

US equities down as bond yields rise

There was a mixed performance by the main global equity indices yesterday. While the Euro Stoxx 50 was flat on the day, the S&P 500 was down 1.3% at the close on Wall Street. The weakness in US equities coincided with US 10-year Treasury yields rising above the psychologically important 3% level for the first time in four years.

There was another busy day of survey data for April yesterday. In the Eurozone, the German Ifo, French INSEE and Italian ISTAT indices all surprised to the downside, weakening in the month. This provides further evidence that the Eurozone economy has slowed in the last couple of months. However, there was no noticeable negative impact on the euro from the disappointing results.

In the US, the Conference Board measure of consumer confidence was firmer than expected, rising to near a 17-year high. At the same time, Case-Shiller house prices and new home sales data were also firmer than anticipated. However, dollar impact from yesterday's positive macro news was limited.

The main currency pairs open this morning broadly unchanged from 24 hours previous. As a result, the dollar has retained its firmer tone. EUR/USD remains pinned down close to the \$1.22 mark, while cable (GBP/USD) continues to trade near the mid-point of the \$1.39-1.40 band. Elsewhere, the EUR/GBP pair has held in a very tight range within the 87-88p band.

Turning to the day ahead, there is a very sparse schedule of data and events. Indeed, there is nothing of note due out on either side of the Atlantic. As a result, we could see the main currency pairs trade in narrow ranges close to their current levels.

Dara Turnbull, Economist, AIB

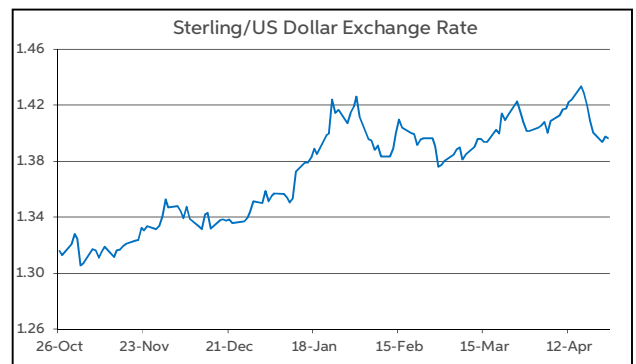
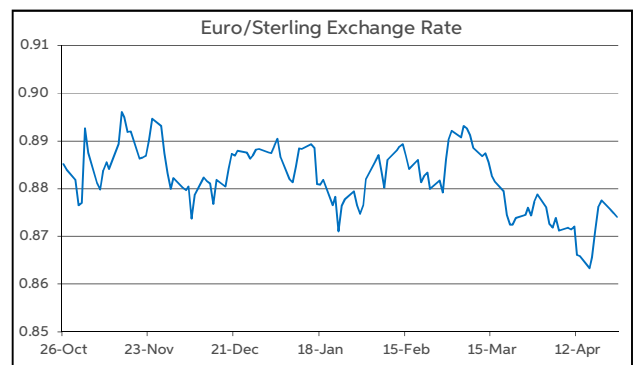
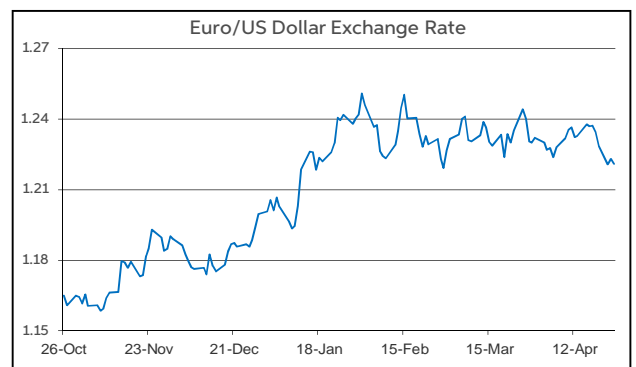
Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	1.625	1.90	2.36	2.77	2.76	2.94
EUR	0.00	-0.37	-0.33	-0.19	-0.12	0.43
GBP	0.50	0.53	0.75	1.02	1.14	1.44

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2017 to Date	
Dow Jones	24024.13	-1.74	-2.81	
S&P 500	2634.56	-1.34	-1.46	
FTSE 100	7425.4	+0.36	-3.41	
DJ Stoxx 50	3510.88	-0.06	+0.20	
ISEQ	6774.45	-0.98	-3.75	
Nikkei	22215.32	-0.28	-2.41	

Today's Opening Rates			
		% Change	
		Day *	End 2017
EUR/USD	1.2205	-0.06	1.74
EUR/GBP	0.8742	-0.19	-1.59
GBP/USD	1.3958	0.11	3.30
GBP/EUR	1.1433	0.19	1.61
USD/JPY	109.12	0.29	-3.15
EUR/JPY	133.21	0.24	-1.46

* 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 25 April 2018
07:32 am



Euro

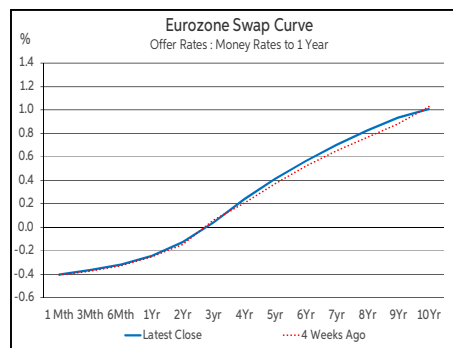
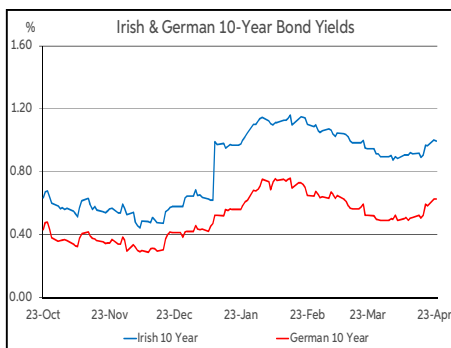
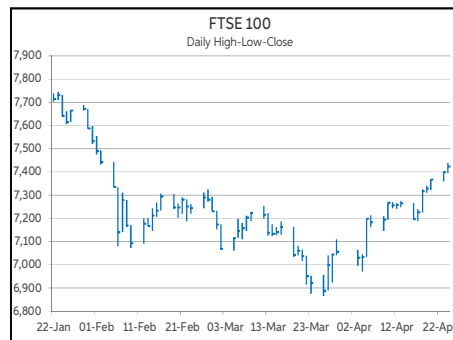
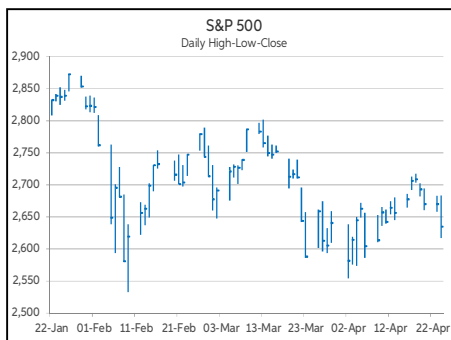
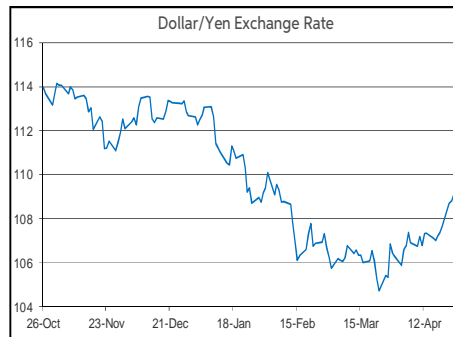
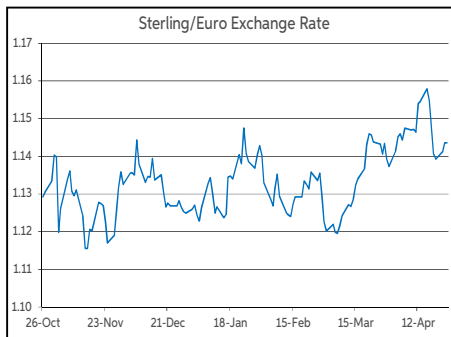
EUR/GBP	0.8741
EUR/USD	1.2205
EUR/JPY	133.21
EUR/SEK	10.4066
EUR/DKK	7.4469
EUR/NOK	9.6694
EUR/CHF	1.1987
EUR/AUD	1.6132
EUR/HKD	9.5784
EUR/CAD	1.5695

Sterling

GBP/EUR	1.1433
GBP/USD	1.3958
GBP/CAD	1.7948
GBP/NZD	1.9703
GBP/JPY	152.32
GBP/SEK	11.8979
GBP/DKK	8.5169
GBP/NOK	11.0593
GBP/CHF	1.3707
GBP/AUD	1.8446

Dollar

USD/JPY	109.13
USD/CAD	1.2858
USD/CHF	0.982
USD/CNY	6.3113
USD/BRL	3.473
USD/RUB	61.6505
USD/INR	66.7
AUD/USD	0.7566
NZD/USD	0.7082



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 17
10 Year Yield %				
US	3.00	+2	+22	+59
Germany	0.63	+0	+13	+21
UK	1.54	+2	+13	+36
Ireland	1.00	-0	+8	N/A
Belgium	0.87	-1	+10	+26
France	0.85	+1	+12	+8
Italy	1.76	-3	-10	-23
Spain	1.29	-1	+7	-25
Portugal	1.66	-2	+2	-23
Greece	3.95	-4	-36	-10
5 Year Swap %				
US	2.90	-1	+21	+65
Eurozone	0.41	-2	+4	+9
UK	1.43	+0	+2	+39
2 Year Swap %				
US	2.71	-3	+18	+63
Eurozone	-0.13	-1	+2	+1
UK	1.12	+1	-1	+32
10 Year Government Bond Spreads to Benchmark bps				
Ireland	37	-1	-5	N/A
Belgium	24	-1	-3	+5
France	23	+1	-1	-13
Italy	114	-3	-23	-44
Spain	66	-1	-6	-46
Portugal	104	-2	-11	-44
Greece	332	-4	-49	-31

Commodities				
	Close	% Change		
		Day	4 Weeks	End 17
Brent Oil	73.86	-1.14	+5.35	+10.45
West Texas Oil	67.66	+0.07	+3.76	+11.91
CRB - All Commodity	200.08	-0.32	+2.31	+3.21
CRB - Food	352.41	+3.23	+4.90	+4.87
Gold \$	1331.1	+0.38	-1.04	+2.18

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