

## ECB the focus today

Financial markets retained their mixed tone yesterday. This continued to coincide with concerns over higher bond yields, with US 10-year Treasury yields remaining above the key 3% level yesterday.

On the equities front, the 'risk-off' tone which was evident in US markets on Tuesday evening carried over into the yesterday's European session. The Euro Stoxx 50 fell by over 0.7% on the day. Although in the US, the S&P 500 did manage to finish in positive territory, with a very modest gain.

The action on currency markets has remained lacklustre over the last 24 hours, with the main pairs confined to narrow ranges. This largely reflects a lack of noteworthy data or events. In level terms, the subdued mood on FX markets was emphasised by the EUR/GBP pair, which spent the day in a very tight 87.2-87.5p range. Cable (GBP/USD) traded close to the mid-point of the \$1.39-1.40 band. Meantime, the EUR/USD pair has edged slightly lower. It opens this morning just below the \$1.22 level.

Turning to the day ahead, all eyes will be on the ECB Governing Council meeting. No changes to policy are expected. The key issue for markets will be whether or not the ECB begins discussions on ending its net asset purchases. Many ECB watchers expect the Governing Council to finish net purchases by the end of this year.

There is some 'two-way' risk for the euro from today's meeting. If the ECB does begin discussions, even at a high level, then it may serve to reaffirm market expectations. This could help to support the euro. However, if the ECB strikes a 'cautious' tone, particularly in light of the recent weaker Eurozone data, then we may see the euro come under some downward pressure.

**Dara Turnbull, Economist, AIB**

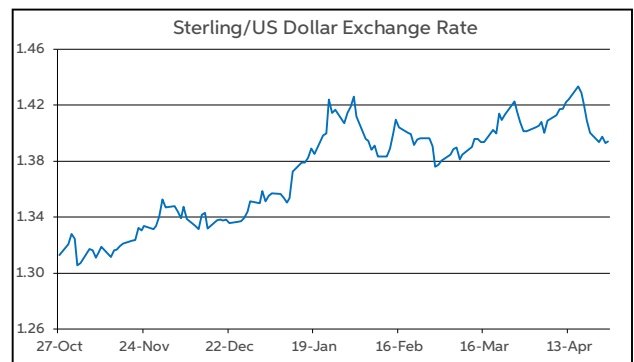
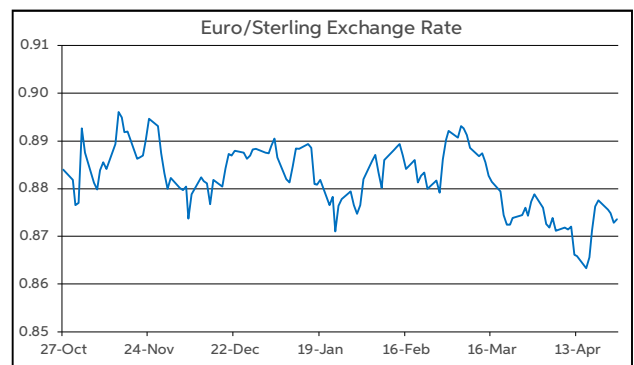
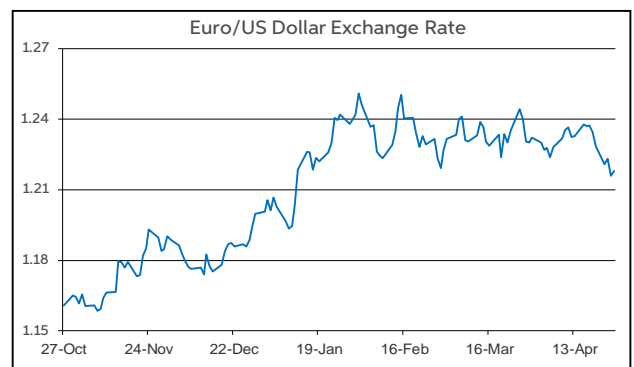
Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	1.625	1.90	2.37	2.77	2.75	2.95
EUR	0.00	-0.37	-0.33	-0.19	-0.12	0.45
GBP	0.50	0.54	0.76	1.03	1.13	1.44

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2017 to Date	
Dow Jones	24083.83	+0.25	-2.57	
S&P 500	2639.4	+0.18	-1.28	
FTSE 100	7379.32	-0.62	-4.01	
DJ Stoxx 50	3485.83	-0.71	-0.52	
ISEQ	6756.67	-0.26	-4.00	
Nikkei	22319.61	+0.47	-1.96	

Today's Opening Rates			
		% Change	
		Day *	End 2017
EUR/USD	1.2173	-0.35	1.48
EUR/GBP	0.8734	-0.11	-1.68
GBP/USD	1.3939	-0.21	3.16
GBP/EUR	1.1447	0.11	1.71
USD/JPY	109.35	0.30	-2.95
EUR/JPY	133.13	-0.05	-1.52

\* 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 26 April 2018  
07:30 am



## Euro

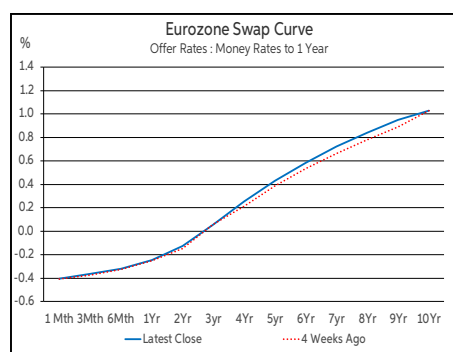
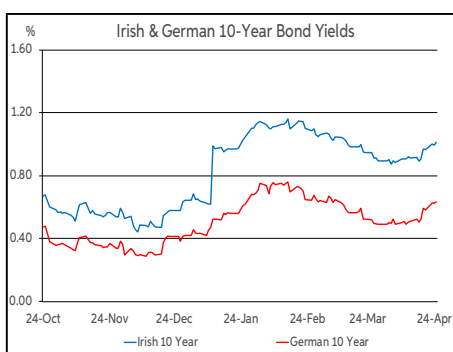
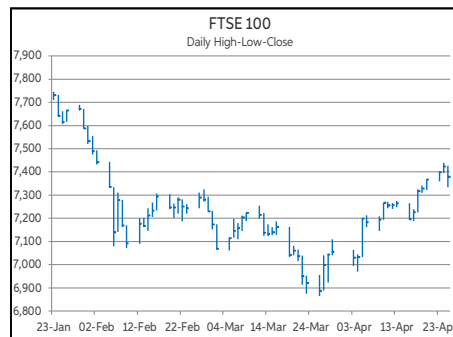
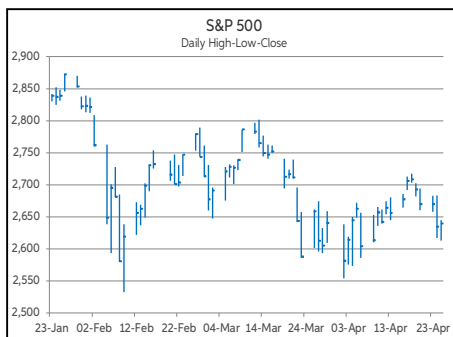
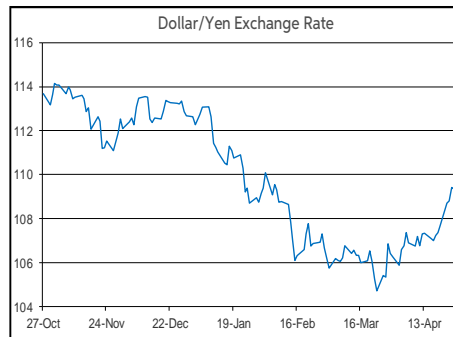
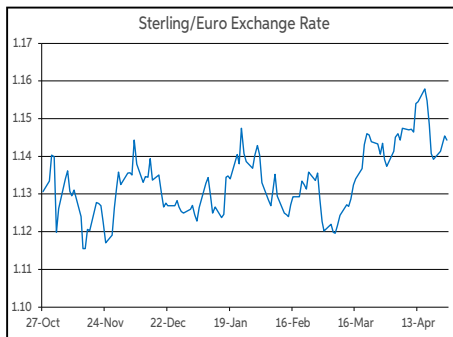
EUR/GBP	0.8734
EUR/USD	1.2173
EUR/JPY	133.13
EUR/SEK	10.4008
EUR/DKK	7.4496
EUR/NOK	9.6907
EUR/CHF	1.1962
EUR/AUD	1.6078
EUR/HKD	9.5531
EUR/CAD	1.5628

## Sterling

GBP/EUR	1.1447
GBP/USD	1.3939
GBP/CAD	1.7895
GBP/NZD	1.9739
GBP/JPY	152.42
GBP/SEK	11.9042
GBP/DKK	8.5298
GBP/NOK	11.0967
GBP/CHF	1.3697
GBP/AUD	1.841

## Dollar

USD/JPY	109.35
USD/CAD	1.2836
USD/CHF	0.9827
USD/CNY	6.323
USD/BRL	3.4841
USD/RUB	62.1736
USD/INR	66.835
AUD/USD	0.7571
NZD/USD	0.706



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 17
<b>10 Year Yield %</b>				
US	3.03	+3	+25	+62
Germany	0.63	+1	+14	+22
UK	1.54	-0	+18	+36
Ireland	1.01	+2	+10	N/A
Belgium	0.85	-1	+10	+24
France	0.86	+0	+13	+8
Italy	1.77	+1	-6	-22
Spain	1.29	+0	+9	-25
Portugal	1.70	+3	+6	-20
Greece	3.93	-1	-37	-11
<b>5 Year Swap %</b>				
US	2.92	+1	+22	+68
Eurozone	0.43	+1	+5	+11
UK	1.43	-1	+7	+40
<b>2 Year Swap %</b>				
US	2.73	+0	+17	+65
Eurozone	-0.13	-1	+2	+1
UK	1.12	-1	+1	+32
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	38	+1	-4	N/A
Belgium	22	-2	-4	+3
France	22	-1	-1	-14
Italy	114	+0	-20	-44
Spain	66	-1	-5	-47
Portugal	106	+2	-8	-41
Greece	330	-2	-51	-33

Commodities				
	Close	% Change		
		Day	4 Weeks	End 17
Brent Oil	74	+0.19	+6.43	+10.66
West Texas Oil	68	+0.50	+5.75	+12.47
CRB - All Commodity	200.69	+0.30	+3.29	+3.52
CRB - Food	353.53	+1.12	+5.33	+5.20
Gold \$	1323.7	-0.55	-0.13	+1.62

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