

## Quiet FX day ahead of Tory leadership vote

For a third consecutive day, the action on currency markets was rather dull yesterday. The main pairs remained within narrow ranges. This lack of action was to be expected given the very unexciting data schedule and ahead of next week's key central bank meetings. Indeed, the only macro highlight of any note was US CPI data for May. Inflation, both headline and core, missed to the downside of expectations, registering readings of 1.8% (f'cast for 1.9) and 2% (vs. f'cast for 2.1) respectively.

So as trading gets underway this morning, the main pairs open at levels similar to 24 hours earlier, with the dollar exhibiting some very slight gains against the euro and sterling. The EUR/USD pair has edged back down to the \$1.13 threshold. Meanwhile, cable (GBP/USD) starts the day just below the \$1.27 mark. Elsewhere, EUR/GBP continues to sit close to the 89p level.

The lack of moves has not just been confined to FX markets. Equity markets have also experienced fairly muted trading conditions over recent days. At the close last night on Wall Street, the S&P 500 was very modestly lower (-0.2%) on the day.

Looking ahead to today, it is another disappointing macro agenda for any data watchers out there. The only release of any note being Eurozone industrial production for April. Therefore, the macro diary does not pose much directional risk to the main currencies today.

However, for sterling, the first round of voting (10am) in the Conservative Party leadership contest (result expected around lunchtime) does provide some potential event risk today. For example, if the first ballot sees a very strong showing from hardline Brexiteer/no deal proponents, then this could weigh on sterling.

**John Fahey, Senior Economist, AIB**

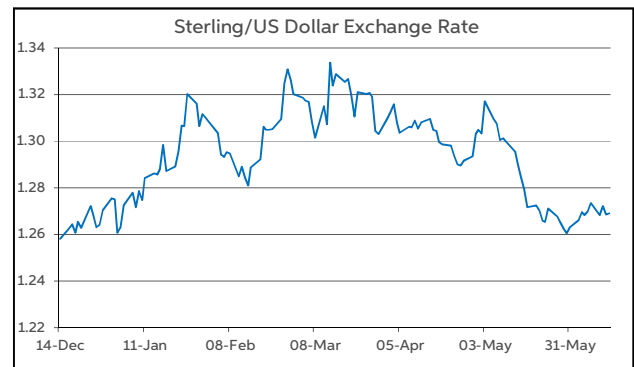
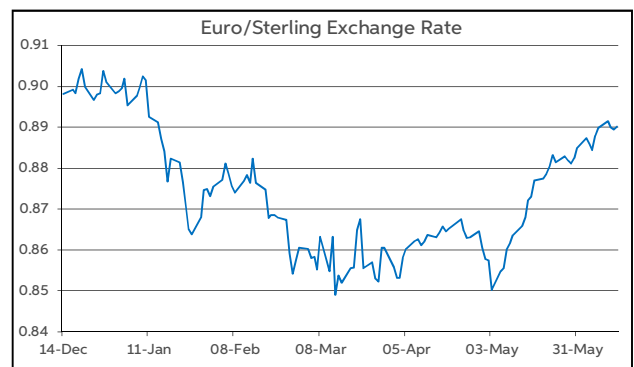
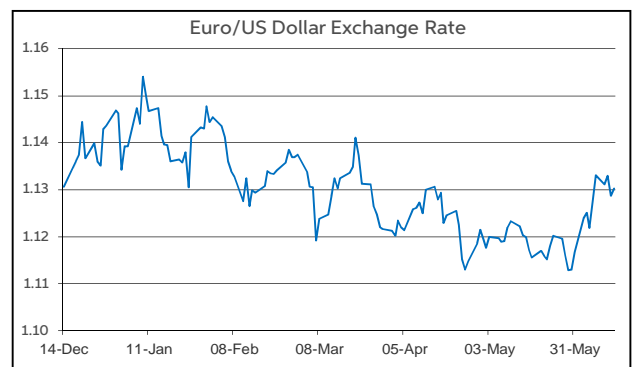
Opening Interest Rates						
Base Rate	Short Term			Long Term		
	1-Mth	3-Mth	12-Mth	2-Yr	5-Yr	
USD	2.375	2.40	2.43	2.33	1.91	1.84
EUR	0.00	-0.38	-0.32	-0.18	-0.31	-0.15
GBP	0.75	0.72	0.79	0.99	0.89	0.93

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2018 to Date	
Dow Jones	26004.83	-0.17	+11.48	
S&P 500	2879.84	-0.20	+14.88	
FTSE 100	7367.62	-0.42	+9.50	
DJ Stoxx 50	3386.63	-0.43	+12.83	
ISEQ	6131.58	-1.46	+11.89	
Nikkei	21032	-0.46	+5.08	

Today's Opening Rates			
		% Change	
		Day *	End 2018
EUR/USD	1.1301	-0.28	-1.46
EUR/GBP	0.8903	-0.04	-0.90
GBP/USD	1.2691	-0.21	-0.52
GBP/EUR	1.1225	0.04	0.91
USD/JPY	108.28	-0.19	-1.17
EUR/JPY	122.38	-0.46	-2.65

\* v Previous Day's European Open

See Next Page for More Rates ▶▶▶



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

Thursday 13 June 2019  
07:25 am



## Euro

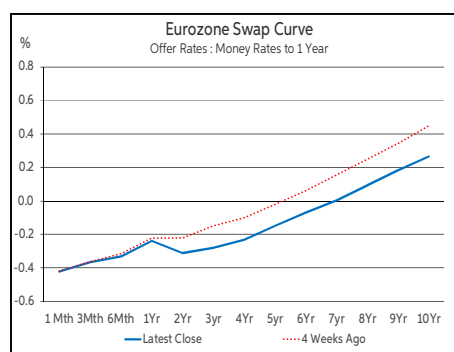
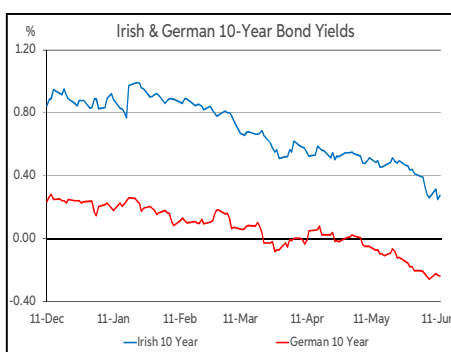
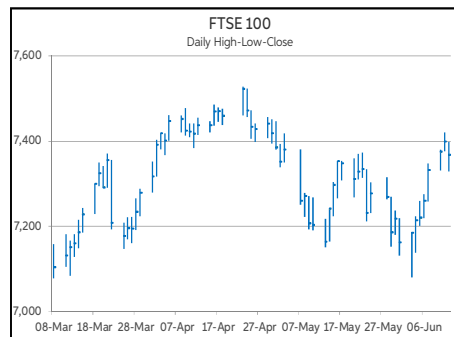
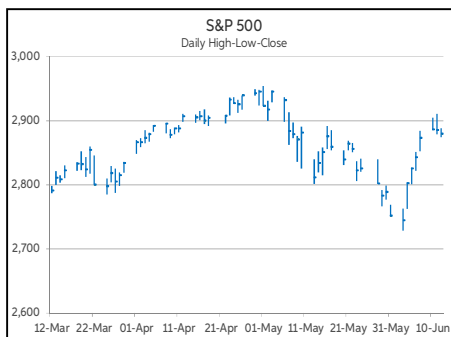
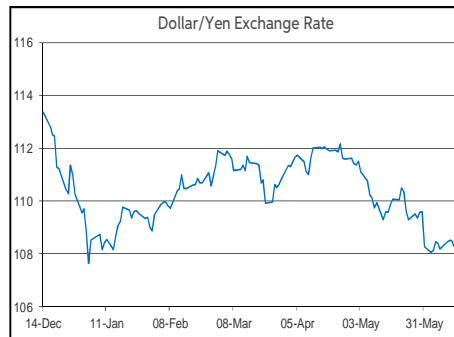
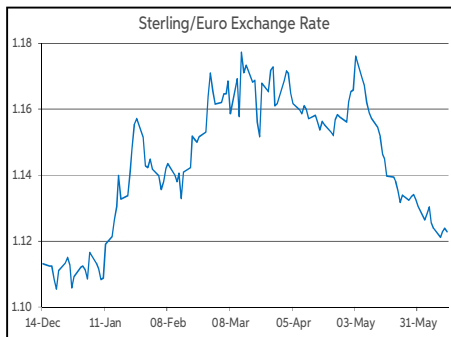
EUR/GBP	0.8903
EUR/USD	1.1301
EUR/JPY	122.38
EUR/SEK	10.6981
EUR/DKK	7.4672
EUR/NOK	9.7813
EUR/CHF	1.1238
EUR/AUD	1.6355
EUR/HKD	8.8419
EUR/CAD	1.5056

## Sterling

GBP/EUR	1.1225
GBP/USD	1.2691
GBP/CAD	1.6908
GBP/NZD	1.9302
GBP/JPY	137.42
GBP/SEK	12.0099
GBP/DKK	8.3836
GBP/NOK	10.9773
GBP/CHF	1.262
GBP/AUD	1.8365

## Dollar

USD/JPY	108.28
USD/CAD	1.3322
USD/CHF	0.9943
USD/CNY	6.9175
USD/BRL	3.8673
USD/RUB	64.6925
USD/INR	69.34
AUD/USD	0.6908
NZD/USD	0.6574



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 18
<b>10 Year Yield %</b>				
US	2.12	-2	-25	-56
Germany	-0.24	-0	-14	-48
UK	0.87	+1	-20	-40
Ireland	0.27	+3	-18	N/A
Belgium	0.18	-0	-22	-58
France	0.11	-0	-19	-59
Italy	2.43	+6	-31	-29
Spain	0.57	-0	-38	-85
Portugal	0.64	+2	-47	-106
Greece	2.72	-2	-81	-158
<b>5 Year Swap %</b>				
US	1.85	-8	-31	-71
Eurozone	-0.15	-1	-13	-38
UK	0.92	-0	-18	-40
<b>2 Year Swap %</b>				
US	1.90	-7	-32	-74
Eurozone	-0.31	-2	-9	-17
UK	0.86	+0	-11	-30
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	51	+3	-4	N/A
Belgium	42	+0	-8	-11
France	35	+0	-5	-12
Italy	266	+7	-17	+19
Spain	81	+0	-24	-37
Portugal	88	+2	-33	-59
Greece	296	-2	-67	-110

Commodities				
	Close	% Change		
		Day	4 Weeks	End 18
Brent Oil	59.97	-3.72	-16.44	+11.47
West Texas Oil	51.13	-4.07	-17.57	+13.24
CRB - All Commodity	173.24	-0.93	-4.10	+2.03
CRB - Food	355.45	+0.99	+3.90	+9.63
Gold \$	1333.9	+0.51	+2.85	+3.98

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