221.35	+0.11	+16.69	
S&P 500	3020.97	-0.16	+20.51	
FTSE 100	7686.61	+1.82	+14.25	
DJ Stoxx 50	3523.58	-0.03	+17.40	
ISEQ	6267.59	-0.90	+14.38	
Nikkei	21709.31	+0.43	+8.47	

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	AIB 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

Tuesday 30 July 2019
07:16 am



Euro

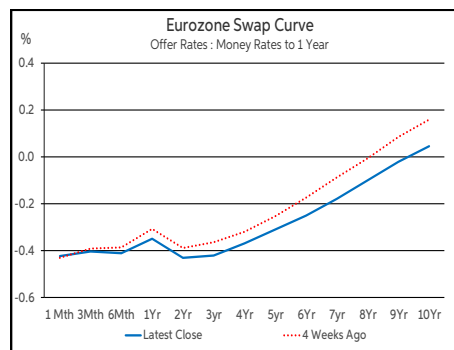
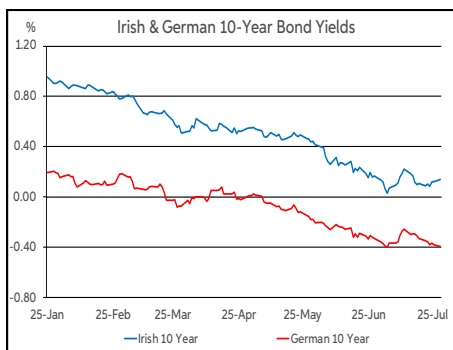
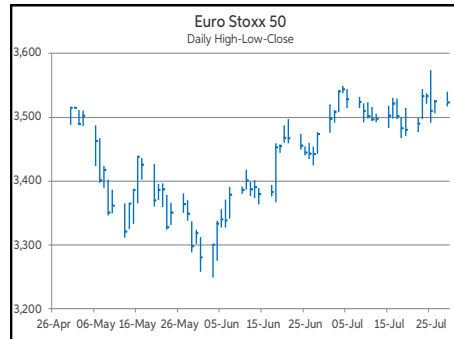
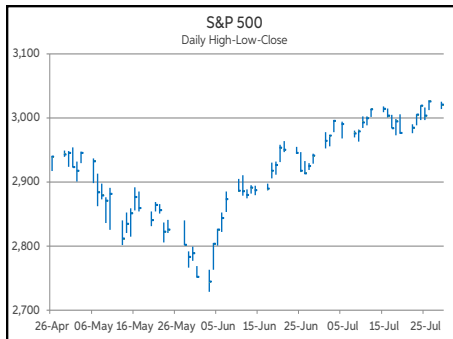
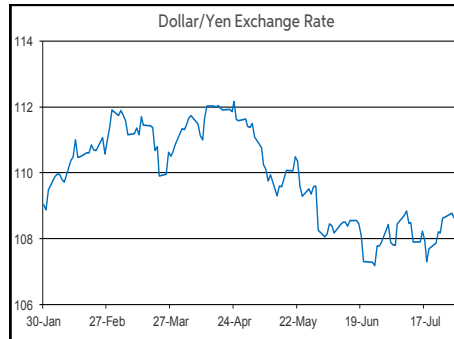
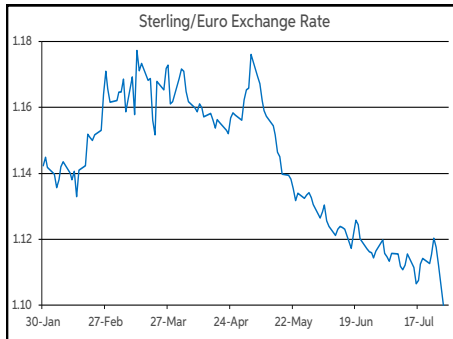
EUR/GBP	0.9163
EUR/USD	1.1139
EUR/JPY	120.96
EUR/SEK	10.5979
EUR/DKK	7.4663
EUR/NOK	9.696
EUR/CHF	1.1052
EUR/AUD	1.6142
EUR/HKD	8.7126
EUR/CAD	1.467

Sterling

GBP/EUR	1.0909
GBP/USD	1.2155
GBP/CAD	1.6002
GBP/NZD	1.833
GBP/JPY	131.98
GBP/SEK	11.5593
GBP/DKK	8.1477
GBP/NOK	10.5821
GBP/CHF	1.206
GBP/AUD	1.7615

Dollar

USD/JPY	108.6
USD/CAD	1.3168
USD/CHF	0.9918
USD/CNY	6.8884
USD/BRL	3.7813
USD/RUB	63.4125
USD/INR	68.74
AUD/USD	0.6899
NZD/USD	0.663



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 18
10 Year Yield %				
US	2.06	-1	+3	-62
Germany	-0.40	-2	-4	-63
UK	0.65	-3	-16	-61
Ireland	0.14	+2	+0	N/A
Belgium	-0.09	-3	-10	-85
France	-0.14	-2	-9	-85
Italy	1.56	+0	-38	-115
Spain	0.34	-1	+1	-107
Portugal	0.41	-2	+0	-130
Greece	2.01	-1	-28	-229
5 Year Swap %				
US	1.79	-2	+2	-77
Eurozone	-0.31	-0	-6	-54
UK	0.71	-5	-17	-60
2 Year Swap %				
US	1.85	-2	+2	-79
Eurozone	-0.43	+1	-4	-29
UK	0.68	-4	-15	-49
10 Year Government Bond Spreads to Benchmark bps				
Ireland	53	+3	+4	N/A
Belgium	31	-1	-7	-21
France	25	-0	-6	-21
Italy	196	+2	-34	-52
Spain	74	+1	+5	-44
Portugal	80	-1	+4	-67
Greece	241	+0	-24	-165

Commodities				
	Close	% Change		
		Day	4 Weeks	End 18
Brent Oil	63.71	+0.39	-2.08	+18.42
West Texas Oil	56.85	+1.45	-3.50	+25.91
CRB - All Commodity	177.80	+0.36	-1.84	+4.71
CRB - Food	351.89	+1.67	+2.01	+8.53
Gold \$	1427.2	+0.57	+3.08	+11.25

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