

## Brexit, the burden that keeps on giving

For much of last week, Brexit dominated the headlines and was a key driver of the action on currency markets. Sterling weakened amid the chaotic goings-on within UK government circles and increasingly uncertain Brexit outlook.

This was reflected in EUR/GBP regaining ground above the 88p mark. Although, despite the difficult circumstances for sterling, the weaker tone only pushed the pair up towards the midpoint of the 87-90p trading range that has mostly been in place since last September.

Elsewhere, sterling also struggled against the dollar. Some dollar weakness though over the period meant that GBP/USD ended the week only modestly lower from where it started it, within the \$1.28-1.29 band. Meanwhile, EUR/USD was generally on a gradual uptrend over the week, edging to the \$1.14 level.

Ahead this week, it's a holiday shortened one for the US (Thanksgiving). Data-wise, the main releases are the flash November PMIs and some housing market updates (incl. existing homes sales for October). Meantime in the Eurozone, flash PMIs for November also feature. However, unless any of this data produces a significant surprise versus expectations, directional impact on the respective currencies may be limited.

For sterling, BoE Governor Carney's appearance before the Treasury Select Committee to discuss the November Inflation Report poses some headline risk for the currency. However, the main source of influence/volatility for sterling may remain Brexit. This includes a possible no-confidence motion on the leadership of Theresa May within the Conservative Party and the potential for plenty more Brexit related palaver in UK domestic politics.

**John Fahey, Senior Economist, AIB**

### Today's Opening Rates

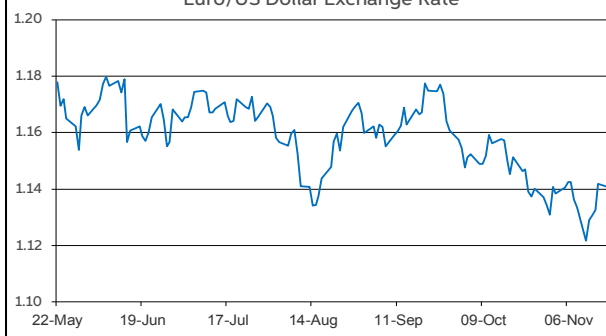
		% Change	
		Day *	End 2017
EUR/USD	1.1407	0.59	-4.91
EUR/GBP	0.8885	0.28	0.02
GBP/USD	1.2837	0.32	-5.00
GBP/EUR	1.1252	-0.28	-0.02
USD/JPY	112.7	-0.55	0.03
EUR/JPY	128.57	0.02	-4.89

\* v Previous Day's European Open

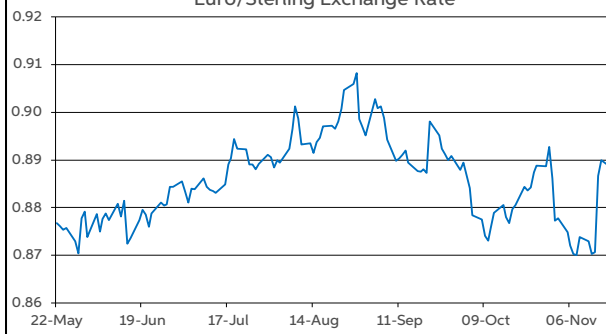
See Next Page for More Rates



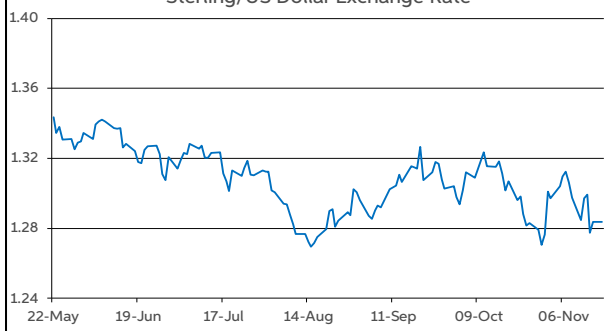
Euro/US Dollar Exchange Rate



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	2.125	2.30	2.64	3.12	3.00	3.04
EUR	0.00	-0.37	-0.32	-0.15	-0.11	0.35
GBP	0.75	0.73	0.89	1.14	1.15	1.37

### Equity Indices

	Latest Close	% Changes	
		on Day	End 2017 to Date
Dow Jones	25413.22	+0.49	+2.81
S&P 500	2736.27	+0.22	+2.34
FTSE 100	7013.88	-0.34	-8.77
DJ Stoxx 50	3180.74	-0.30	-9.22
ISEQ	5983.45	+0.44	-14.99
Nikkei	21821.16	+0.65	-4.15

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

Monday 19 November 2018  
07:27 am



## Euro

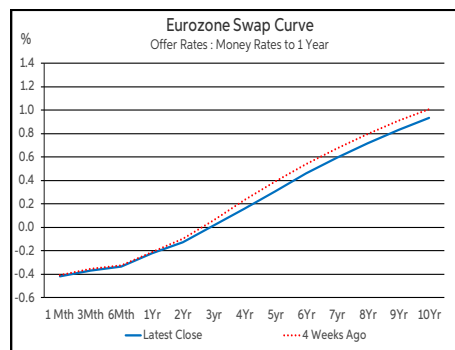
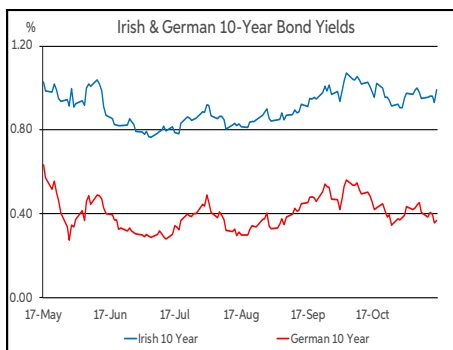
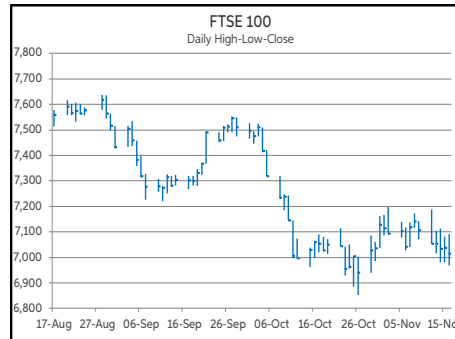
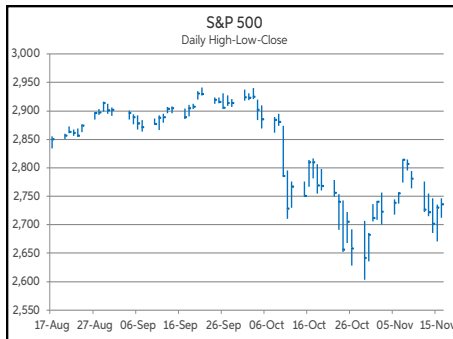
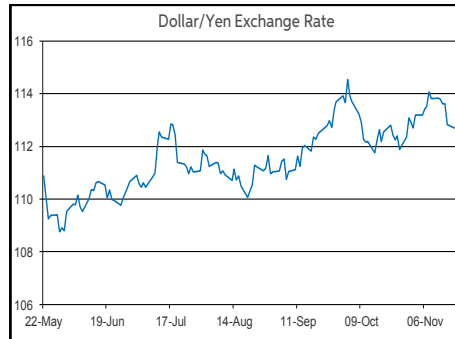
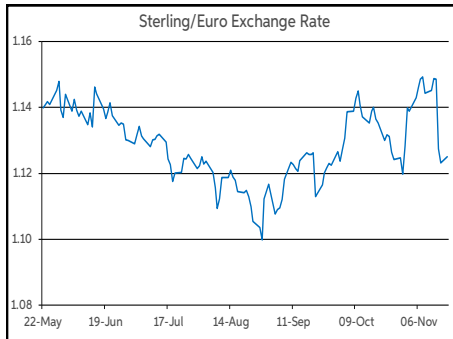
EUR/GBP	0.8885
EUR/USD	1.1407
EUR/JPY	128.57
EUR/SEK	10.276
EUR/DKK	7.4616
EUR/NOK	9.6315
EUR/CHF	1.1404
EUR/AUD	1.5592
EUR/HKD	8.9345
EUR/CAD	1.5019

## Sterling

GBP/EUR	1.1252
GBP/USD	1.2837
GBP/CAD	1.6904
GBP/NZD	1.8739
GBP/JPY	144.67
GBP/SEK	11.5607
GBP/DKK	8.3962
GBP/NOK	10.8375
GBP/CHF	1.2833
GBP/AUD	1.7547

## Dollar

USD/JPY	112.7
USD/CAD	1.3166
USD/CHF	0.9995
USD/CNY	6.9413
USD/BRL	3.7434
USD/RUB	66
USD/INR	71.86
AUD/USD	0.7316
NZD/USD	0.6849



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 17
<b>10 Year Yield %</b>				
US	3.06	-5	-13	+66
Germany	0.37	+1	-6	-5
UK	1.42	+4	-14	+23
Ireland	0.99	+6	-3	N/A
Belgium	0.80	+2	-8	+19
France	0.76	+1	-6	-2
Italy	3.48	+0	-3	+148
Spain	1.62	+0	-11	+8
Portugal	1.96	-0	-6	+6
Greece	4.51	-3	+18	+47
<b>5 Year Swap %</b>				
US	3.00	-7	-19	+75
Eurozone	0.31	-1	-9	-1
UK	1.37	+4	-9	+33
<b>2 Year Swap %</b>				
US	2.97	-8	-14	+89
Eurozone	-0.13	-1	-3	+1
UK	1.14	+2	-3	+34
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	62	+5	+3	N/A
Belgium	43	+0	-2	+24
France	39	+0	-0	+3
Italy	311	-1	+3	+153
Spain	125	-1	-5	+13
Portugal	159	-2	-0	+11
Greece	414	-5	+24	+52

Commodities				
	Close	% Change		
		Day	4 Weeks	End 17
Brent Oil	66.76	+0.21	-16.32	-0.16
West Texas Oil	56.49	+0.07	-18.32	-6.57
CRB - All Commodity	187.30	+0.95	-5.01	-3.39
CRB - Food	332.54	+1.28	-0.73	-1.04
Gold \$	1221.6	+0.70	-0.43	-6.23

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