

Some optimism on markets

Investor sentiment was holding a positive tone yesterday. Reduced concerns, for now, regarding geopolitical risks, as well as optimism regarding the corporate earnings season helped to boost risk appetite. Equity markets recorded solid gains on both sides of the Atlantic. The S&P 500 was up 1% at the close last night. The gains registered by the index in the first two days this week have helped move it back into positive territory on a year-to-date basis.

Data-wise, yesterday saw a busy flow of releases. The UK calendar was the main focus, with a raft of labour market releases. Both the unemployment rate and employment growth printed ahead of expectations. Meantime, while headline weekly earnings disappointed versus expectations, underlying wage growth was as forecast. From a sterling viewpoint, GBP/USD rose in the lead up to the data and edged back following the release. Meanwhile, on the US calendar, housing starts and industrial output (both April) surprised to the upside of expectations. However, there was no major reaction from the dollar to the US macro updates.

As trading gets underway this morning, the main pairs are little changed from 24 hours earlier. Of the modest action that has occurred, both EUR/USD and GBP/USD started yesterday on the rise before edging back as the day progressed. This is reflected in EUR/USD being unable to sustain its attempt at \$1.24 and opens near \$1.235. GBP/USD has also edged lower, with the pair changing hands at \$1.43, after briefly posting a new post-referendum high of \$1.4376 yesterday. Elsewhere, EUR/GBP continues to trade in a very tight range close to 86.5p.

Today, the global macro agenda is fairly quiet, with UK inflation data for March the main highlight. Therefore, the main FX pairs may spend today in narrow ranges near their current levels.

John Fahey, Senior Economist, AIB

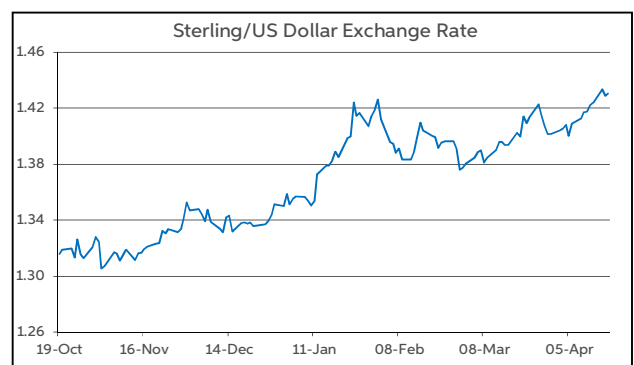
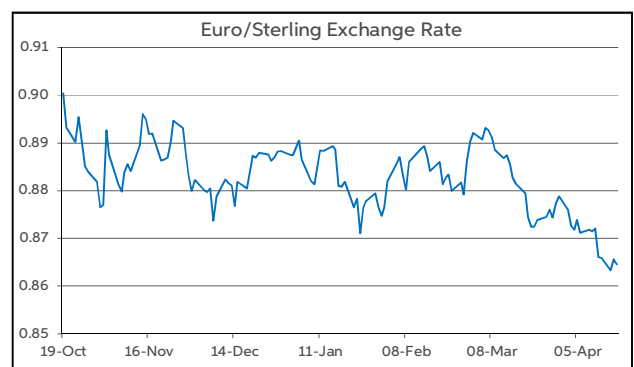
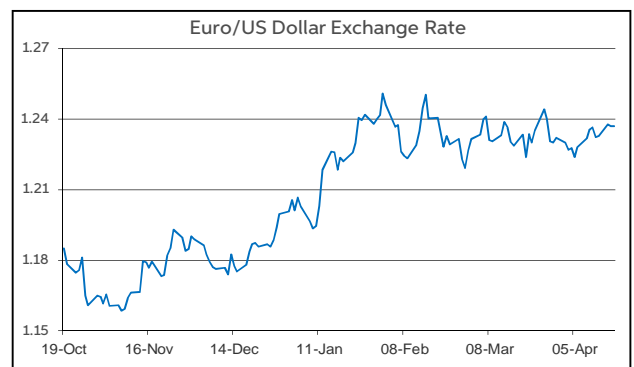
Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	1.375	1.90	2.36	2.75	2.69	2.80
EUR	0.00	-0.37	-0.33	-0.19	-0.13	0.38
GBP	0.50	0.54	0.79	1.06	1.15	1.41

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2017 to Date	
Dow Jones	24786.63	+0.87	+0.27	
S&P 500	2706.39	+1.07	+1.23	
FTSE 100	7226.05	+0.39	-6.01	
DJ Stoxx 50	3477.91	+1.07	-0.74	
ISEQ	6704.75	-0.08	-4.74	
Nikkei	22158.2	+1.42	-2.67	

Today's Opening Rates			
		% Change	
		Day *	End 2017
EUR/USD	1.237	-0.10	3.12
EUR/GBP	0.8647	0.17	-2.66
GBP/USD	1.4304	-0.26	5.86
GBP/EUR	1.1563	-0.17	2.73
USD/JPY	107.33	0.26	-4.74
EUR/JPY	132.77	0.17	-1.78

* 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
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Opening Levels

Wednesday 18 April 2018
07:30 am



Euro

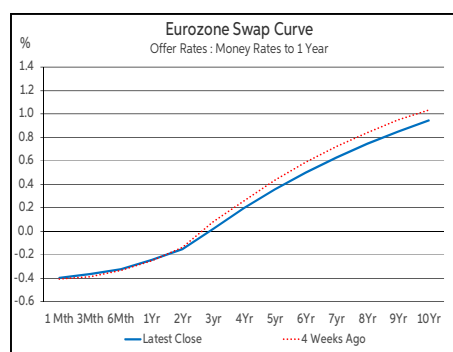
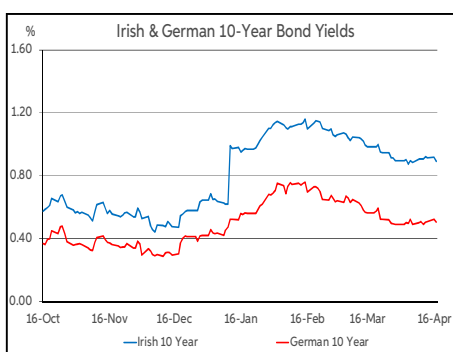
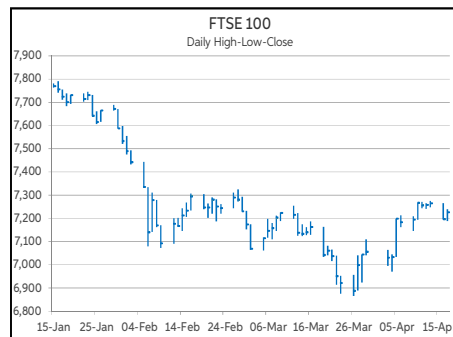
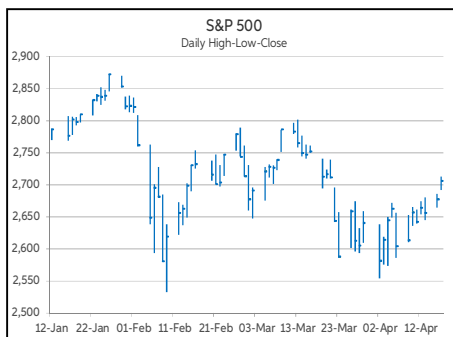
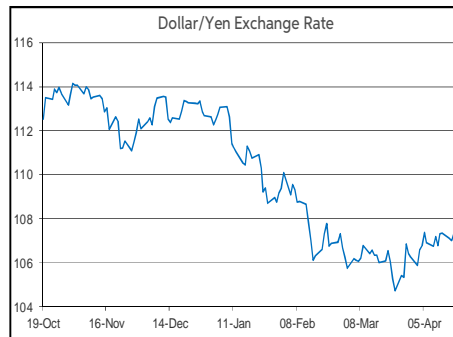
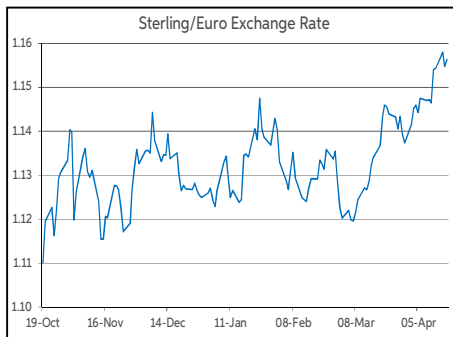
EUR/GBP	0.8645
EUR/USD	1.2369
EUR/JPY	132.78
EUR/SEK	10.3896
EUR/DKK	7.4465
EUR/NOK	9.6025
EUR/CHF	1.1968
EUR/AUD	1.5929
EUR/HKD	9.7088
EUR/CAD	1.5553

Sterling

GBP/EUR	1.1562
GBP/USD	1.4303
GBP/CAD	1.7986
GBP/NZD	1.951
GBP/JPY	153.53
GBP/SEK	12.0077
GBP/DKK	8.6109
GBP/NOK	11.1041
GBP/CHF	1.3839
GBP/AUD	1.8421

Dollar

USD/JPY	107.34
USD/CAD	1.257
USD/CHF	0.9675
USD/CNY	6.2882
USD/BRL	3.4088
USD/RUB	61.5675
USD/INR	65.685
AUD/USD	0.7764
NZD/USD	0.7329



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 17
10 Year Yield %				
US	2.83	+0	-7	+42
Germany	0.51	-2	-7	+9
UK	1.44	-2	-4	+26
Ireland	0.89	-3	-9	N/A
Belgium	0.76	-2	-9	+15
France	0.72	-2	-10	-5
Italy	1.75	-4	-13	-24
Spain	1.21	-2	-8	-34
Portugal	1.60	-2	-11	-29
Greece	3.95	-3	-17	-9
5 Year Swap %				
US	2.79	-1	-4	+54
Eurozone	0.36	-2	-8	+4
UK	1.39	-4	-0	+36
2 Year Swap %				
US	2.66	-2	+3	+57
Eurozone	-0.15	-2	-1	-1
UK	1.14	-3	+6	+34
10 Year Government Bond Spreads to Benchmark bps				
Ireland	39	-1	-3	N/A
Belgium	26	-0	-2	+7
France	22	-0	-3	-14
Italy	125	-2	-6	-33
Spain	70	-0	-1	-42
Portugal	110	-1	-4	-38
Greece	345	-1	-10	-18

Commodities				
	Close	% Change		
		Day	4 Weeks	End 17
Brent Oil	71.58	+0.22	+6.17	+7.04
West Texas Oil	66.5	+0.41	+4.94	+9.99
CRB - All Commodity	199.38	-0.08	+2.69	+2.85
CRB - Food	344.29	+1.35	+1.03	+2.46
Gold \$	1347.7	+0.10	+2.75	+3.46

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