

## Muted FX action

It was a quiet day on currency markets yesterday. The main pairs were confined to relatively tight ranges, as the macro calendar offered little guidance. Indeed, both the Eurozone and the US schedules were barren.

We did, though, get an update on the UK labour market. Employment growth has continued to slow, easing to a still solid 1.1% in the 3-months to July. Although, the jobless rate unexpectedly edged down to 3.8%, from 3.9%. At the same time, the tight labour market conditions helped headline wage inflation pick up to a new cycle high rate of 4.0%. However, despite the generally positive data, there was little impact on sterling.

In level terms, the lack of action on FX markets sees the main pairs open this morning broadly unchanged from 24 hours previous. EUR/GBP is changing hands in the lower half of 89-90p, while GBP/USD is in the upper half of the \$1.23-1.24 band. Elsewhere, EUR/USD continues to operate in a narrow range near to the midpoint of \$1.10-1.11.

Elsewhere, the sell-off in bond markets continued yesterday. In the Eurozone, a reduction in market expectations of a significant QE package being announced on Thursday by the ECB has seen yields remain under upward pressure. Across the Atlantic, 10-year Treasury yields rose by 10bps as fears of an immediate slowdown of the US economy have receded.

Ahead today, there is nothing of note due from the US, UK or Eurozone data schedules. As a result, the majors may remain near to their current levels as market participants adopt a wait-and-see approach ahead of tomorrow's aforementioned ECB meeting.

**Conor Beakey, Economist, AIB**

Today's Opening FX Rates			
		% Change	
		Day *	End 2018
EUR/USD	1.1046	0.05	-3.69
EUR/GBP	0.8937	-0.11	-0.52
GBP/USD	1.2355	0.13	-3.15
GBP/EUR	1.1182	0.11	0.53
USD/JPY	107.8	0.38	-1.61
EUR/JPY	119.08	0.40	-5.27

\* v Previous Day's European Open

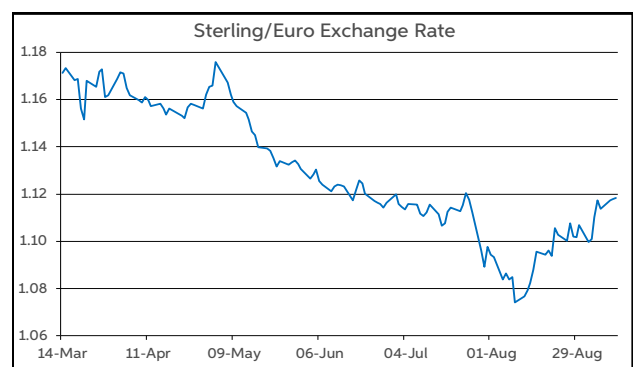
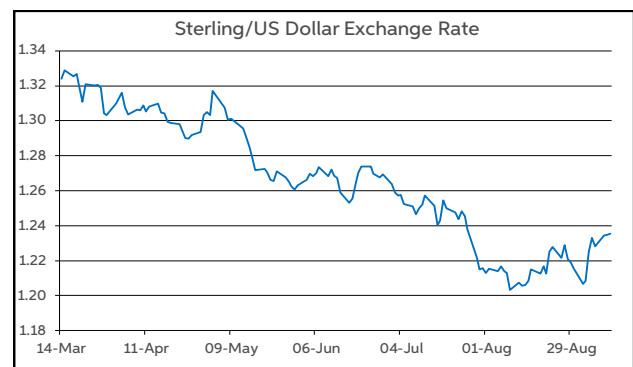
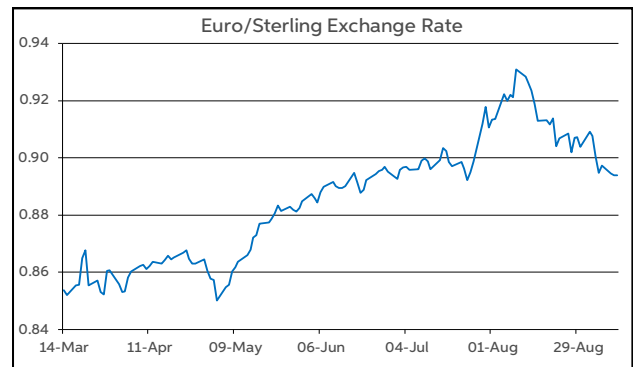
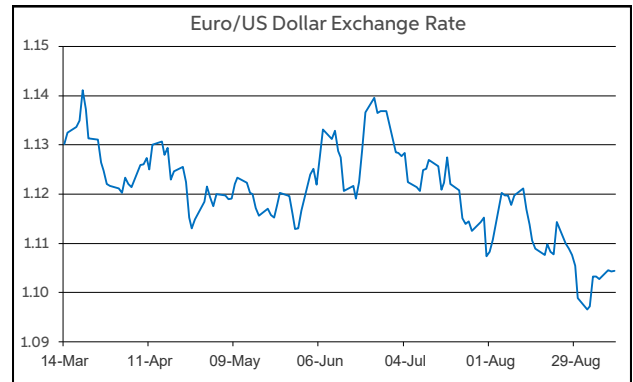
See Next Page for More Rates

Opening Interest Rates						
Base Rate	Short Term			Long Term		
	1-Mth	3-Mth	12-Mth	2-Yr	5-Yr	
USD	2.125	2.04	2.13	1.97	1.66	1.49
EUR	0.00	-0.45	-0.43	-0.36	-0.51	-0.44
GBP	0.75	0.71	0.77	0.90	0.75	0.73

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				

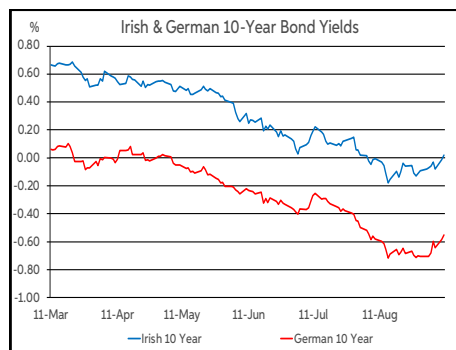
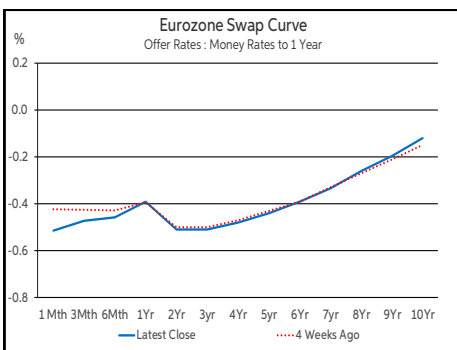
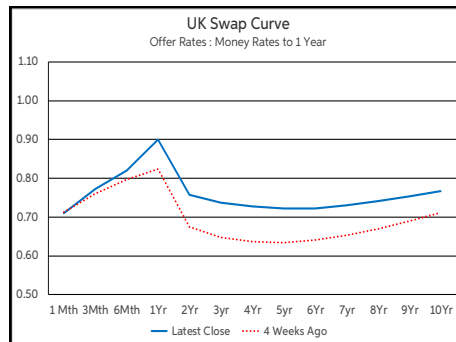
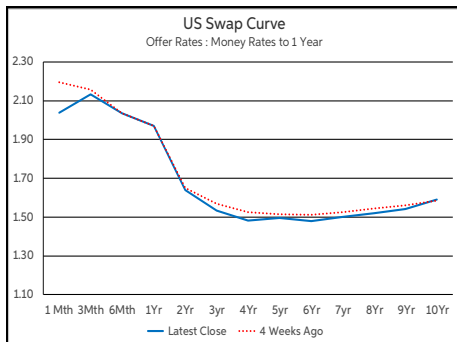
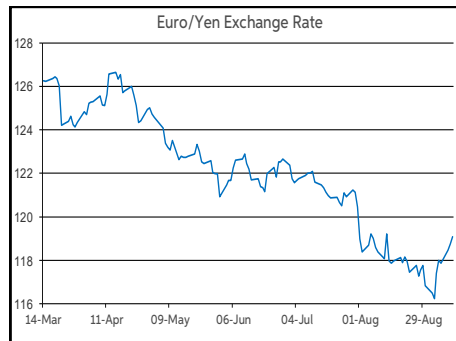
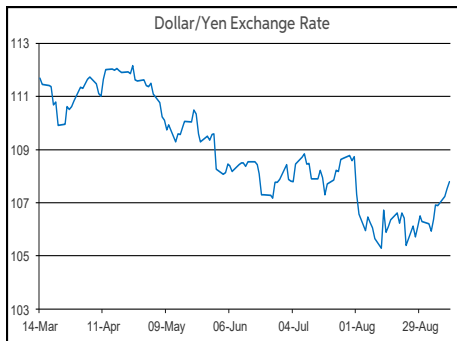


# Opening Levels

Wednesday 11 September 2019  
07:18 am



Euro		Sterling		Dollar	
EUR/GBP	0.8939	GBP/EUR	1.1182	USD/JPY	107.79
EUR/USD	1.1045	GBP/USD	1.2355	USD/CAD	1.314
EUR/JPY	119.08	GBP/CAD	1.6232	USD/CHF	0.9916
EUR/SEK	10.6829	GBP/NZD	1.9207	USD/CNY	7.1113
EUR/DKK	7.46	GBP/JPY	133.17	USD/BRL	4.0807
EUR/NOK	9.8848	GBP/SEK	11.9463	USD/RUB	65.3401
EUR/CHF	1.0956	GBP/DKK	8.3446	USD/INR	71.665
EUR/AUD	1.6072	GBP/NOK	11.0539	AUD/USD	0.6872
EUR/HKD	8.6586	GBP/CHF	1.2254	NZD/USD	0.643
EUR/CAD	1.4517	GBP/AUD	1.7973		



Debt Markets				
	Close	Day	4 Weeks	End 18
<b>10 Year Yield %</b>				
US	1.74	+10	+4	-94
Germany	-0.55	+3	+6	-79
UK	0.64	+5	+15	-63
Ireland	0.02	+3	+7	N/A
Belgium	-0.20	+4	+7	-96
France	-0.25	+3	+7	-95
Italy	1.01	+7	-59	-170
Spain	0.24	+4	+4	-117
Portugal	0.27	+3	+5	-144
Greece	1.61	+6	-49	-269
<b>5 Year Swap %</b>				
US	1.50	+6	-2	-107
Eurozone	-0.44	+2	-1	-67
UK	0.72	+3	+9	-59
<b>2 Year Swap %</b>				
US	1.64	+6	-1	-100
Eurozone	-0.51	+0	-1	-37
UK	0.76	+3	+8	-41
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	58	+0	+2	N/A
Belgium	36	+1	+1	-16
France	30	+0	+1	-16
Italy	157	+4	-65	-91
Spain	80	+1	-2	-38
Portugal	82	-0	-1	-65
Greece	216	+2	-55	-190

Commodities				
	Close	Day	4 Weeks	End 18
Brent Oil	62.38	-0.34	+1.76	+15.95
West Texas Oil	57.37	-0.88	+0.56	+27.07
Gold \$	1487.3	-0.80	-0.95	+15.93

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