

## Sterling trading higher

There was a somewhat livelier tone to currency markets yesterday, following a number of subdued sessions. The action saw sterling trading higher, although there was no standout reason for this given the barren UK macro calendar. Reports did suggest there was progress in the Brexit talks between the Labour and Conservative parties, but concrete details were not forthcoming.

The euro also experienced some support. This followed the release of Q1 Eurozone GDP that surprised to the upside. Quarterly growth was estimated at 0.4% (f'cast +0.3%), an improvement on Q4's 0.2% rate. Importantly, Italy exited recession, as the economy expanded by 0.2% in the quarter. The euro was also helped by the jobless rate unexpectedly edging down to 7.7%, from 7.8%, in March.

In level terms, the gains for sterling see EUR/GBP open this morning down at the 86p threshold, while cable (GBP/USD) has regained the \$1.30 handle. Meanwhile, the slightly firmer euro tone means that EUR/USD is changing hands back above the \$1.12 mark.

Today, a number of EU markets are closed for Labour Day meaning the macro calendar is quiet. Therefore, movements in the euro, if any, will likely be driven by the non-euro side of its key pairs. In the UK, the data calendar is also sparse. Although, sterling-watchers will keep a close eye on the cross-party Brexit talks.

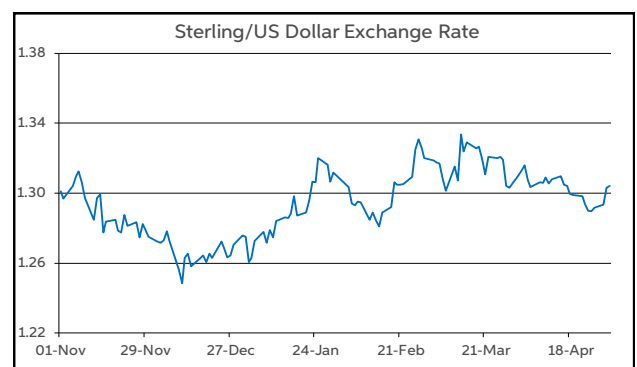
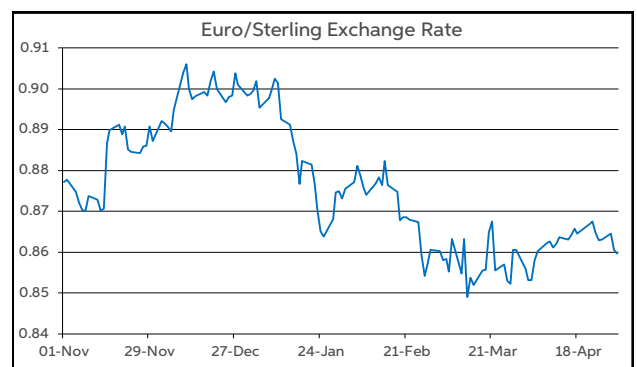
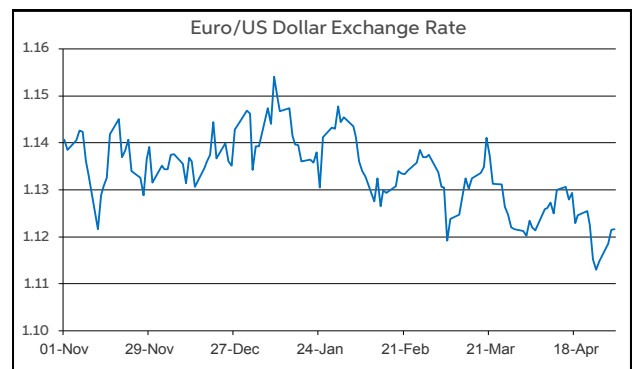
Across the Atlantic, the focus will be on the conclusion (after the close in Europe) of the Fed's policy meeting. While no rate changes are expected, Chair Powell's accompanying press conference will attract some attention. However, the meeting could prove to be a non-event for the dollar.

**Conor Beakey, Economist, AIB**

Today's Opening Rates			
		% Change	
		Day *	End 2018
EUR/USD	1.1215	0.25	-2.21
EUR/GBP	0.86	-0.51	-4.27
GBP/USD	1.3039	0.77	2.21
GBP/EUR	1.1621	0.51	4.47
USD/JPY	111.51	0.01	1.78
EUR/JPY	125.11	0.25	-0.48

\* v Previous Day's European Open

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Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	2.375	2.48	2.58	2.72	2.36	2.31
EUR	0.00	-0.37	-0.31	-0.11	-0.19	0.04
GBP	0.75	0.73	0.82	1.10	1.05	1.20

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2018 to Date	
Dow Jones	26592.91	+0.15	+14.00	
S&P 500	2945.83	+0.10	+17.51	
FTSE 100	7418.22	-0.30	+10.26	
DJ Stoxx 50	3514.62	+0.36	+17.10	
ISEQ	6455.24	+0.02	+17.80	
Nikkei	22258.73	+0.00	+11.21	

All rates quoted are indicative market rates

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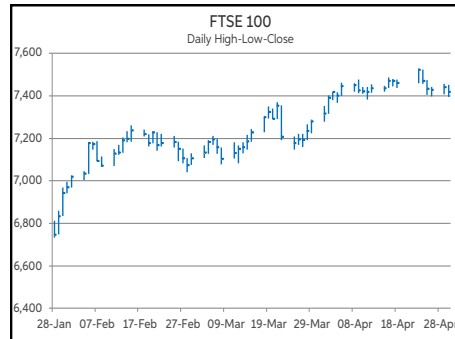
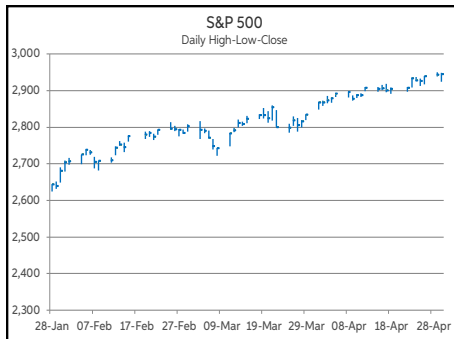
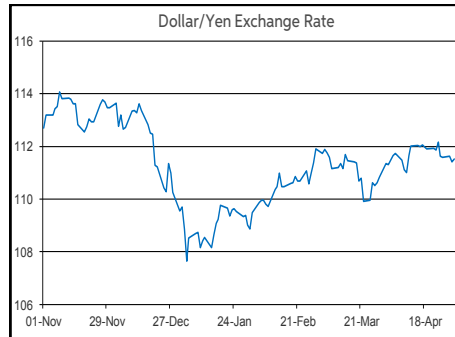
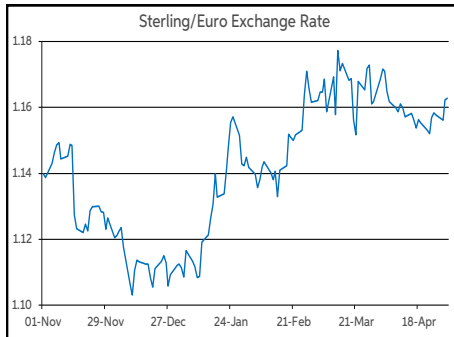
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite Lenny Hogan	Reuters Phone	AIB 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

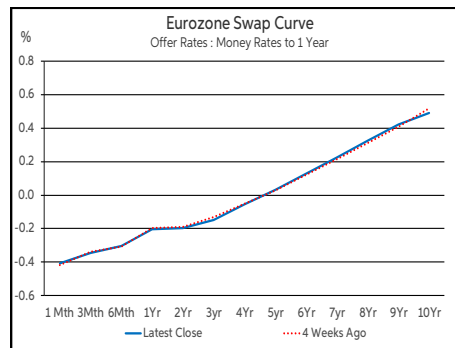
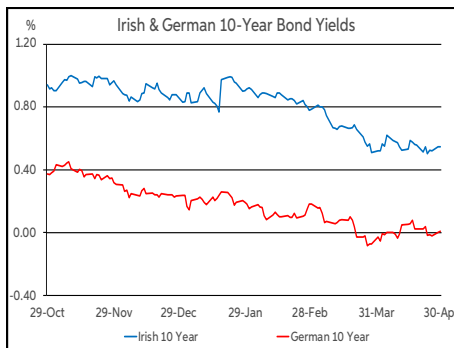
Wednesday 01 May 2019  
07:18 am



Euro		Sterling		Dollar	
EUR/GBP	0.86	GBP/EUR	1.1621	USD/JPY	111.51
EUR/USD	1.1215	GBP/USD	1.3039	USD/CAD	1.3376
EUR/JPY	125.11	GBP/CAD	1.7447	USD/CHF	1.0195
EUR/SEK	10.647	GBP/NZD	1.9603	USD/CNY	6.7339
EUR/DKK	7.4661	GBP/JPY	145.4	USD/BRL	3.9175
EUR/NOK	9.6742	GBP/SEK	12.3777	USD/RUB	64.5733
EUR/CHF	1.1435	GBP/DKK	8.6777	USD/INR	69.529
EUR/AUD	1.5905	GBP/NOK	11.248	AUD/USD	0.7051
EUR/HKD	8.7984	GBP/CHF	1.3296	NZD/USD	0.6651
EUR/CAD	1.5008	GBP/AUD	1.8492		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 18
<b>10 Year Yield %</b>				
US	2.50	-2	+3	-18
Germany	0.01	+1	+6	-23
UK	1.18	+3	+18	-9
Ireland	0.55	+0	-0	N/A
Belgium	0.44	-1	+1	-32
France	0.37	+1	+2	-33
Italy	2.55	-3	+2	-17
Spain	0.99	-1	-11	-43
Portugal	1.10	-2	-14	-61
Greece	3.35	+6	-28	-95
<b>5 Year Swap %</b>				
US	2.28	-6	-5	-28
Eurozone	0.03	-1	+0	-20
UK	1.19	+1	+12	-13
<b>2 Year Swap %</b>				
US	2.35	-3	-6	-29
Eurozone	-0.20	-2	-1	-6
UK	1.05	+1	+9	-12
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	54	-1	-7	N/A
Belgium	43	-2	-6	-9
France	36	-0	-4	-11
Italy	254	-4	-4	+6
Spain	98	-2	-18	-20
Portugal	109	-3	-21	-38
Greece	334	+5	-35	-72



Commodities				
	Close	% Change		
		Day	4 Weeks	End 18
Brent Oil	72.8	+1.05	+4.94	+35.32
West Texas Oil	63.83	+0.69	+2.08	+41.37
CRB - All Commodity	184.25	+0.04	-1.14	+8.51
CRB - Food	341.96	-0.39	-0.82	+5.47
Gold \$	1283.9	+0.30	-0.75	+0.07

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