

## EUR/GBP back below 90p

Sterling continued to move higher yesterday. The declining risk of a no-deal Brexit in October has aided the currency. Markets were very short sterling so it may be benefitting from positions being closed now that Brexit could be deferred again.

Data-wise, the US non-manufacturing ISM for August beat expectations, coming in at 56.4 (f'cast 54.0). However, there was no benefit to the dollar, which has been marginally weaker over the past 24 hours.

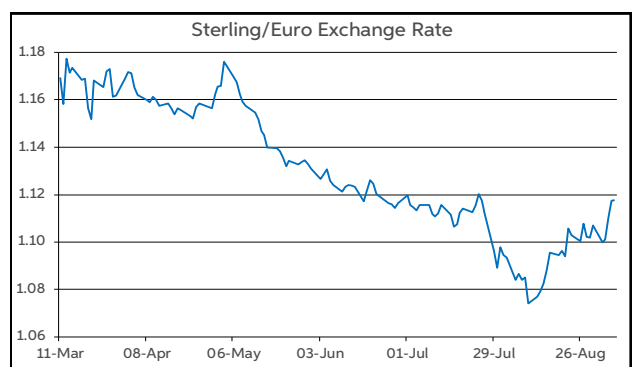
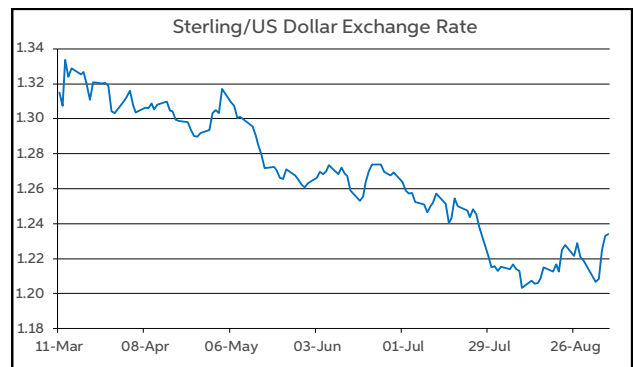
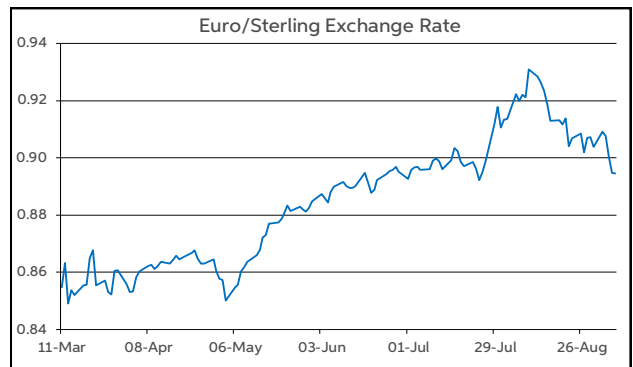
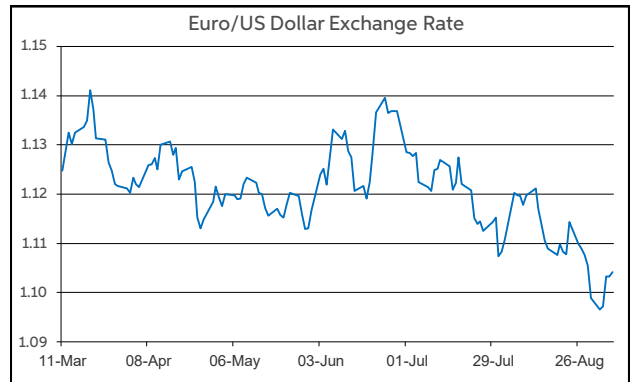
As trading gets underway this morning, the firmer sterling tone sees EUR/GBP open below 90p threshold, while GBP/USD is changing hands above the \$1.23 level. Meantime, EUR/USD remains in the lower half of the \$1.10-1.11 band.

The market's more optimistic view on Brexit, combined with the news that the US and China will recommence trade talks, helped equity markets rally yesterday. At the close on Wall Street, the S&P 500 was up by 1.3%. Meanwhile, the improvement in risk appetite led to a sell-off in bond markets, with German, US and UK 10-year bond yields rising by 8bps, 9bps and 11bps, respectively.

Today, the highlight is the US August employment report. Payrolls are forecast at 158k, in-line with July's 164k gain, while the jobless rate looks to have held at 3.7%. Despite tight labour market conditions, wage inflation may have edged down to 3.1%. From a dollar perspective, the payroll number will warrant attention. A speech by Fed Chair Powell also poses some risk to the currency.

On this side of the Atlantic, there is little due out in either the Eurozone or the UK today. Although, a close eye will continue to be kept on political developments in the UK.

**Conor Beake, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2018
EUR/USD	1.1041	0.15	-3.73
EUR/GBP	0.8947	-0.66	-0.41
GBP/USD	1.2338	0.80	-3.28
GBP/EUR	1.1172	0.66	0.41
USD/JPY	106.99	0.44	-2.35
EUR/JPY	118.16	0.60	-6.01

\* 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	2.10	1.89	1.52	1.36
EUR	0.00	-0.44	-0.44	-0.38	-0.52	-0.46
GBP	0.75	0.71	0.77	0.87	0.72	0.69

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

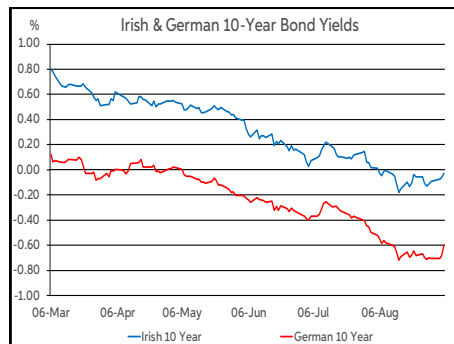
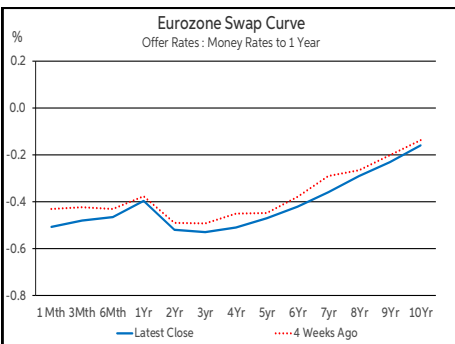
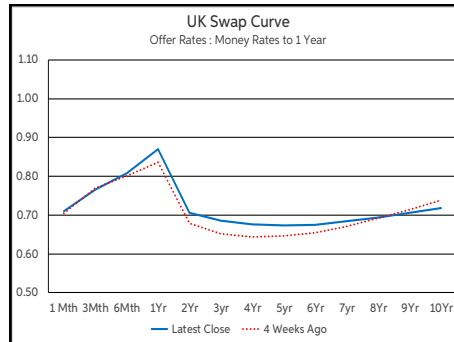
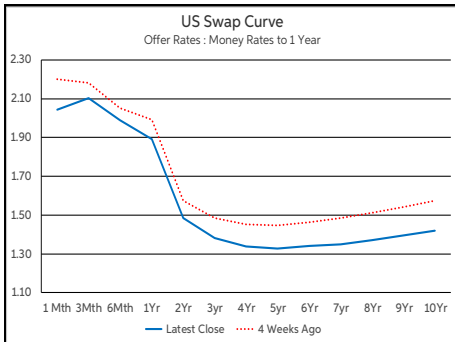
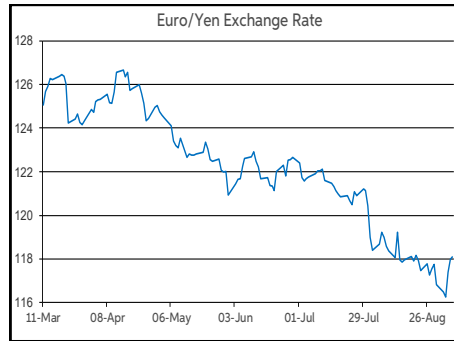
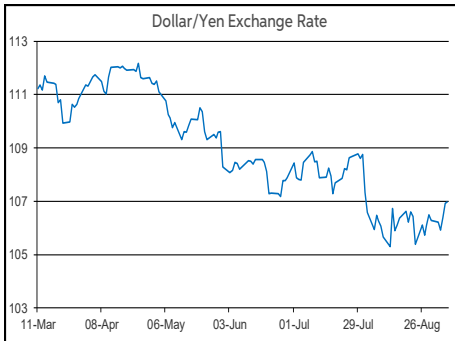
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIB 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

Friday 06 September 2019  
07:14 am



Euro		Sterling		Dollar	
EUR/GBP	0.8947	GBP/EUR	1.1171	USD/JPY	106.99
EUR/USD	1.1041	GBP/USD	1.2339	USD/CAD	1.3208
EUR/JPY	118.16	GBP/CAD	1.6299	USD/CHF	0.9863
EUR/SEK	10.688	GBP/NZD	1.9321	USD/CNY	7.1462
EUR/DKK	7.4599	GBP/JPY	132.01	USD/BRL	4.1076
EUR/NOK	9.9399	GBP/SEK	11.9425	USD/RUB	66.022
EUR/CHF	1.0892	GBP/DKK	8.3349	USD/INR	71.725
EUR/AUD	1.6191	GBP/NOK	11.1075	AUD/USD	0.6819
EUR/HKD	8.6568	GBP/CHF	1.2172	NZD/USD	0.6384
EUR/CAD	1.4586	GBP/AUD	1.8093		



Debt Markets				
	Close	Day	4 Weeks	End 18
<b>10 Year Yield %</b>				
US	1.56	+9	-15	-112
Germany	-0.60	+8	-4	-84
UK	0.59	+11	+8	-67
Ireland	-0.03	+3	-2	N/A
Belgium	-0.24	+10	-0	-100
France	-0.29	+9	-0	-99
Italy	0.92	+11	-61	-179
Spain	0.21	+8	+1	-121
Portugal	0.23	+8	+1	-147
Greece	1.54	+1	-47	-276
<b>5 Year Swap %</b>				
US	1.33	+8	-12	-123
Eurozone	-0.47	+4	-2	-70
UK	0.67	+6	+3	-64
<b>2 Year Swap %</b>				
US	1.48	+6	-9	-116
Eurozone	-0.52	+3	-3	-38
UK	0.71	+5	+3	-46
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	57	-5	+2	N/A
Belgium	36	+1	+4	-16
France	31	+1	+3	-15
Italy	152	+3	-57	-96
Spain	81	+0	+5	-37
Portugal	83	+0	+4	-64
Greece	214	-7	-43	-192

Commodities				
	Close	Day	4 Weeks	End 18
Brent Oil	60.95	+0.41	+6.22	+13.29
West Texas Oil	56.33	+0.20	+7.09	+24.76
Gold \$	1519.6	-2.14	+1.18	+18.45

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