

Sterling gains on Juncker comments

Overnight, currency market action has seen sterling come under some upward pressure. This move coincided with comments made by European Commission President Juncker that he believed a Brexit deal could be reached with the UK. This followed a meeting with PM Johnson earlier in the week.

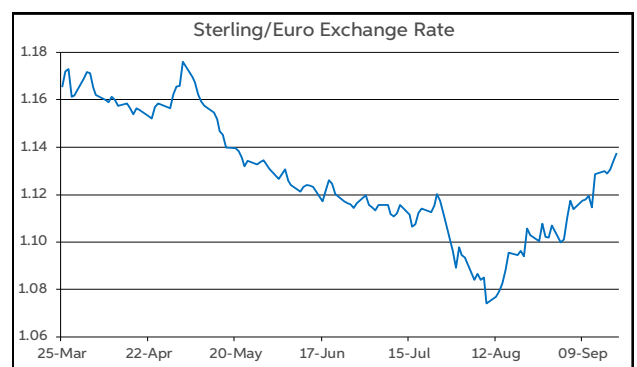
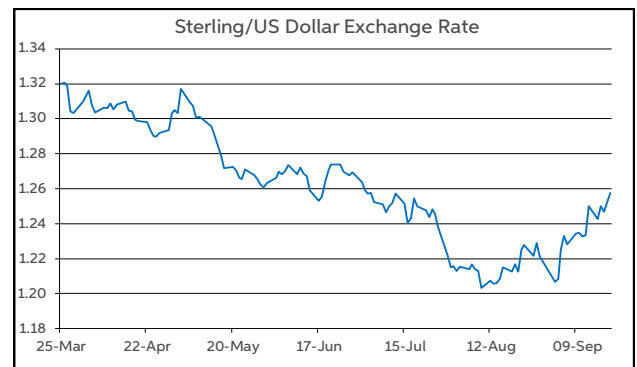
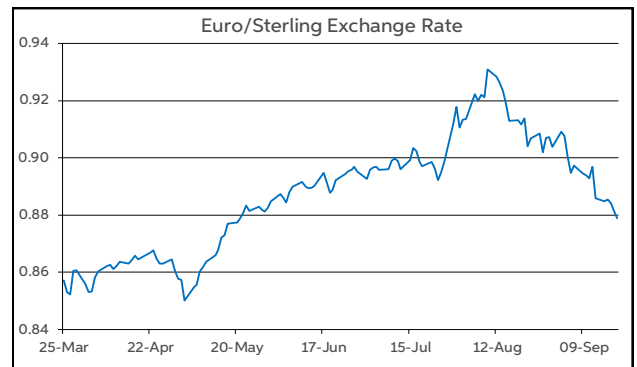
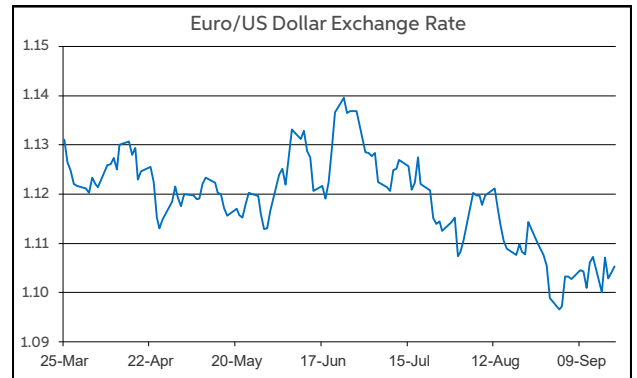
Meanwhile, the day's macro highlight, the BoE's September meeting, prompted no reaction in sterling. As expected, the central bank left rates on hold in the face of continued uncertainty about the final outcome of Brexit. The UK Supreme Court's hearing on the legality of PM Johnson's proroguing of Parliament also concluded yesterday. A decision will follow early next week.

Data-wise, UK retail sales for August were weaker than expected (-0.2% vs f'cast 0%). However, July's figures were revised up to +0.4%, from +0.2%. The US macro calendar contained only second tier releases. The Philly Fed index fell in the month, but still beat expectations (12.0 vs f'cast 16.8). Meanwhile, existing home sales increased by a solid 1.3% (f'cast -0.4%).

In level terms, the gains for sterling have seen it hit 3 and 2 month highs against both the euro and the dollar, respectively. EUR/GBP has fallen through the 88p threshold, while GBP/USD is trading in the upper half of \$1.25-1.26. At the same time, EUR/USD continues to change hands around the midpoint of the \$1.10-1.11 band.

Turning to the day ahead, the flash estimate of Eurozone consumer confidence for September is the only release of note, but euro impact could be minimal. Sentiment is projected to be broadly unchanged in the month. The UK and the US schedules have a sparse look to them, though sterling may continue to prove reactive to Brexit-related headlines.

Conor Beakey, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2018
EUR/USD	1.1054	0.15	-3.62
EUR/GBP	0.879	-0.62	-2.16
GBP/USD	1.2574	0.78	-1.43
GBP/EUR	1.1371	0.63	2.21
USD/JPY	107.87	-0.01	-1.54
EUR/JPY	119.26	0.13	-5.13

* 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	1.875	2.05	2.16	2.07	1.69	1.57
EUR	0.00	-0.44	-0.40	-0.31	-0.42	-0.37
GBP	0.75	0.71	0.78	0.94	0.78	0.75

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

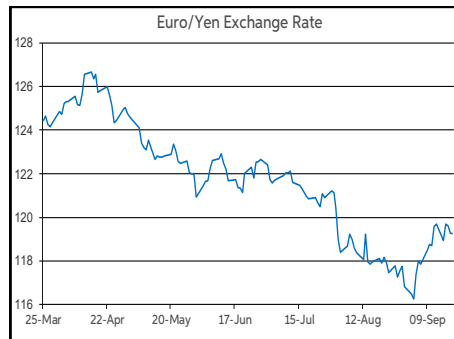
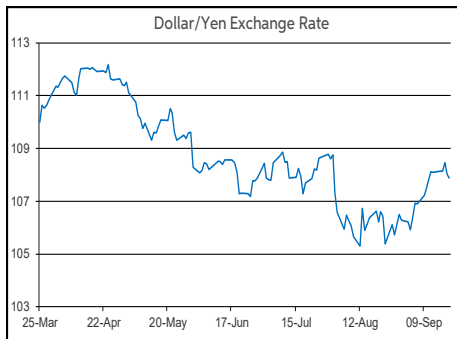
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIB 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

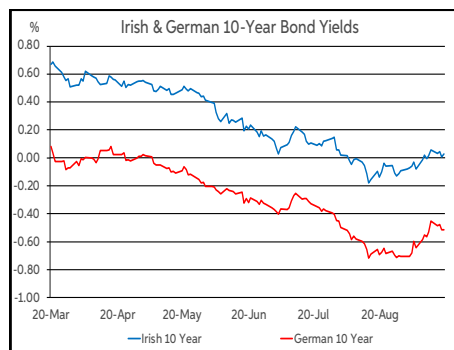
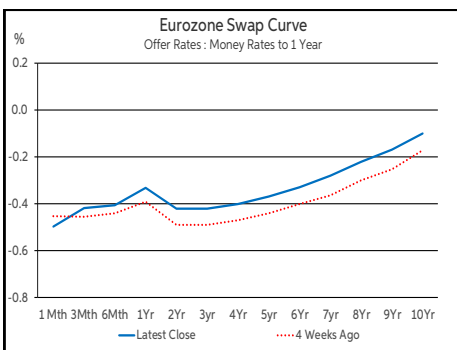
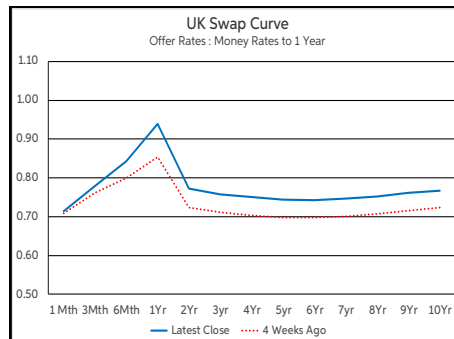
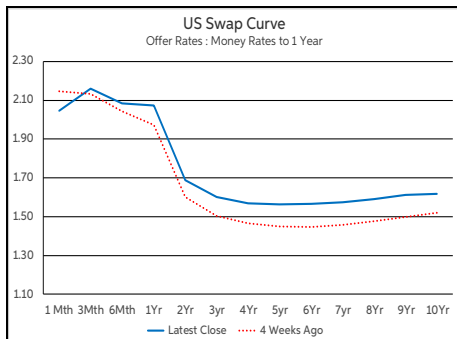
Friday 20 September 2019
07:20 am



Euro		Sterling		Dollar	
EUR/GBP	0.879	GBP/EUR	1.1371	USD/JPY	107.87
EUR/USD	1.1054	GBP/USD	1.2574	USD/CAD	1.3261
EUR/JPY	119.24	GBP/CAD	1.6669	USD/CHF	0.991
EUR/SEK	10.6954	GBP/NZD	1.9945	USD/CNY	7.0829
EUR/DKK	7.4666	GBP/JPY	135.64	USD/BRL	4.1677
EUR/NOK	9.9151	GBP/SEK	12.1625	USD/RUB	63.905
EUR/CHF	1.0957	GBP/DKK	8.4923	USD/INR	70.89
EUR/AUD	1.6239	GBP/NOK	11.2801	AUD/USD	0.6807
EUR/HKD	8.6585	GBP/CHF	1.2466	NZD/USD	0.6303
EUR/CAD	1.4661	GBP/AUD	1.8472		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 18
10 Year Yield %				
US	1.79	-1	+17	-90
Germany	-0.51	-0	+13	-75
UK	0.63	-1	+12	-64
5 Year Swap %				
US	1.56	-1	+11	-100
Eurozone	-0.37	-1	+7	-60
UK	0.74	-0	+5	-57
2 Year Swap %				
US	1.69	-2	+8	-95
Eurozone	-0.42	-0	+7	-28
UK	0.77	-0	+5	-39
10 Year Government Bond Spreads to Benchmark bps				
Ireland	54	+2	-7	N/A
Belgium	34	+1	-0	-18
France	30	+1	+2	-17
Italy	140	+1	-55	-108
Spain	75	+2	-3	-43
Portugal	77	+3	-4	-70
Greece	187	+0	-71	-220



Commodities				
	% Change			
	Close	Day	4 Weeks	End 18
Brent Oil	64.4	+1.26	+7.48	+19.70
West Texas Oil	58.19	+0.00	+5.17	+28.88
Gold \$	1499.4	+0.35	+0.03	+16.87

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