

Dollar firmer after Saudi attacks

Markets adopted a cautious tone yesterday. This followed the 15% jump in oil prices after the attack on Saudi Arabia's production facilities over the weekend. Oil exporter currencies, such as the Norwegian krona and Canadian dollar, made gains in this environment. The dollar also moved higher.

Data-wise, there was little out yesterday to provide direction to the main pairs. Although, dovish sounding comments by the ECB's Lane did see the euro come under some mild downward pressure. He indicated that the central bank stands ready to provide more stimulus in order to achieve its inflation target.

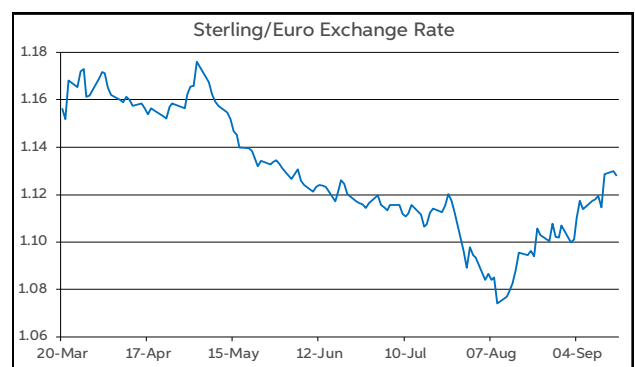
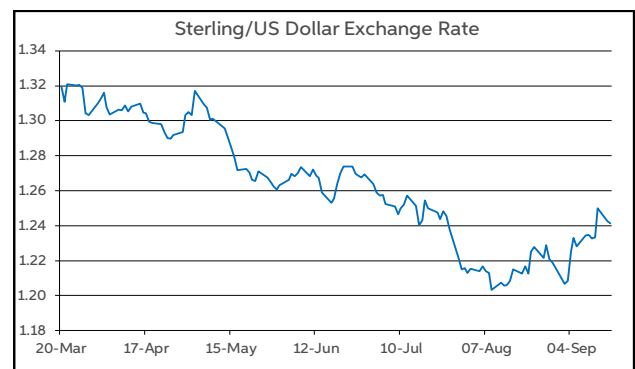
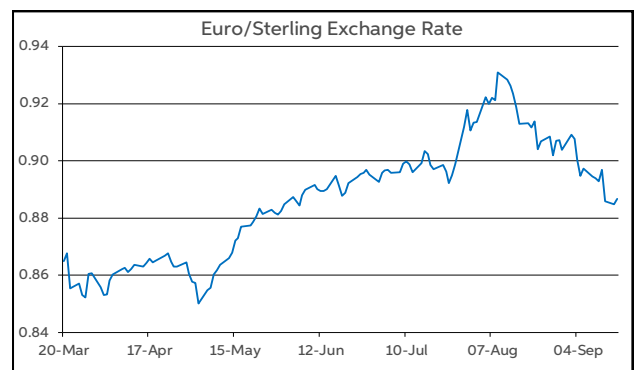
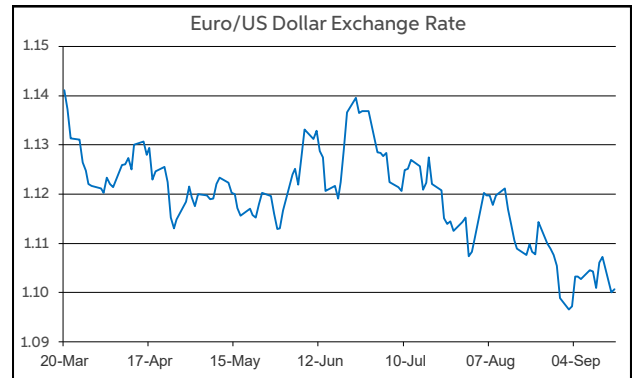
In level terms, the firmer dollar tone and the slight softening of the euro is reflected in EUR/USD opening this morning back down at the \$1.10 threshold. Meantime, EUR/GBP remains below the 89p level, while cable (GBP/USD) is changing hands in the lower half of the \$1.24-1.25 band.

Elsewhere on markets, the cautious mood saw equities lose some ground. The S&P 500 and the Euro Stoxx 50 were down 0.3% and 0.9%, respectively. Meanwhile, bonds experienced some safe haven support, with yields lower globally.

Today, the data calendar is unlikely to be a source of direction for either the euro or sterling. The UK Supreme Court case on overturning a Scottish court's ruling that prorogation was unlawful begins this morning.

Across the Atlantic, we get August industrial output. The forecast is for growth of just 0.2%, reflecting weakness in the manufacturing sector. However, in the absence of a major surprise, the release is unlikely to have much of an impact on the dollar.

Conor Beakey, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2018
EUR/USD	1.1005	-0.61	-4.05
EUR/GBP	0.8867	-0.15	-1.30
GBP/USD	1.241	-0.47	-2.72
GBP/EUR	1.1276	0.15	1.32
USD/JPY	108.19	0.36	-1.25
EUR/JPY	119.08	-0.24	-5.27

* 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	2.125	2.04	2.15	2.07	1.73	1.62
EUR	0.00	-0.44	-0.40	-0.33	-0.42	-0.36
GBP	0.75	0.71	0.78	0.96	0.82	0.80

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

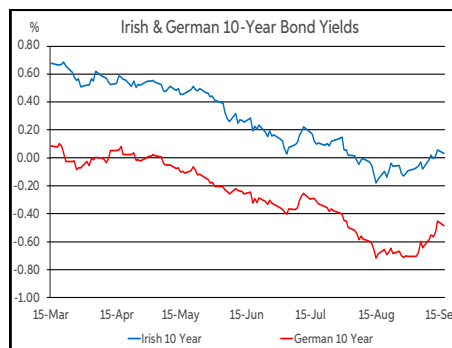
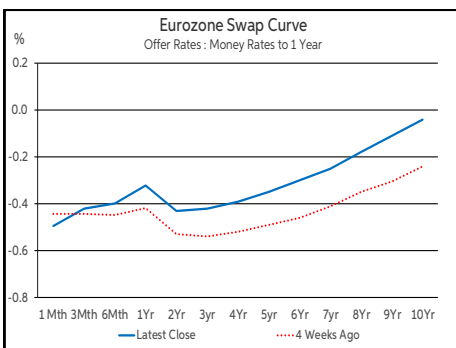
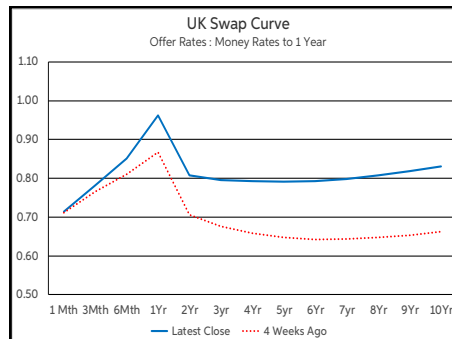
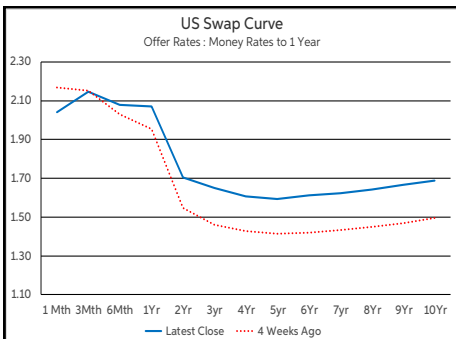
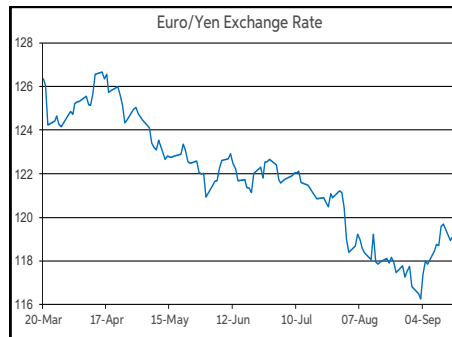
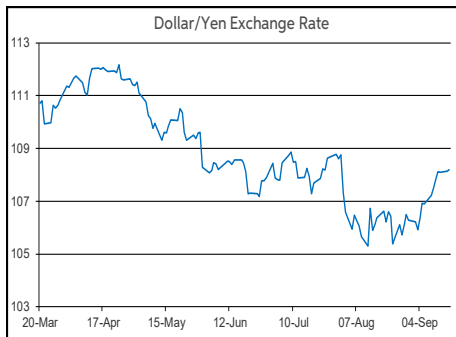
EUR/GBP	0.8867
EUR/USD	1.1005
EUR/JPY	119.08
EUR/SEK	10.6358
EUR/DKK	7.4672
EUR/NOK	9.8607
EUR/CHF	1.0918
EUR/AUD	1.6103
EUR/HKD	8.6066
EUR/CAD	1.4587

Sterling

GBP/EUR	1.1276
GBP/USD	1.241
GBP/CAD	1.6451
GBP/NZD	1.9609
GBP/JPY	134.26
GBP/SEK	11.9881
GBP/DKK	8.4204
GBP/NOK	11.1217
GBP/CHF	1.2313
GBP/AUD	1.816

Dollar

USD/JPY	108.19
USD/CAD	1.3255
USD/CHF	0.9921
USD/CNY	7.0873
USD/BRL	4.0801
USD/RUB	63.9962
USD/INR	71.805
AUD/USD	0.6833
NZD/USD	0.6328



Debt Markets				
	Close	Day	4 Weeks	End 18
10 Year Yield %				
US	1.84	-6	+24	-84
Germany	-0.49	-3	+17	-72
UK	0.69	-7	+22	-58
Ireland	0.03	-3	+13	N/A
Belgium	-0.16	-2	+16	-92
France	-0.20	-2	+17	-90
Italy	0.83	-4	-59	-188
Spain	0.24	-4	+13	-118
Portugal	0.26	-4	+11	-145
Greece	1.52	-3	-49	-278
5 Year Swap %				
US	1.59	-9	+18	-97
Eurozone	-0.35	-4	+14	-58
UK	0.79	-6	+14	-52
2 Year Swap %				
US	1.71	-9	+16	-93
Eurozone	-0.43	-2	+10	-29
UK	0.81	-4	+10	-36
10 Year Government Bond Spreads to Benchmark bps				
Ireland	52	+1	-4	N/A
Belgium	33	+1	-1	-19
France	28	+1	+0	-18
Italy	132	-1	-76	-116
Spain	72	-1	-4	-45
Portugal	74	-0	-6	-72
Greece	200	+1	-65	-206

Commodities				
	Close	Day	4 Weeks	End 18
Brent Oil	69.02	+14.61	+15.53	+28.29
West Texas Oil	63.1	+15.23	+12.20	+39.76
Gold \$	1499.7	+0.72	+0.27	+16.90

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