

Dollar under some downward pressure

The action on financial markets yesterday saw some further improvement to investor sentiment. Once again newsflow in relation to US/China trade issues was a key influence. Positive comments from the Chinese President regarding global trade helped to ease concerns regarding the prospects of a 'trade war'. The more upbeat tone to risk appetite was reflected by gains on Wall Street. At the closing bell last night, the S&P 500 was up 1.7% on the day.

Meantime, the action on currency markets has continued within relatively tight ranges over the last 24 hours. Of the moves that did register, the dollar remained under some downward pressure amid the easing in trade war concerns and firming in investor sentiment. In level terms, the softer dollar tone is evident in EUR/USD edging up into the upper half of the \$1.23-1.24 band. Likewise, GBP/USD has traded higher, with the pair moving up towards the \$1.42 level. Elsewhere, the moves in EUR/GBP have continued to be very limited with the pair remaining close to the 87p mark.

Today's calendar features some potentially important releases for the dollar. The Fed meeting minutes (due after close in Europe) from their March meeting (when they hiked rates by 25bps) will be closely scrutinised for additional insight into the Fed's tightening trajectory. The Fed is currently guiding three hikes in total for 2018. However, the potential for four hikes this year cannot be ruled out.

A key determining factor on the extent of US rate hikes will be inflation. Therefore, while not the Fed's preferred measure, today's CPI data will warrant attention. Yesterday's data on producer prices indicated that pipeline inflationary pressures are building, with the core PPI rate rising to a seven year high of 2.7%.

John Fahey, Senior Economist, AIB

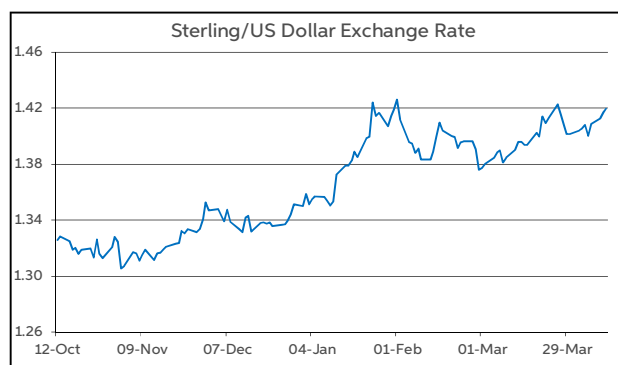
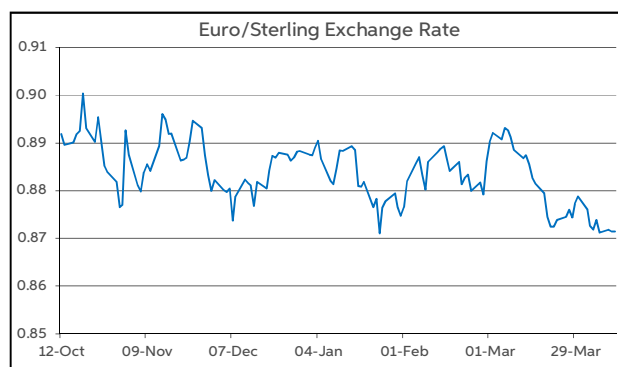
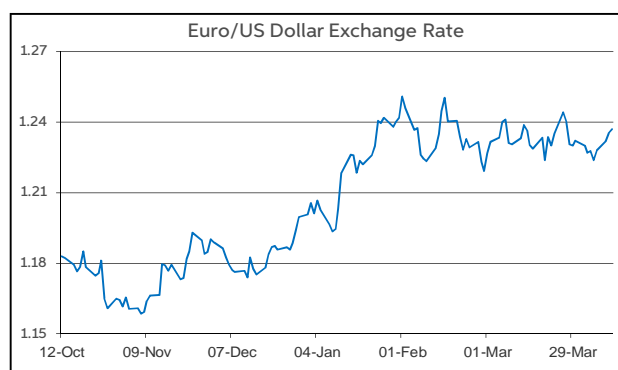
Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	1.375	1.89	2.34	2.70	2.60	2.74
EUR	0.00	-0.37	-0.33	-0.19	-0.13	0.39
GBP	0.50	0.51	0.76	1.04	1.14	1.40

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2017 to Date	
Dow Jones	24408	+1.79	-1.26	
S&P 500	2656.87	+1.67	-0.63	
FTSE 100	7266.75	+1.00	-5.48	
DJ Stoxx 50	3438.78	+0.70	-1.86	
ISEQ	6638.33	+0.04	-5.68	
Nikkei	21687.1	-0.49	-4.73	

Today's Opening Rates			
		% Change	
		Day *	End 2017
EUR/USD	1.2372	0.44	3.13
EUR/GBP	0.8712	-0.01	-1.93
GBP/USD	1.4196	0.42	5.06
GBP/EUR	1.1473	0.01	1.96
USD/JPY	107.05	-0.05	-4.99
EUR/JPY	132.45	0.39	-2.02

* v Previous Day's European Open

See Next Page for More Rates ▶▶▶



All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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

Opening Levels

Wednesday 11 April 2018
07:31 am



Euro

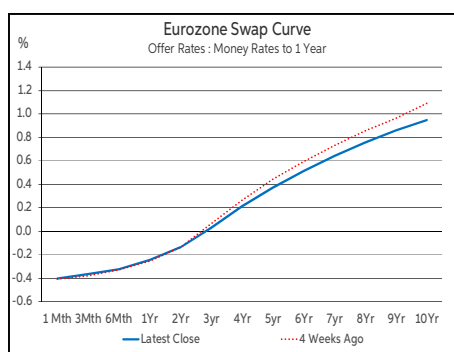
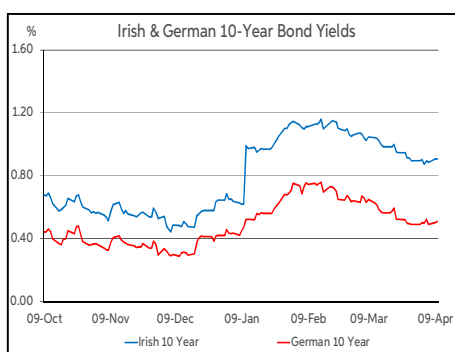
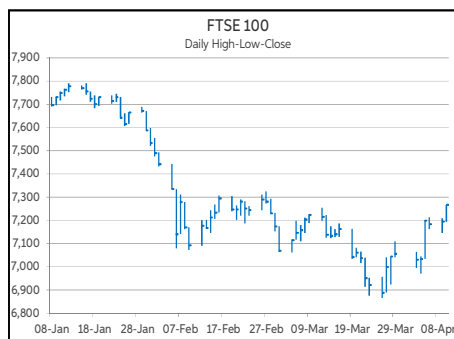
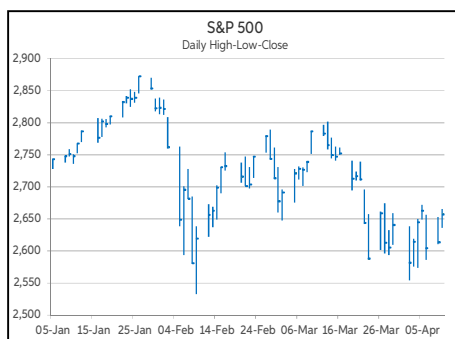
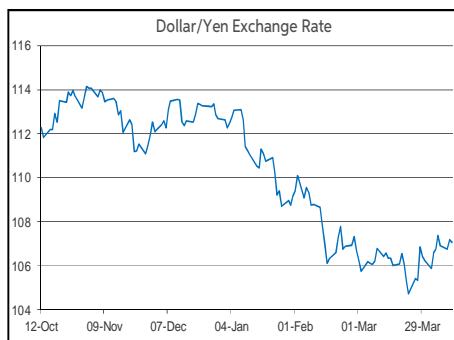
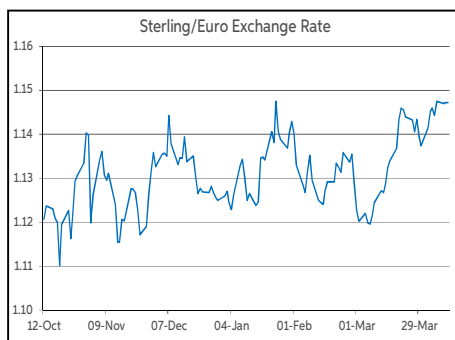
EUR/GBP	0.8712
EUR/USD	1.2372
EUR/JPY	132.45
EUR/SEK	10.266
EUR/DKK	7.4469
EUR/NOK	9.6414
EUR/CHF	1.1824
EUR/AUD	1.5969
EUR/HKD	9.7105
EUR/CAD	1.5591

Sterling

GBP/EUR	1.1473
GBP/USD	1.4196
GBP/CAD	1.7889
GBP/NZD	1.9295
GBP/JPY	151.97
GBP/SEK	11.7791
GBP/DKK	8.5434
GBP/NOK	11.0635
GBP/CHF	1.3568
GBP/AUD	1.8323

Dollar

USD/JPY	107.05
USD/CAD	1.2599
USD/CHF	0.9556
USD/CNY	6.2769
USD/BRL	3.4089
USD/RUB	63.3975
USD/INR	65.12
AUD/USD	0.7747
NZD/USD	0.7357



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 17
10 Year Yield %				
US	2.80	+2	-4	+40
Germany	0.51	+1	-10	+9
UK	1.40	+0	-8	+22
Ireland	0.91	+0	-13	N/A
Belgium	0.80	+2	-10	+19
France	0.75	+2	-10	-2
Italy	1.79	+3	-19	-20
Spain	1.25	+2	-13	-29
Portugal	1.70	+2	-8	-20
Greece	4.01	+6	-8	-4
5 Year Swap %				
US	2.72	+1	-4	+48
Eurozone	0.37	+1	-7	+6
UK	1.38	-2	-0	+34
2 Year Swap %				
US	2.57	-1	+1	+49
Eurozone	-0.14	+0	-0	+0
UK	1.13	-2	+8	+33
10 Year Government Bond Spreads to Benchmark bps				
Ireland	40	-1	-3	N/A
Belgium	30	+1	+1	+10
France	24	+1	+0	-11
Italy	128	+2	-9	-29
Spain	74	+2	-3	-38
Portugal	119	+2	+2	-29
Greece	350	+5	+2	-13

Commodities				
	Close	% Change		
		Day	4 Weeks	End 17
Brent Oil	71.04	+3.48	+9.90	+6.24
West Texas Oil	65.48	+3.28	+7.89	+8.30
CRB - All Commodity	197.11	+1.10	+1.46	+1.68
CRB - Food	339.99	+1.16	-2.94	+1.18
Gold \$	1341.0	+0.33	+1.07	+2.94

This publication is for information purposes and is not an invitation to deal. The information is believed to be reliable but is not guaranteed. Any expressions of opinions are subject to change without notice. This publication is not to be reproduced in whole or in part without prior permission. In the Republic of Ireland it is distributed by Allied Irish Banks, p.l.c. In the UK it is distributed by Allied Irish Banks, p.l.c. and Allied Irish Bank (GB). In Northern Ireland it is distributed by First Trust Bank. In the United States of America it is distributed by Allied Irish Banks, p.l.c. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland. Allied Irish Bank (GB) and First Trust Bank are trade marks used under licence by AIB Group (UK) p.l.c. (a wholly owned subsidiary of Allied Irish Banks, p.l.c.), incorporated in Northern Ireland. Registered Office 92 Ann Street, Belfast BT1 3HH. Registered Number NI018800. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In the United States of America, Allied Irish Banks, p.l.c., New York Branch, is a branch licensed by the New York State Department of Financial Services. Deposits and other investment products are not FDIC insured, they are not guaranteed by any bank and they may lose value. Please note that telephone calls may be recorded in line with market practice.