

Sterling continues to move higher

As expected, opposition MPs successfully pushed their bill aimed at preventing a no-deal Brexit at end October through the House of Commons yesterday. It was also announced overnight that peers in the Lords will abandon their attempt to filibuster the bill, meaning it is expected the bill will receive royal assent on Monday.

Yesterday also saw opposition MPs fail to vote in favour of PM Johnson's motion calling for an early general election. An election, though, is still on the cards for either October or November.

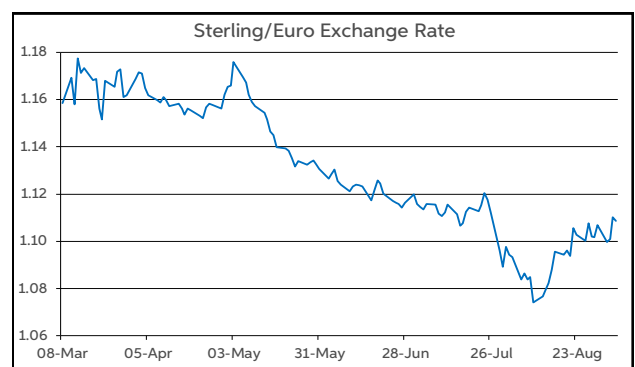
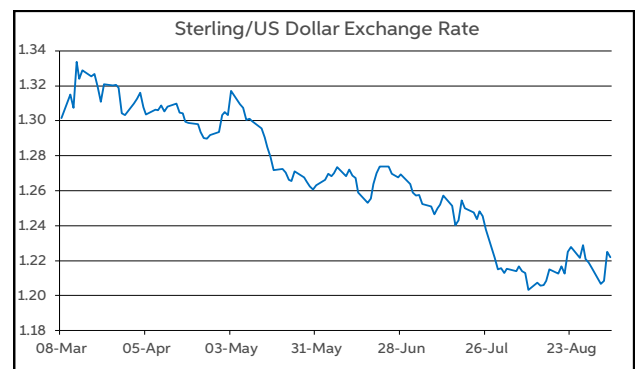
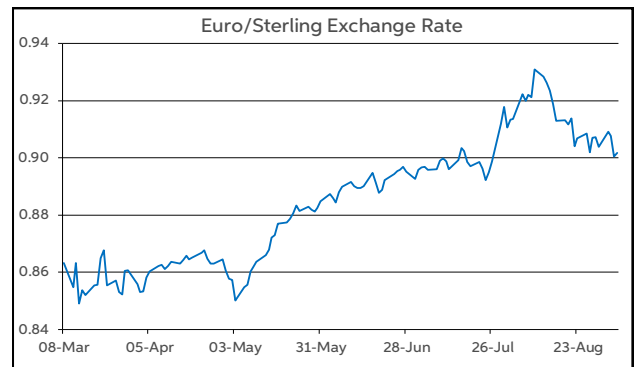
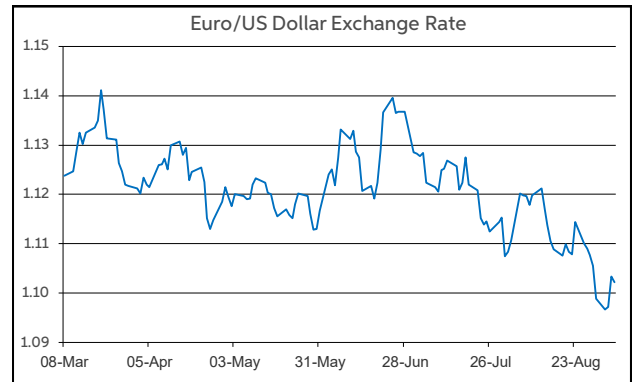
Against this backdrop, sterling has seen support over the past 24 hours. Markets have viewed events in Parliament as helping to reduce the possibility of a no-deal Brexit in the near-term.

Meanwhile, the dollar remained on the back foot yesterday. The currency has been trending lower since the release of a weak manufacturing ISM for August on Tuesday. Dovish comments by FOMC member Williams were also unhelpful for the dollar.

In level terms, the combination of a firmer sterling tone and weaker dollar sees cable (GBP/USD) open above the \$1.22 handle. Meantime, EUR/GBP is trading down close to the 90p threshold this morning, while EUR/USD is changing hands back above the \$1.10 level.

Today, the schedule in Westminster is quieter than in previous days and thus sterling may not prove as reactive to UK politics. Data-wise, the highlight is the US non-manufacturing ISM. The index is forecast to have improved in August. However, given that the PMI fell sharply in the same month, there is a potential for a downside surprise. In this case we could see the dollar continue to lose ground. Meantime, there is little to influence the euro.

Conor Beakey, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2018
EUR/USD	1.1021	0.44	-3.91
EUR/GBP	0.9019	-0.55	0.39
GBP/USD	1.2219	0.98	-4.22
GBP/EUR	1.1083	0.55	-0.39
USD/JPY	106.46	0.40	-2.83
EUR/JPY	117.35	0.83	-6.65

* 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	2.06	2.11	1.90	1.46	1.28
EUR	0.00	-0.44	-0.45	-0.39	-0.53	-0.50
GBP	0.75	0.71	0.76	0.83	0.66	0.60

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

Thursday 05 September 2019
07:19 am



Euro

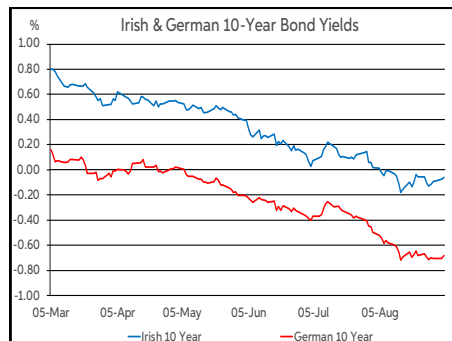
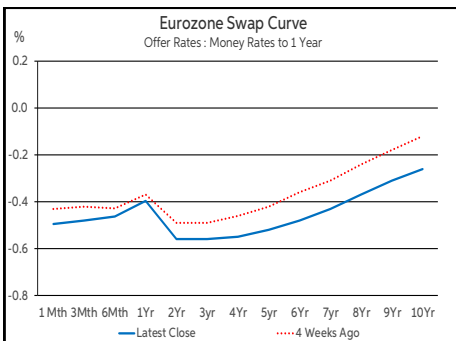
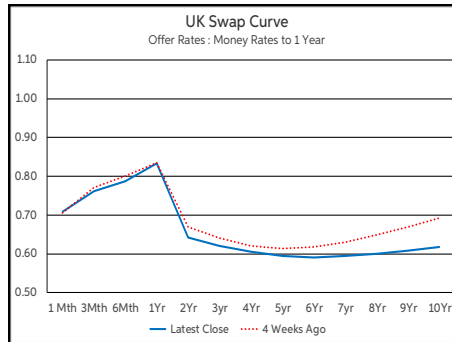
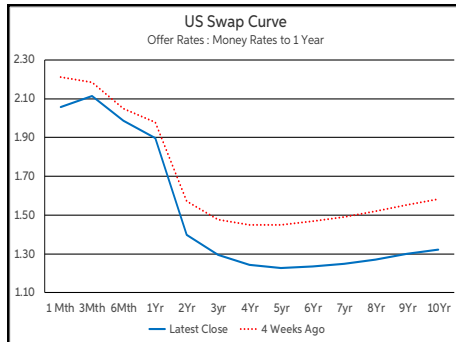
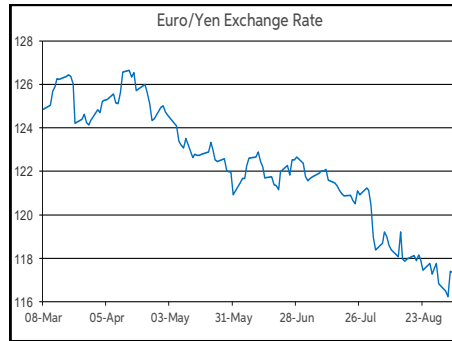
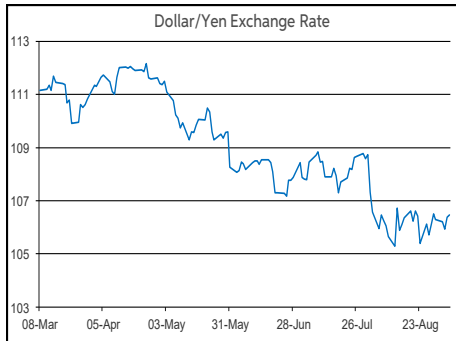
EUR/GBP	0.9017
EUR/USD	1.1022
EUR/JPY	117.35
EUR/SEK	10.7283
EUR/DKK	7.4576
EUR/NOK	9.9519
EUR/CHF	1.0836
EUR/AUD	1.6178
EUR/HKD	8.6396
EUR/CAD	1.4567

Sterling

GBP/EUR	1.1085
GBP/USD	1.222
GBP/CAD	1.6152
GBP/NZD	1.9187
GBP/JPY	130.09
GBP/SEK	11.8963
GBP/DKK	8.2683
GBP/NOK	11.0339
GBP/CHF	1.2011
GBP/AUD	1.7938

Dollar

USD/JPY	106.46
USD/CAD	1.3215
USD/CHF	0.9829
USD/CNY	7.1369
USD/BRL	4.0946
USD/RUB	65.9588
USD/INR	71.895
AUD/USD	0.6812
NZD/USD	0.6365



	Close	Change bps		
		Day	4 Weeks	End 18
10 Year Yield %				
US	1.47	+1	-25	-121
Germany	-0.68	+3	-9	-92
UK	0.49	+9	+0	-78
Ireland	-0.06	+1	-1	N/A
Belgium	-0.34	+2	-6	-110
France	-0.38	+3	-6	-108
Italy	0.81	-5	-59	-191
Spain	0.12	+4	-4	-129
Portugal	0.15	+5	-2	-156
Greece	1.53	-5	-43	-277
5 Year Swap %				
US	1.23	-4	-22	-133
Eurozone	-0.52	-1	-10	-75
UK	0.59	+5	-2	-72
2 Year Swap %				
US	1.40	-5	-17	-124
Eurozone	-0.56	-1	-7	-42
UK	0.64	+3	-3	-52
10 Year Government Bond Spreads to Benchmark bps				
Ireland	62	-1	+8	N/A
Belgium	34	-1	+3	-18
France	30	+0	+3	-16
Italy	149	-7	-50	-99
Spain	80	+1	+6	-37
Portugal	83	+2	+7	-64
Greece	221	-8	-34	-185

	% Change			
	Close	Day	4 Weeks	End 18
Brent Oil	60.7	+4.19	+7.95	+12.83
West Texas Oil	56.22	+4.28	+9.93	+24.52
Gold \$	1552.9	+0.36	+3.41	+21.04

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