

Weak May for sterling

The recent softer tone to sterling gathered some further momentum last week. This is against the backdrop of a more uncertain UK domestic political environment amid the on-going Brexit impasse. The upcoming European elections and the prospect of a new Conservative Party Leader/PM (possibly a Eurosceptic) in the not too distant future has weighed on sterling. Indeed, the currency has weakened by around 3% since the start of this month. In level terms this has translated into EUR/GBP rising back above the 87p level and GBP/USD below the \$1.28 threshold.

Elsewhere on the currency front, the dollar continued to hold the upper hand against the euro last week. The EUR/USD pair ended the week and starts this morning back below the \$1.12 level.

Ahead this week, from a euro perspective, the macro diary features a batch of survey data for May, including the flash PMIs. The survey indicators are expected to remain at subdued levels. Meanwhile, the ECB 'account' of their April meeting, is not envisaged to provide much new insight into the central bank's mindset. Overall then, this week's Eurozone schedule may not have much influence on the euro.

On the dollar side, similar to the Eurozone, the main calendar highlights are also the flash May PMIs (no significant changes forecast) and central bank minutes (likely to show Fed remains in a cautious mood). Barring a major surprise, none of these are expected to prompt much reaction from the dollar.

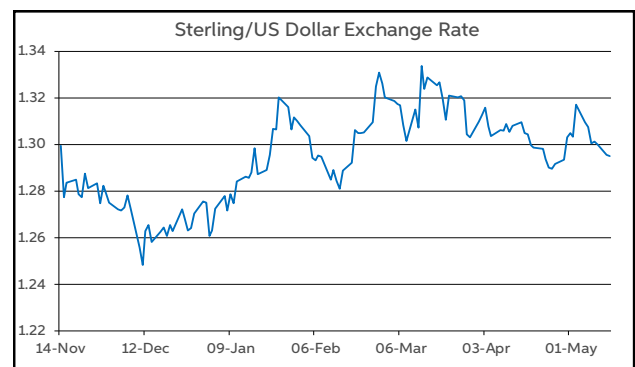
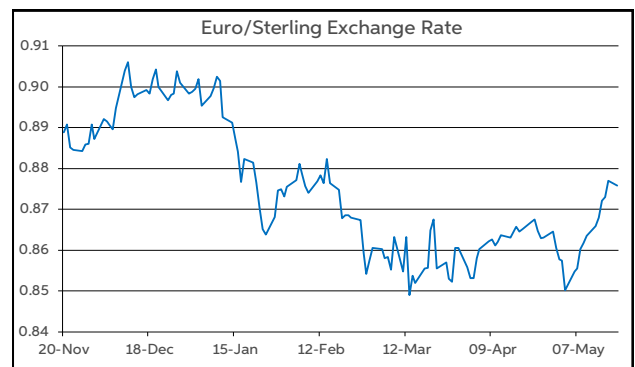
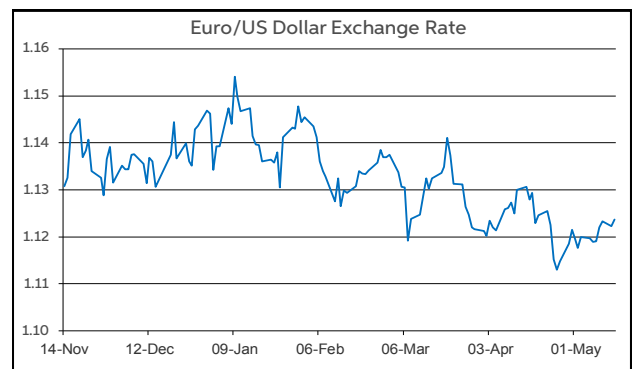
From a sterling viewpoint, in terms of the data, CPI and retail sales figures for April are the main releases of note. However, the currency may remain more sensitive to Brexit and political newsflow rather than macro data.

John Fahey, Senior Economist, AIB

Today's Opening Rates			
		% Change	
		Day *	End 2018
EUR/USD	1.1151	-0.25	-2.77
EUR/GBP	0.8758	0.23	-2.52
GBP/USD	1.2729	-0.48	-0.22
GBP/EUR	1.1414	-0.23	2.58
USD/JPY	110.13	0.39	0.52
EUR/JPY	122.8	0.13	-2.31

* 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	2.44	2.52	2.64	2.27	2.18
EUR	0.00	-0.37	-0.31	-0.13	-0.24	-0.02
GBP	0.75	0.73	0.80	1.04	0.96	1.08

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2018 to Date	
Dow Jones	25764	-0.38	+10.44	
S&P 500	2859.53	-0.58	+14.07	
FTSE 100	7348.62	-0.07	+9.22	
DJ Stoxx 50	3425.64	-0.38	+14.13	
ISEQ	6280.53	-0.46	+14.61	
Nikkei	21301.73	+0.24	+6.43	

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

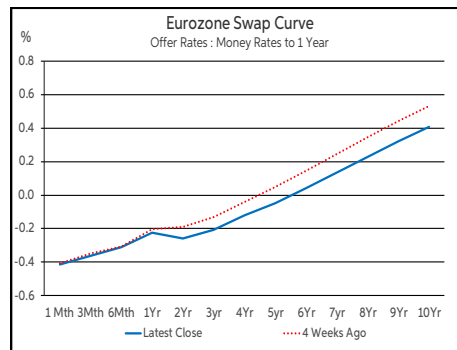
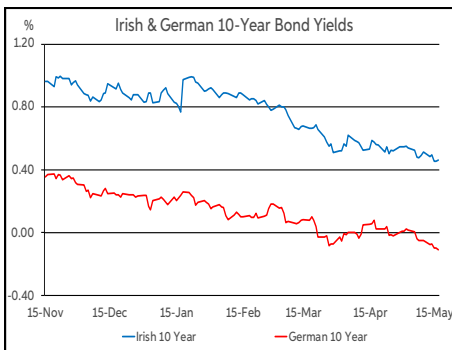
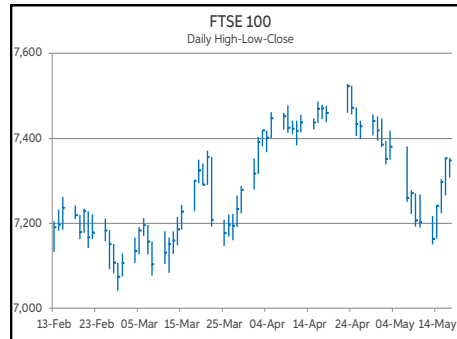
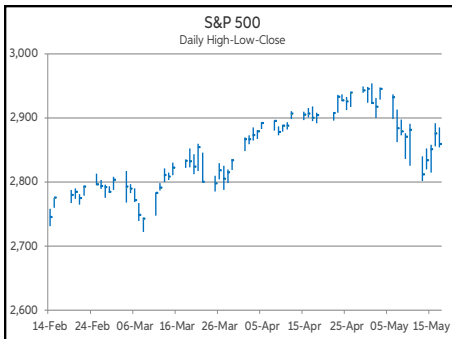
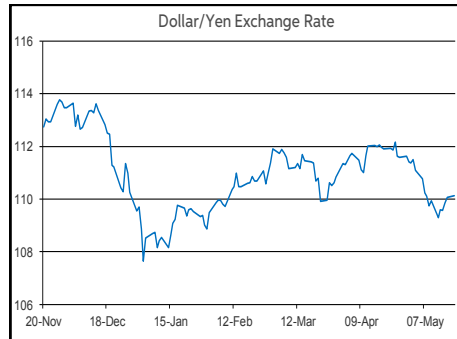
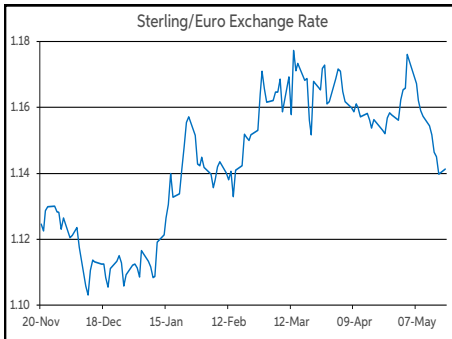
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		Equity Options	Gary Luff				

Opening Levels

Monday 20 May 2019
07:20 am



Euro		Sterling		Dollar	
EUR/GBP	0.876	GBP/EUR	1.1413	USD/JPY	110.12
EUR/USD	1.1151	GBP/USD	1.2727	USD/CAD	1.3431
EUR/JPY	122.8	GBP/CAD	1.7096	USD/CHF	1.0118
EUR/SEK	10.7493	GBP/NZD	1.9466	USD/CNY	6.9148
EUR/DKK	7.4676	GBP/JPY	140.16	USD/BRL	4.101
EUR/NOK	9.789	GBP/SEK	12.2668	USD/RUB	64.6096
EUR/CHF	1.1284	GBP/DKK	8.5234	USD/INR	69.56
EUR/AUD	1.6109	GBP/NOK	11.175	AUD/USD	0.6918
EUR/HKD	8.7501	GBP/CHF	1.288	NZD/USD	0.6536
EUR/CAD	1.4976	GBP/AUD	1.8388		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 18
10 Year Yield %				
US	2.39	-0	-17	-29
Germany	-0.11	-1	-13	-34
UK	1.04	-3	-16	-23
Ireland	0.46	+1	-5	N/A
Belgium	0.38	-1	-8	-38
France	0.28	-1	-8	-42
Italy	2.66	-1	+7	-5
Spain	0.86	-3	-20	-55
Portugal	1.03	-3	-11	-67
Greece	3.39	-3	+11	-91
5 Year Swap %				
US	2.17	-2	-23	-39
Eurozone	-0.05	-4	-10	-28
UK	1.07	-5	-15	-25
2 Year Swap %				
US	2.24	-2	-23	-40
Eurozone	-0.26	-4	-7	-12
UK	0.95	-3	-11	-22
10 Year Government Bond Spreads to Benchmark bps				
Ireland	57	+2	+8	N/A
Belgium	48	-0	+5	-4
France	39	+0	+5	-8
Italy	277	-0	+20	+29
Spain	97	-2	-7	-21
Portugal	114	-2	+2	-33
Greece	350	-2	+24	-56

Commodities				
	Close	% Change		
		Day	4 Weeks	End 18
Brent Oil	72.21	-0.56	+0.33	+34.22
West Texas Oil	62.77	-0.25	-1.95	+39.03
CRB - All Commodity	180.99	-0.73	-3.28	+6.59
CRB - Food	343.65	-1.89	-0.30	+5.99
Gold \$	1278.0	-0.70	+0.17	-0.39

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