

Risk-off tone to markets

The risk averse tone on markets continued yesterday in reaction to the recent flare-up in US-Sino trade tensions. President Trump has stated that further tariffs could be imposed on Chinese goods by Friday if progress is not made in ongoing talks. Reports indicating that a Chinese delegation will still travel to the US this week for further negotiations failed to improve sentiment.

Overall, yesterday's risk-off environment saw equities trading lower. The S&P 500 closed down 1.7% on the day, while in overnight trading the Nikkei fell by 1.6%. Currency impact was more limited, though the yen did experience some safe haven demand, gaining circa 0.6% against the dollar and the euro.

In terms of other macro developments, yesterday also saw the release of the European Commission's latest economic projections, though there was no notable currency impact. Meanwhile, reports suggesting that many Conservative MPs remain firmly opposed to cross-party Brexit talks were somewhat unhelpful for sterling.

The slightly softer sterling tone is reflected in EUR/GBP opening this morning in the upper half of the 85-86p band, while GBP/USD has lost the \$1.31 handle. Elsewhere, EUR/USD remains just above the \$1.12 level.

Today, the global macro data schedule is barren. Therefore, currency moves, if any, will likely be driven by geo-political developments. On that note, markets will keep an eye on Brexit newsflow. However, while they are not due to recommence until tomorrow, the key focus will be on the state of the US-China trade talks. Any reports of a détente could benefit sentiment, although equities could come under further pressure if there is any indication that talks may run into difficulties.

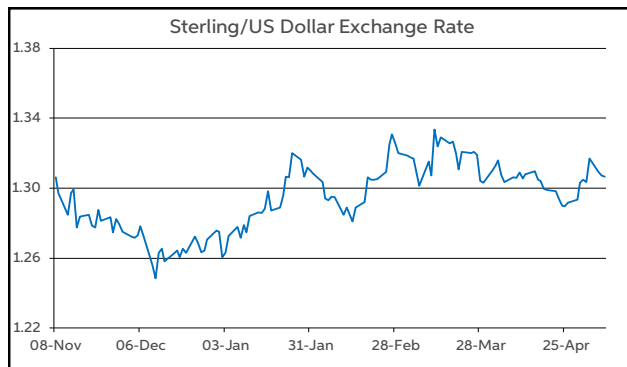
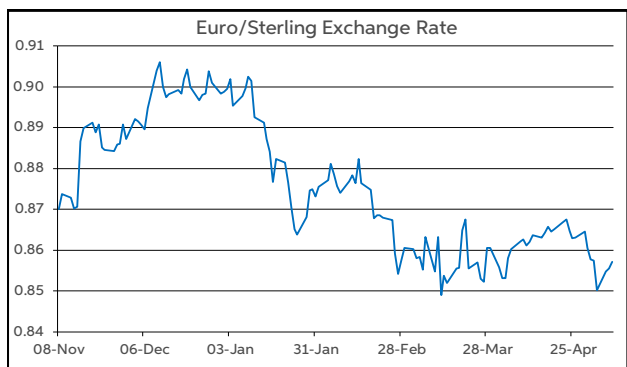
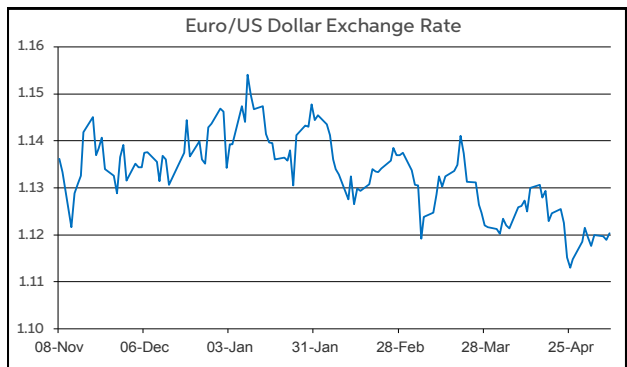
Conor Beakey, Economist, AIB

Today's Opening Rates

		% Change	
		Day *	End 2018
EUR/USD	1.1208	-0.04	-2.28
EUR/GBP	0.8573	0.35	-4.57
GBP/USD	1.307	-0.40	2.45
GBP/EUR	1.166	-0.35	4.79
USD/JPY	110.03	-0.55	0.43
EUR/JPY	123.34	-0.59	-1.89

* 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	2.46	2.56	2.72	2.39	2.31
EUR	0.00	-0.37	-0.31	-0.11	-0.20	0.02
GBP	0.75	0.73	0.81	1.09	1.04	1.19

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2018 to Date	
Dow Jones	25965.09	-1.79	+11.31	
S&P 500	2884.05	-1.65	+15.05	
FTSE 100	7260.47	-1.63	+7.91	
DJ Stoxx 50	3401.16	-1.78	+13.32	
ISEQ	6390.47	-1.11	+16.62	
Nikkei	21584.42	-1.55	+7.84	

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

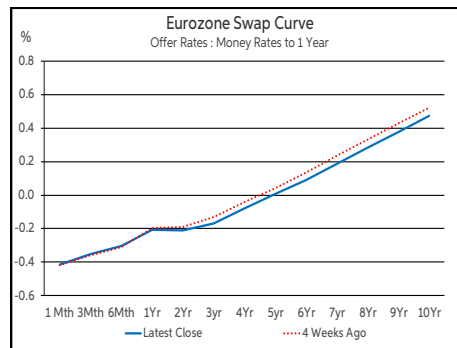
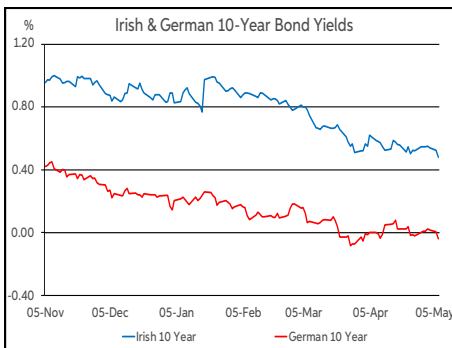
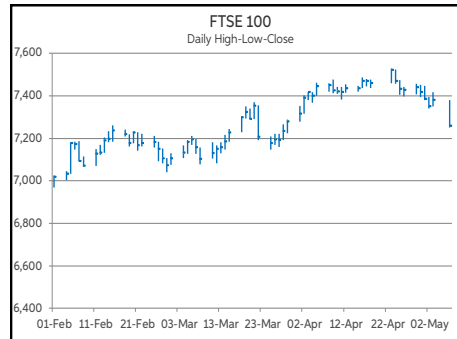
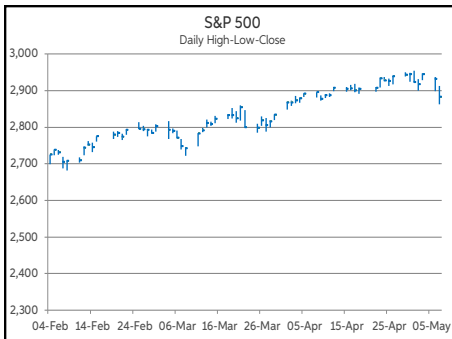
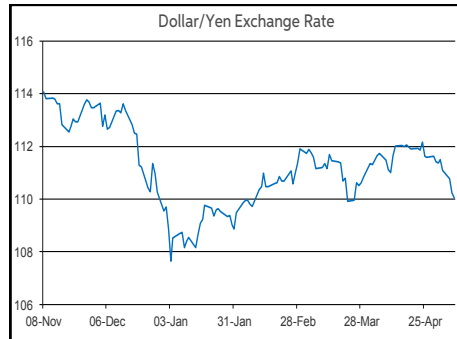
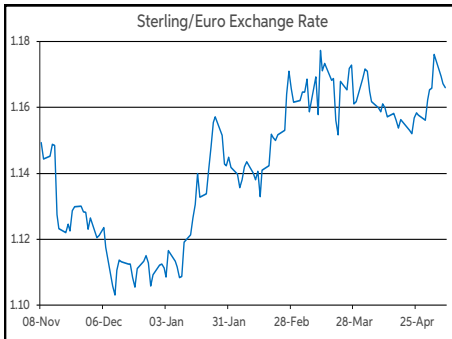
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Opening Levels

Wednesday 08 May 2019
07:18 am



Euro		Sterling		Dollar	
EUR/GBP	0.8573	GBP/EUR	1.166	USD/JPY	110.03
EUR/USD	1.1208	GBP/USD	1.307	USD/CAD	1.3458
EUR/JPY	123.34	GBP/CAD	1.7593	USD/CHF	1.0189
EUR/SEK	10.731	GBP/NZD	1.9835	USD/CNY	6.7681
EUR/DKK	7.4653	GBP/JPY	143.81	USD/BRL	3.97
EUR/NOK	9.7843	GBP/SEK	12.5099	USD/RUB	65.2852
EUR/CHF	1.142	GBP/DKK	8.7056	USD/INR	69.594
EUR/AUD	1.5956	GBP/NOK	11.4097	AUD/USD	0.7022
EUR/HKD	8.795	GBP/CHF	1.3318	NZD/USD	0.6589
EUR/CAD	1.5086	GBP/AUD	1.8612		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 18
10 Year Yield %				
US	2.45	-5	-5	-24
Germany	-0.04	-5	-3	-28
UK	1.16	-5	+5	-11
Ireland	0.48	-5	-7	N/A
Belgium	0.41	-3	-3	-35
France	0.33	-3	-2	-38
Italy	2.61	+3	+4	-11
Spain	0.95	-2	-12	-46
Portugal	1.08	-1	-11	-63
Greece	3.31	+2	-13	-99
5 Year Swap %				
US	2.27	-5	-6	-29
Eurozone	0.01	-3	-3	-22
UK	1.17	-6	+2	-14
2 Year Swap %				
US	2.35	-5	-7	-29
Eurozone	-0.21	-2	-2	-7
UK	1.02	-4	+3	-14
10 Year Government Bond Spreads to Benchmark bps				
Ireland	52	-0	-4	N/A
Belgium	45	+2	-0	-7
France	37	+2	+1	-10
Italy	264	+8	+7	+17
Spain	99	+2	-8	-19
Portugal	112	+4	-8	-35
Greece	335	+7	-10	-72

Commodities				
	Close	% Change		
		Day	4 Weeks	End 18
Brent Oil	69.88	-1.91	-1.03	+29.89
West Texas Oil	61.41	-1.43	-4.12	+36.01
CRB - All Commodity	179.49	-0.66	-4.81	+5.70
CRB - Food	340.19	+0.92	-1.19	+4.92
Gold \$	1286.0	+0.42	-1.41	+0.24

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