

Cautious markets

After the previous day's strong gains on Wall Street, investor sentiment was holding a more subdued tone for much of yesterday. Geopolitical concerns amid rising tensions between the US and Russia in relation to Syria were a factor in the cautious tone to market sentiment. At the close last night on Wall Street, the S&P 500 was down around 0.6% on the day.

Data-wise, yesterday's data out of the UK provided further evidence that the economy has had a weak start to the year. Industrial production for February came in below expectations. Meanwhile, trade data (Feb) suggest that net trade may not make much of a contribution to Q1 GDP growth. Despite the weak flow of UK data, there was no noticeable drag on sterling.

In the US, CPI data for March was generally consistent with a further uptrend in US inflation. The core CPI rate rose to 2.1%, its highest level since the first quarter of 2017. The dollar showed little reaction to the inflation update as it was broadly in line with expectations. However, the dollar did remain on the defensive yesterday (EUR/USD traded as high as \$1.239 and GBP/USD tested above \$1.42) on concerns over possible US military action against Syria. These concerns also maintained the recent upward pressure on oil prices (Brent oil up at \$72 a barrel). Meanwhile, yesterday's key event (which came after the European close), the Fed meeting minutes for March provided no major surprises.

As trading gets underway this morning, the main pairs are little altered from 24 hours earlier. EUR/USD remains in the upper half of the \$1.23-1.24 band, while EUR/GBP continues to trade near 87p. Given the dearth of data or scheduled macro events today, the main pairs may continue to change hands in tight ranges, while keeping a watchful eye on geopolitical developments.

John Fahey, Senior Economist, AIB

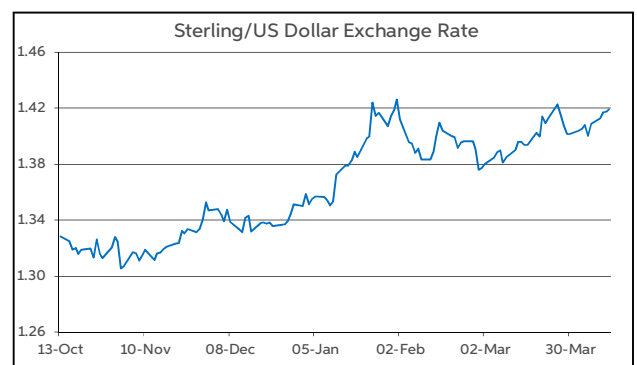
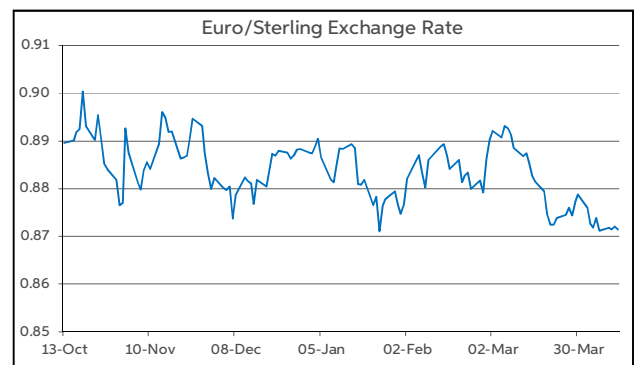
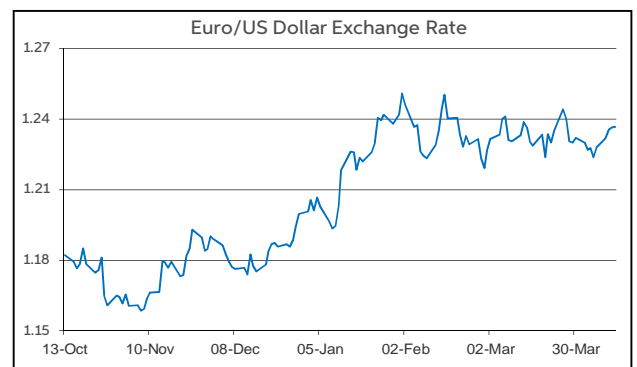
Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	1.375	1.90	2.34	2.71	2.60	2.72
EUR	0.00	-0.37	-0.33	-0.19	-0.13	0.38
GBP	0.50	0.51	0.77	1.04	1.14	1.38

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2017 to Date	
Dow Jones	24189.45	-0.90	-2.14	
S&P 500	2642.19	-0.55	-1.18	
FTSE 100	7257.14	-0.13	-5.60	
DJ Stoxx 50	3419.71	-0.55	-2.40	
ISEQ	6579.27	-0.89	-6.52	
Nikkei	21660.28	-0.12	-4.85	

Today's Opening Rates			
		% Change	
		Day *	End 2017
EUR/USD	1.2368	0.05	3.10
EUR/GBP	0.8714	-0.05	-1.90
GBP/USD	1.419	0.08	5.02
GBP/EUR	1.1471	0.05	1.94
USD/JPY	106.88	-0.11	-5.14
EUR/JPY	132.2	-0.06	-2.20

* 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

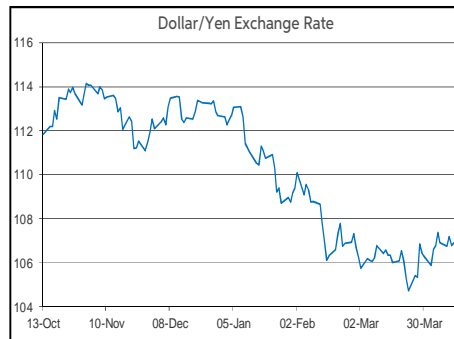
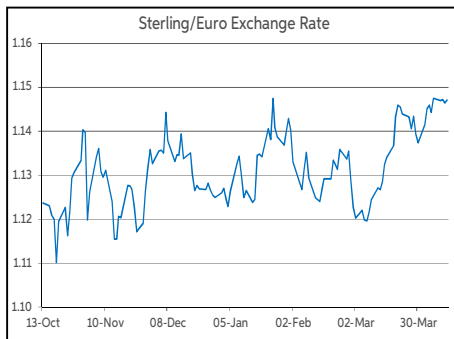
FX Spot	Karl Cooke Shane Gargan Adrian Flanagan Enda Homan	FX Options	Mark Tuite Lenny Hogan	Reuters Phone	AIB 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

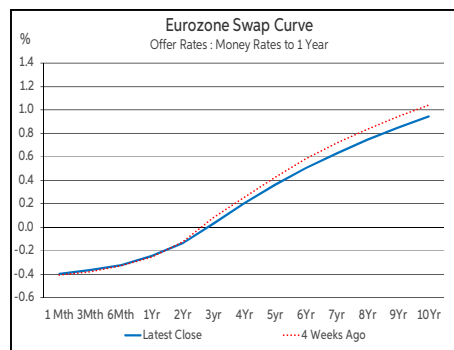
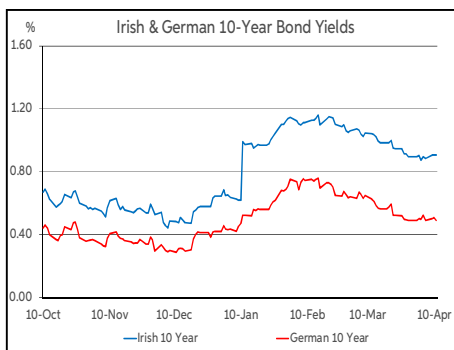
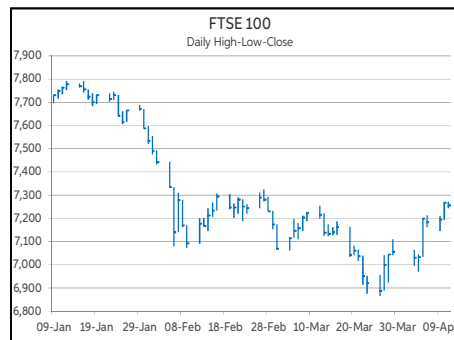
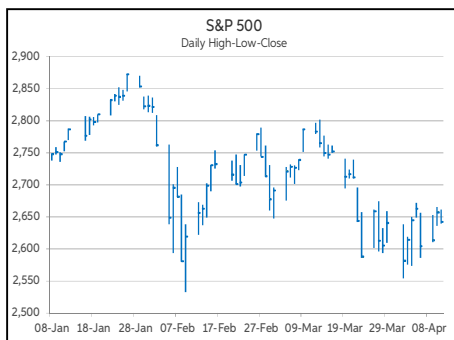
Thursday 12 April 2018
07:27 am



Euro		Sterling		Dollar	
EUR/GBP	0.8714	GBP/EUR	1.1471	USD/JPY	106.88
EUR/USD	1.2368	GBP/USD	1.419	USD/CAD	1.2589
EUR/JPY	132.2	GBP/CAD	1.7859	USD/CHF	0.9589
EUR/SEK	10.3278	GBP/NZD	1.9243	USD/CNY	6.2758
EUR/DKK	7.4457	GBP/JPY	151.66	USD/BRL	3.3743
EUR/NOK	9.6089	GBP/SEK	11.8451	USD/RUB	62.6023
EUR/CHF	1.1863	GBP/DKK	8.5429	USD/INR	65.36
EUR/AUD	1.5956	GBP/NOK	11.0256	AUD/USD	0.7749
EUR/HKD	9.7076	GBP/CHF	1.3612	NZD/USD	0.7373
EUR/CAD	1.5568	GBP/AUD	1.8309		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 17
10 Year Yield %				
US	2.78	-2	-4	+37
Germany	0.49	-2	-9	+7
UK	1.38	-2	-5	+20
Ireland	0.91	+0	-12	N/A
Belgium	0.79	-2	-8	+17
France	0.72	-3	-11	-6
Italy	1.78	-1	-23	-22
Spain	1.26	+1	-13	-29
Portugal	1.67	-3	-11	-22
Greece	4.02	+2	-10	-2
5 Year Swap %				
US	2.71	-2	-3	+47
Eurozone	0.36	-2	-6	+5
UK	1.37	-2	+4	+34
2 Year Swap %				
US	2.59	-0	+3	+50
Eurozone	-0.14	-1	-1	+0
UK	1.13	-1	+8	+33
10 Year Government Bond Spreads to Benchmark bps				
Ireland	41	+2	-3	N/A
Belgium	29	-0	+1	+10
France	23	-2	-1	-13
Italy	129	+0	-14	-29
Spain	76	+2	-4	-36
Portugal	118	-1	-2	-30
Greece	353	+3	-1	-9



Commodities				
	Close	% Change		
		Day	4 Weeks	End 17
Brent Oil	72.06	+1.44	+11.05	+7.76
West Texas Oil	66.81	+2.03	+9.72	+10.50
CRB - All Commodity	198.83	+0.87	+2.23	+2.56
CRB - Food	341.16	+1.17	-2.31	+1.52
Gold \$	1353.7	+0.94	+2.13	+3.92

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.