

## Busy week ahead in the Eurozone

Sterling was the main mover on FX markets last week. The currency declined as the week progressed having hit post-Brexit vote highs on Tuesday morning. The decline reflected weaker than forecast UK inflation, as well as 'cautious' sounding comments from BoE Governor Carney. He seemed to downplay market expectations of a UK rate hike in May. Elsewhere, a relative lack of data/events in the US and Eurozone meant there was little to provide direction to the euro or dollar.

The weaker sterling (down 1-1.5% on the week) means that cable (GBP/USD) opens this morning at \$1.402, having started last week near \$1.425. The EUR/GBP pair is changing hands at the mid-point of the 87-88p band. Meanwhile, EUR/USD is slightly softer, opening below the \$1.23 level, after edging lower on Friday.

There will be more to interest euro watchers in the week ahead. The ECB is due to meet, with no policy changes expected. The key issue will be whether or not the Governing Council begins deliberations on ending its net asset purchases, which markets expect to happen later this year. Any such development has potential to boost the euro. On the other hand, a raft of expected softer Eurozone survey data for April, including this morning's flash PMIs could weigh on the euro.

The first reading of Q1 GDP is the focus in the UK. It is expected to show that growth slowed from 0.4% to just 0.3% quarter-on-quarter. However, sterling impact from these data may be limited.

Meanwhile for the dollar, Q1 GDP is also the main release. Annualised growth is anticipated to have slowed to 2% from 2.9%. Such a result could be somewhat unhelpful to the dollar this week.

### Dara Turnbull, Economist, AIB

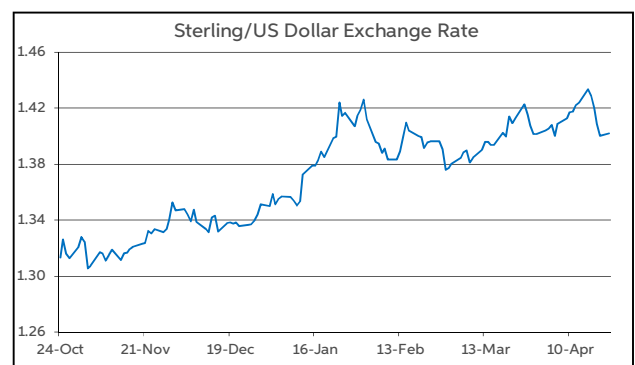
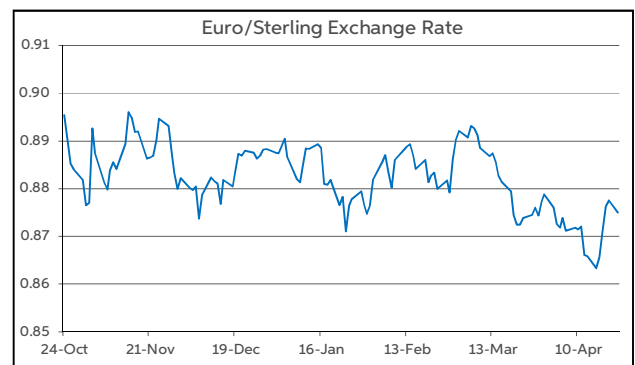
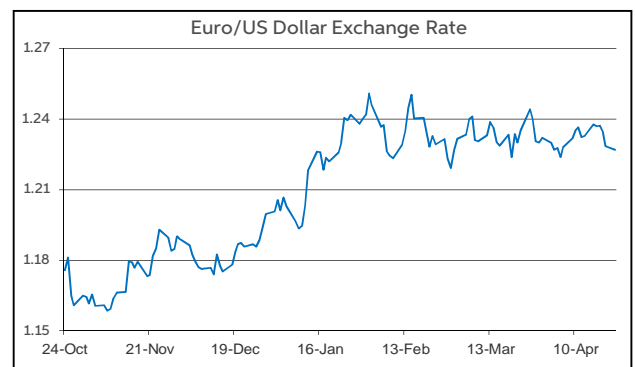
Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	1.375	1.90	2.36	2.76	2.74	2.91
EUR	0.00	-0.37	-0.33	-0.19	-0.13	0.42
GBP	0.50	0.53	0.75	1.02	1.11	1.40

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2017 to Date	
Dow Jones	24462.94	-0.82	-1.04	
S&P 500	2670.14	-0.85	-0.13	
FTSE 100	7368.17	+0.54	-4.16	
DJ Stoxx 50	3494.2	+0.22	-0.28	
ISEQ	6827.72	+0.66	-2.99	
Nikkei	22088.04	-0.33	-2.97	

Today's Opening Rates			
		% Change	
		Day *	End 2017
EUR/USD	1.2268	-0.58	2.27
EUR/GBP	0.8749	-0.16	-1.51
GBP/USD	1.4022	-0.40	3.77
GBP/EUR	1.1426	0.16	1.53
USD/JPY	107.84	0.20	-4.29
EUR/JPY	132.32	-0.38	-2.12

\* 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

Monday 23 April 2018  
07:40 am



## Euro

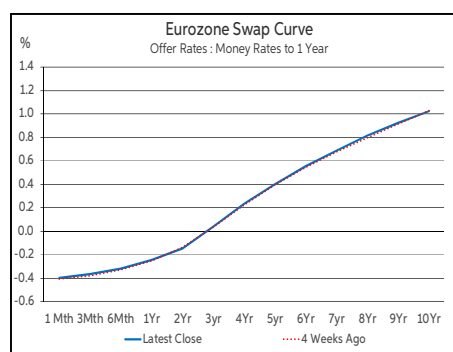
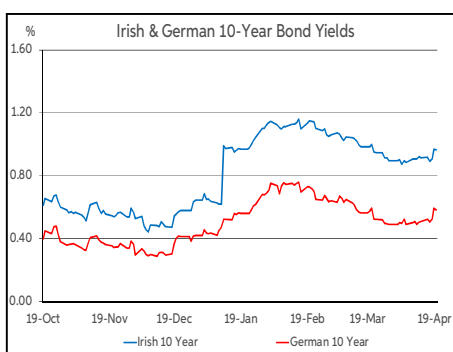
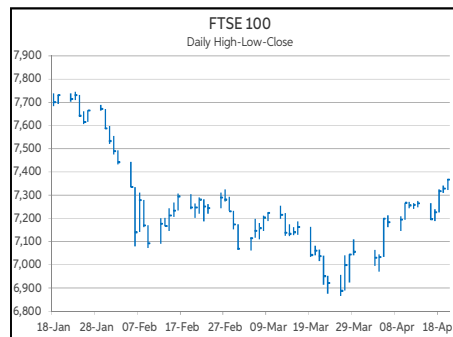
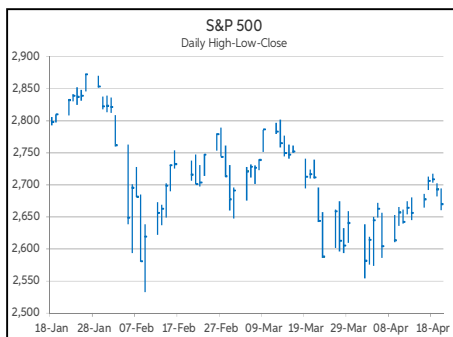
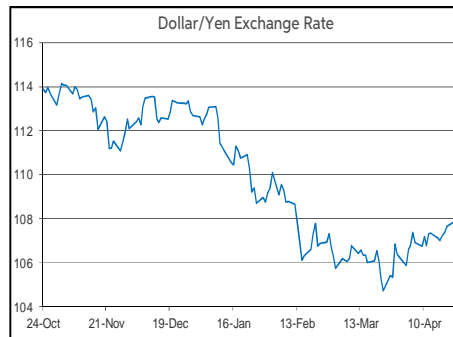
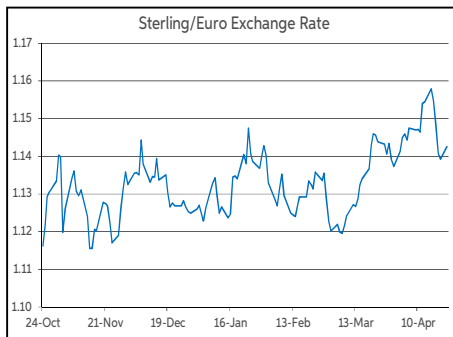
EUR/GBP	0.875
EUR/USD	1.2268
EUR/JPY	132.32
EUR/SEK	10.3808
EUR/DKK	7.448
EUR/NOK	9.6181
EUR/CHF	1.1971
EUR/AUD	1.5992
EUR/HKD	9.6199
EUR/CAD	1.5652

## Sterling

GBP/EUR	1.1426
GBP/USD	1.4022
GBP/CAD	1.7887
GBP/NZD	1.9462
GBP/JPY	151.21
GBP/SEK	11.859
GBP/DKK	8.5099
GBP/NOK	10.9901
GBP/CHF	1.3678
GBP/AUD	1.828

## Dollar

USD/JPY	107.84
USD/CAD	1.2756
USD/CHF	0.9754
USD/CNY	6.2897
USD/BRL	3.4129
USD/RUB	61.291
USD/INR	66.2125
AUD/USD	0.767
NZD/USD	0.7202



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 17
<b>10 Year Yield %</b>				
US	2.96	+5	+15	+55
Germany	0.58	-1	+6	+17
UK	1.48	-3	+4	+30
Ireland	0.97	-0	+2	N/A
Belgium	0.84	-1	+4	+23
France	0.81	+0	+6	+4
Italy	1.77	-0	-10	-22
Spain	1.27	-0	+1	-27
Portugal	1.63	-1	-8	-27
Greece	3.98	-1	-36	-6
<b>5 Year Swap %</b>				
US	2.88	+0	+14	+64
Eurozone	0.40	-1	+0	+8
UK	1.39	-6	-3	+35
<b>2 Year Swap %</b>				
US	2.70	+0	+13	+62
Eurozone	-0.15	-2	-1	-0
UK	1.10	-6	-2	+30
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	38	+1	-4	N/A
Belgium	26	+1	-2	+6
France	23	+1	+0	-13
Italy	119	+1	-16	-39
Spain	68	+1	-5	-44
Portugal	104	-0	-14	-43
Greece	340	-0	-41	-22

Commodities				
	Close	% Change		
		Day	4 Weeks	End 17
Brent Oil	74.06	+0.38	+5.12	+10.75
West Texas Oil	68.26	-0.06	+3.74	+12.90
CRB - All Commodity	201.92	+0.03	+2.88	+4.15
CRB - Food	349.84	-1.96	+2.63	+4.11
Gold \$	1335.5	-0.78	-0.90	+2.52

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