

EU grant Article 50 extension

Currency market action yesterday saw sterling trade lower during the European session. Heightened Brexit uncertainty, with the EU Leaders' Summit getting underway, was unhelpful.

However, the EU's granting of an Article 50 extension helped sterling recover some ground last night. If the UK Parliament passes the Withdrawal Agreement next week, Brexit will be delayed until May 22. Should the deal be rejected again, the extension will only be until April 12. The UK must then indicate to the EU how it wishes to proceed (i.e. no-deal or further extension).

Meanwhile, the conclusion of the BoE's March policy meeting was a non-event for sterling. As expected, the MPC voted to leave the Bank rate unchanged at 0.75%.

Elsewhere, the dollar reversed some of the losses it experienced following the surprisingly dovish outcome of Wednesday's Fed meeting. This came despite a very barren US macro calendar.

In level terms, sterling's recovery overnight sees EUR/GBP open in the upper half of the 86-87p range, having traded above 87p at one stage yesterday. Meanwhile, GBP/USD is just above the \$1.31 level, while EUR/USD is back below the \$1.14 threshold.

Turning to the day ahead, the UK data calendar is barren. Last night's events could see the currency stabilize somewhat, although it will remain sensitive to Brexit related developments.

Meanwhile, both the Eurozone and the US schedules today feature flash PMIs for March. The consensus forecast is for both composite indices to have improved in the month. Overall, in the absence of a major surprise, currency reaction may be limited.

Conor Beakey, Economist, AIB

Today's Opening Rates

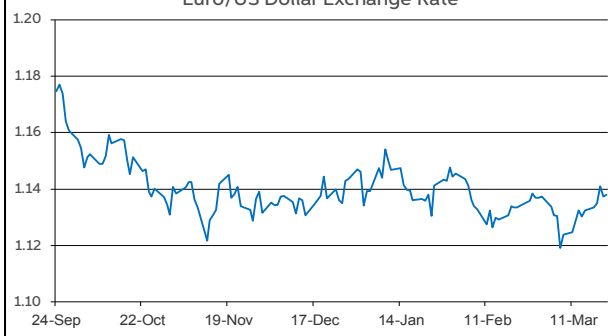
		% Change	
		Day *	End 2018
EUR/USD	1.1379	-0.34	-0.78
EUR/GBP	0.867	0.31	-3.50
GBP/USD	1.3125	-0.63	2.88
GBP/EUR	1.1529	-0.31	3.62
USD/JPY	110.75	0.20	1.09
EUR/JPY	126.04	-0.13	0.26

* v Previous Day's European Open

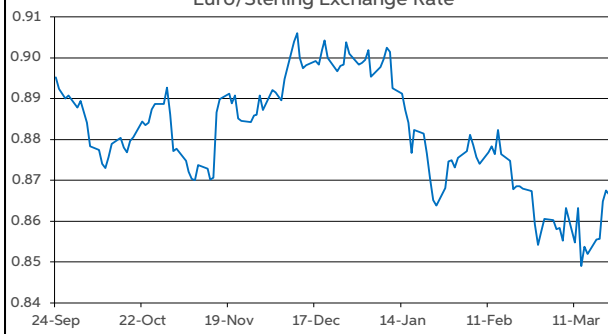
See Next Page for More Rates



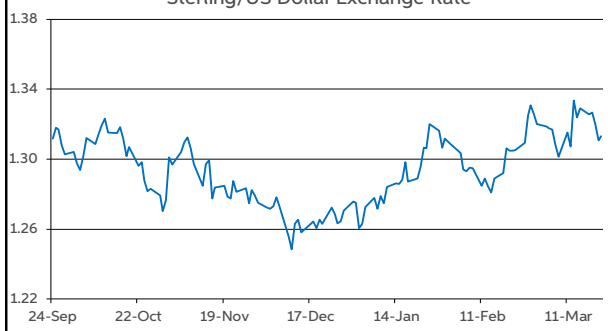
Euro/US Dollar Exchange Rate



Euro/Sterling Exchange Rate



Sterling/US Dollar Exchange Rate



	Opening Interest Rates					
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	2.375	2.49	2.60	2.79	2.47	2.38
EUR	0.00	-0.37	-0.31	-0.11	-0.17	0.08
GBP	0.75	0.73	0.84	1.09	0.99	1.11

	Equity Indices		
	Latest Close	% Changes	
		on Day	End 2018 to Date
Dow Jones	25962.51	+0.84	+11.30
S&P 500	2854.88	+1.09	+13.88
FTSE 100	7355.31	+0.88	+9.32
DJ Stoxx 50	3367.4	-0.15	+12.19
ISEQ	6125.99	-1.27	+11.79
Nikkei	21627.34	+0.09	+8.06

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

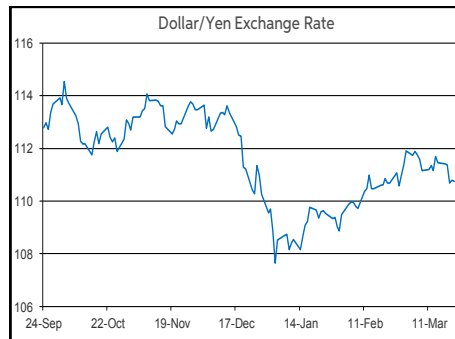
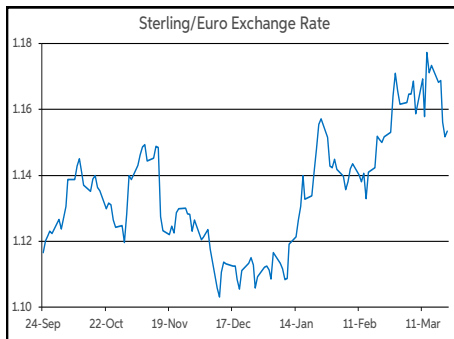
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite Lenny Hogan	Reuters Phone	AIB 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

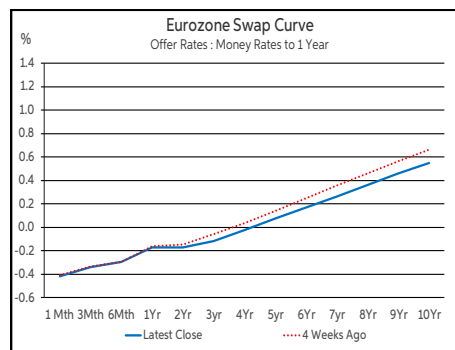
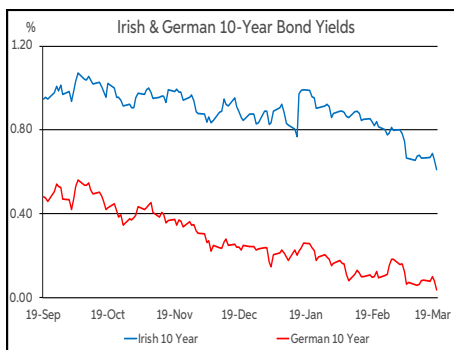
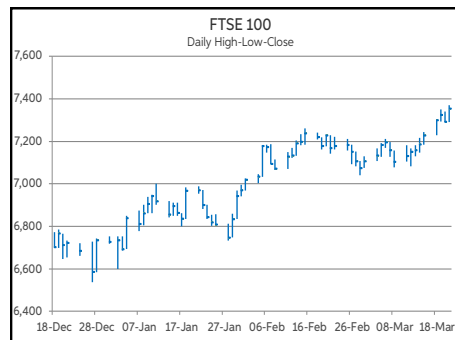
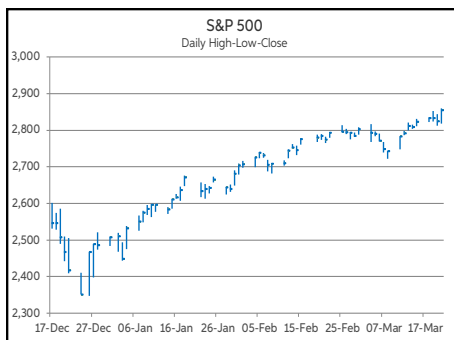
Friday 22 March 2019
07:24 am



Euro		Sterling		Dollar	
EUR/GBP	0.867	GBP/EUR	1.1529	USD/JPY	110.75
EUR/USD	1.1379	GBP/USD	1.3125	USD/CAD	1.3357
EUR/JPY	126.04	GBP/CAD	1.7533	USD/CHF	0.9922
EUR/SEK	10.43	GBP/NZD	1.9042	USD/CNY	6.7009
EUR/DKK	7.4617	GBP/JPY	145.36	USD/BRL	3.7923
EUR/NOK	9.6071	GBP/SEK	12.029	USD/RUB	63.773
EUR/CHF	1.1294	GBP/DKK	8.6058	USD/INR	68.76
EUR/AUD	1.601	GBP/NOK	11.082	AUD/USD	0.7108
EUR/HKD	8.9284	GBP/CHF	1.3025	NZD/USD	0.6889
EUR/CAD	1.5202	GBP/AUD	1.8459		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 18
10 Year Yield %				
US	2.54	+1	-16	-15
Germany	0.04	-4	-9	-20
UK	1.05	-10	-15	-21
Ireland	0.61	-5	-23	N/A
Belgium	0.47	-5	-19	-29
France	0.39	-5	-15	-31
Italy	2.44	-6	-38	-27
Spain	1.08	-6	-11	-34
Portugal	1.26	-4	-24	-45
Greece	3.68	-5	-10	-62
5 Year Swap %				
US	2.37	-0	-19	-19
Eurozone	0.08	-1	-7	-16
UK	1.10	-10	-14	-22
2 Year Swap %				
US	2.47	-2	-15	-17
Eurozone	-0.17	-1	-2	-3
UK	0.98	-7	-10	-18
10 Year Government Bond Spreads to Benchmark bps				
Ireland	57	-0	-14	N/A
Belgium	43	-1	-10	-9
France	35	-1	-7	-11
Italy	241	-2	-29	-7
Spain	104	-1	-2	-14
Portugal	122	+0	-15	-25
Greece	365	-1	-1	-42



Commodities				
	Close	% Change		
		Day	4 Weeks	End 18
Brent Oil	67.86	-0.93	+1.18	+26.13
West Texas Oil	59.98	-0.23	+5.32	+32.85
CRB - All Commodity	185.37	-0.12	+1.07	+9.17
CRB - Food	340.49	+2.34	+3.85	+5.01
Gold \$	1309.7	-0.23	-1.07	+2.09

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