

No significant FX moves

As has been the case for much of the past few weeks, the main currency pairs were once again confined to narrow trading ranges yesterday. Of the limited action to register, sterling has come under some modest downward pressure.

The only data out yesterday were UK CBI industrial orders for November and housing starts for October in the US. The former surprised to the upside, while the latter came in below expectations. However, given the lower tier nature of the releases, there was no impact on either sterling or the dollar.

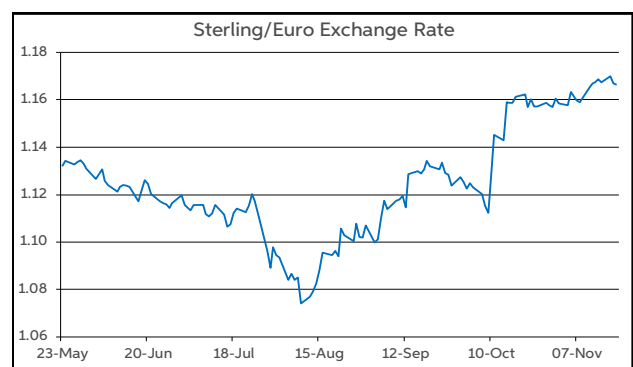
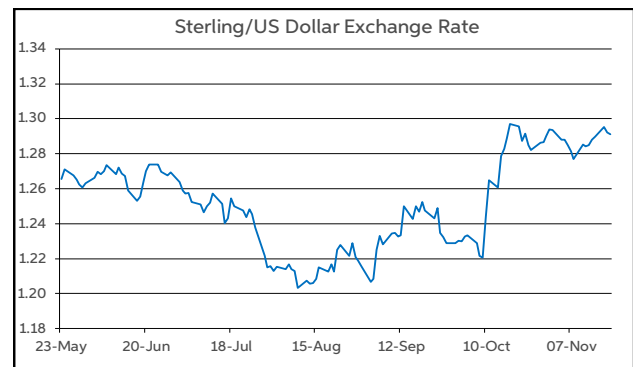
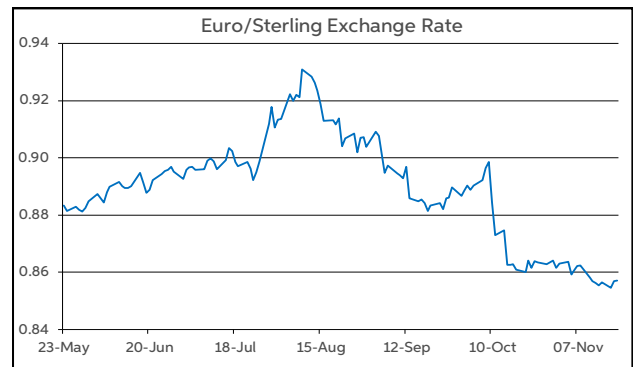
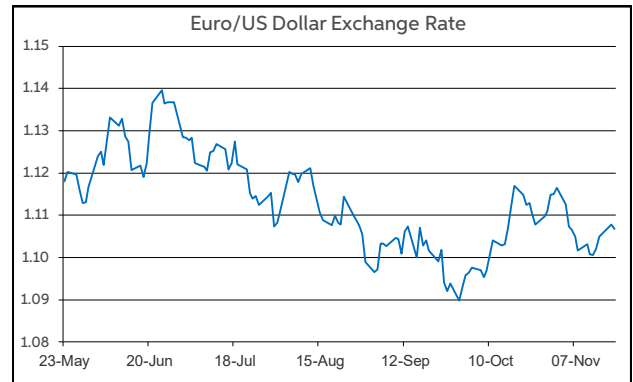
In level terms, the marginally weaker sterling tone sees EUR/GBP open this morning in the upper half of the 85-86p band. At the same time, GBP/USD has moved back down toward the \$1.29 level. Meantime, EUR/USD remains within the \$1.10-1.11 range.

Elsewhere on financial markets, the action was similarly uneventful yesterday. Investors remained cautious with the S&P 500 flat on the day. Overnight, a partial flare-up of US-China tensions in relation to Hong Kong weighed on sentiment, with Asian equities losing ground.

Turning to the day ahead, we could once again be in for another quiet day on FX markets. On this side of the Atlantic, both the Eurozone and UK data schedules are devoid of any potential market moving releases.

In the US, after the close in Europe the Fed will publish the minutes from its October rate-setting meeting. However, with the central bank widely viewed as being on hold in the near term as it assesses the impact of its recent easing of policy, the impact on the dollar ought to be limited.

Conor Beakey, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2018
EUR/USD	1.1069	-0.05	-3.49
EUR/GBP	0.8571	0.30	-4.60
GBP/USD	1.2912	-0.35	1.22
GBP/EUR	1.1664	-0.30	4.82
USD/JPY	108.53	-0.08	-0.94
EUR/JPY	120.14	-0.12	-4.43

* v Previous Day's European Open

See Next Page for More Rates

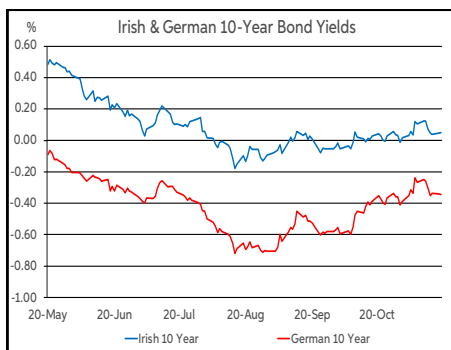
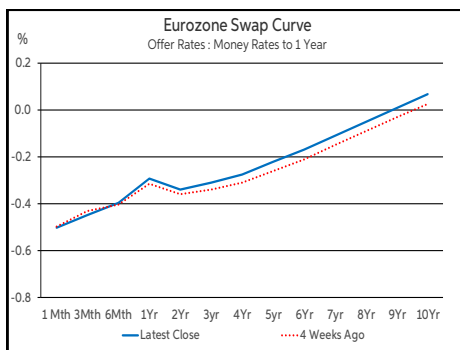
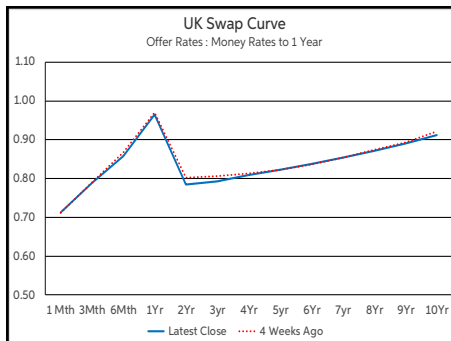
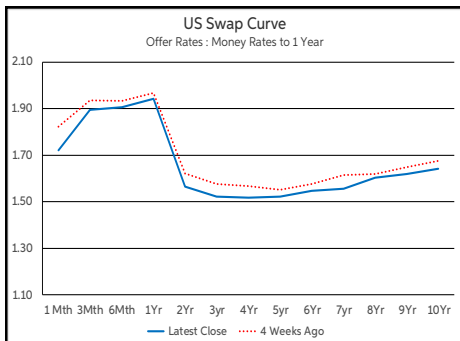
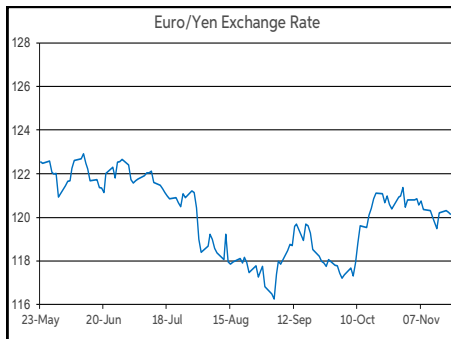
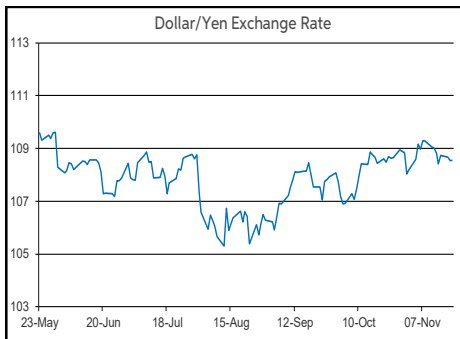
Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	1.625	1.72	1.89	1.94	1.56	1.54
EUR	0.00	-0.46	-0.40	-0.27	-0.32	-0.23
GBP	0.75	0.71	0.79	0.97	0.79	0.83

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	Reuters Phone	AIB 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Euro		Sterling		Dollar	
EUR/GBP	0.8571	GBP/EUR	1.1664	USD/JPY	108.53
EUR/USD	1.1069	GBP/USD	1.2912	USD/CAD	1.3284
EUR/JPY	120.14	GBP/CAD	1.7154	USD/CHF	0.9904
EUR/SEK	10.6918	GBP/NZD	2.0113	USD/CNY	7.0281
EUR/DKK	7.4721	GBP/JPY	140.13	USD/BRL	4.1932
EUR/NOK	10.1387	GBP/SEK	12.4705	USD/RUB	63.88
EUR/CHF	1.0963	GBP/DKK	8.7172	USD/INR	71.7075
EUR/AUD	1.6226	GBP/NOK	11.8265	AUD/USD	0.6821
EUR/HKD	8.6612	GBP/CHF	1.279	NZD/USD	0.642
EUR/CAD	1.4706	GBP/AUD	1.8932		



Debt Markets				
	Close	Day	4 Weeks	End 18
10 Year Yield %				
US	1.78	-3	+2	-90
Germany	-0.35	-1	+3	-58
UK	0.73	-2	+2	-54
Ireland	0.05	+1	+2	N/A
Belgium	-0.05	+0	+2	-81
France	-0.03	+0	+4	-73
Italy	1.31	+4	+30	-140
Spain	0.41	+1	+16	-100
Portugal	0.36	+3	+17	-134
Greece	1.39	-1	+14	-291
5 Year Swap %				
US	1.52	-5	-3	-104
Eurozone	-0.22	-1	+4	-45
UK	0.82	-3	+0	-49
2 Year Swap %				
US	1.56	-5	-6	-108
Eurozone	-0.34	-2	+2	-20
UK	0.79	-2	-2	-38
10 Year Government Bond Spreads to Benchmark bps				
Ireland	40	+1	-0	N/A
Belgium	29	+1	-1	-23
France	32	+1	+1	-15
Italy	166	+4	+27	-82
Spain	76	+2	+14	-42
Portugal	71	+3	+14	-76
Greece	174	-0	+11	-233

Commodities				
	Close	Day	4 Weeks	End 18
Brent Oil	60.91	-2.45	+2.03	+13.22
West Texas Oil	54.93	-3.33	+1.33	+21.66
Gold \$	1472.5	+0.10	-1.07	+14.78

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