

## Dollar remains on the back foot

There was a positive tone to financial market sentiment yesterday. European equities made further gains, aided by positive corporate earnings updates. The Euro Stoxx 50 gained 0.6% on the day.

In the US, the recovery in stocks continued, with the S&P 500 rising for a fifth consecutive session. At the close on Wall Street last night, it was up by 1.2%. The index is now up 5.5% from the low seen last Friday.

In terms of yesterday's data schedule, US industrial production for January, surprised to the downside. It declined by 0.1% versus expectations for a 0.4% rise. In addition, the previous month's data were revised down. Meanwhile, the producer price index pointed to rising price pressures in the US, with the core index rising from 2.3% to 2.5%. While the data had only a limited impact on the dollar, the US currency does open lower again this morning, having come under some downward pressure in overnight trading.

As a result, the EUR/USD pair opens this morning near a new three year high above \$1.25. Cable (GBP/USD) has regained a footing above \$1.41. The USD/JPY has also continued to move lower, changing hands below ¥106 for the first time since November 2016. Meantime, EUR/GBP continues to trade in the upper half of the 88-89p band.

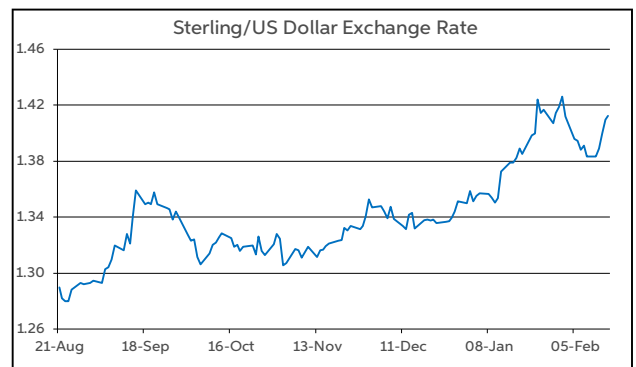
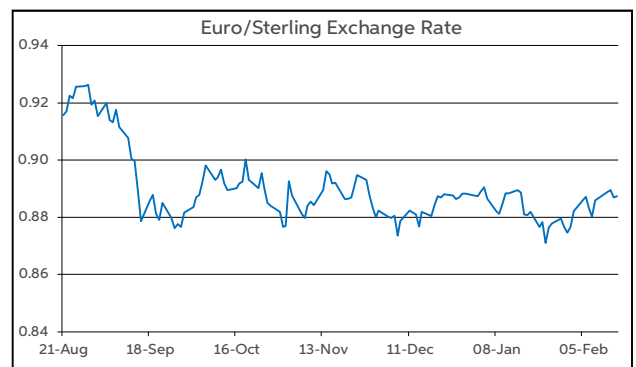
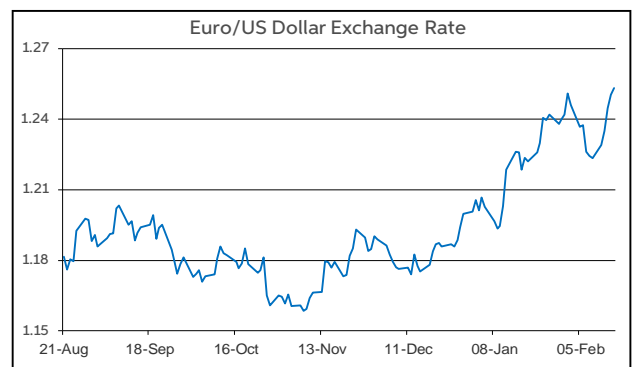
Looking to the day ahead, the main release of an otherwise light calendar is UK retail sales for January. It is the first major hard data release from the UK for 2018. The forecast is for retail sales to record a modest pick-up following on from December's sharp fall. Overall though, barring any major surprises, sterling reaction could be limited. Therefore, we may see the main FX pairs trading in narrow ranges today.

**Dara Turnbull, Economist, AIB**

Today's Opening Rates			
		% Change	
		Day *	End 2017
EUR/USD	1.2534	0.56	4.48
EUR/GBP	0.8874	-0.21	-0.10
GBP/USD	1.4126	0.81	4.54
GBP/EUR	1.1267	0.21	0.10
USD/JPY	105.87	-0.63	-6.04
EUR/JPY	132.73	-0.07	-1.81

\* v Previous Day's European Open

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Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	1.375	1.59	1.87	2.38	2.47	2.76
EUR	0.00	-0.37	-0.33	-0.19	-0.11	0.51
GBP	0.50	0.50	0.55	0.87	1.02	1.43

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2017 to Date	
Dow Jones	25200.37	+1.23	+1.95	
S&P 500	2731.2	+1.21	+2.15	
FTSE 100	7234.81	+0.29	-5.89	
DJ Stoxx 50	3389.63	+0.59	-3.26	
ISEQ	6778.12	+0.82	-3.70	
Nikkei	21720.25	+1.19	-4.59	

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

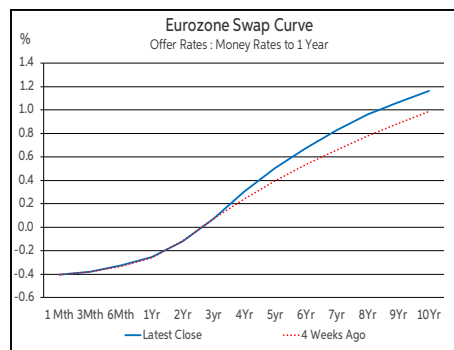
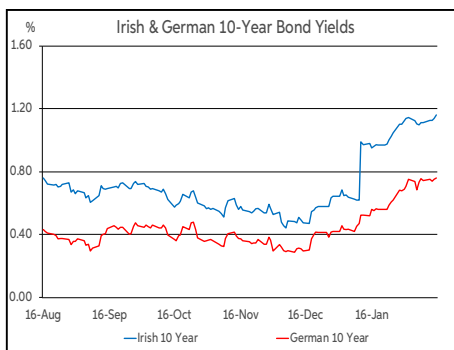
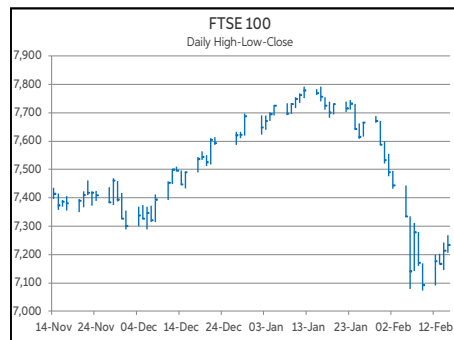
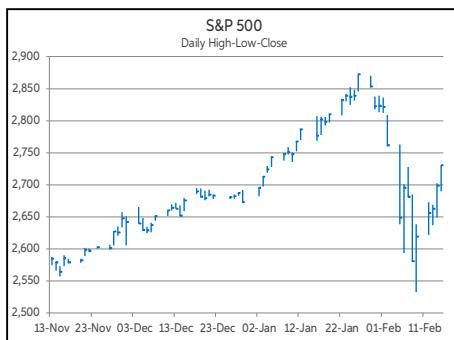
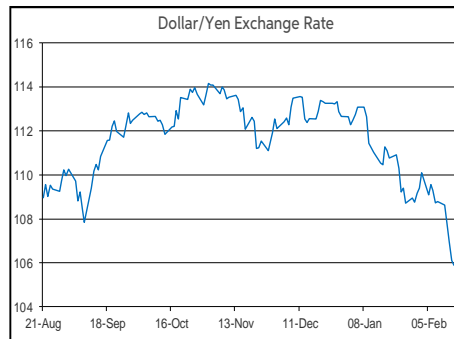
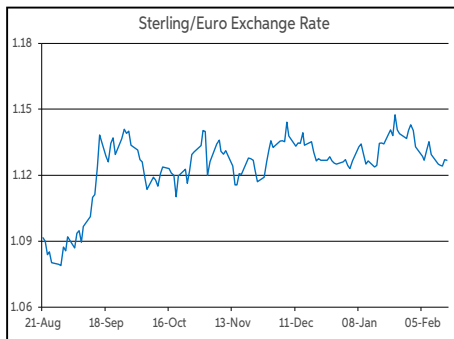
FX Spot	Karl Cooke Shane Gargan Adrian Flanagan Enda Homan	FX Options	Mark Tuite Lenny Hogan	Reuters Phone	AIB 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

Friday 16 February 2018  
07:29 am



Euro		Sterling		Dollar	
EUR/GBP	0.8874	GBP/EUR	1.1267	USD/JPY	105.86
EUR/USD	1.2534	GBP/USD	1.4125	USD/CAD	1.2465
EUR/JPY	132.71	GBP/CAD	1.7614	USD/CHF	0.9196
EUR/SEK	9.9187	GBP/NZD	1.9032	USD/CNY	6.3438
EUR/DKK	7.4478	GBP/JPY	149.53	USD/BRL	3.2274
EUR/NOK	9.6973	GBP/SEK	11.1726	USD/RUB	56.3425
EUR/CHF	1.1528	GBP/DKK	8.392	USD/INR	63.92
EUR/AUD	1.573	GBP/NOK	10.9287	AUD/USD	0.7968
EUR/HKD	9.8031	GBP/CHF	1.2992	NZD/USD	0.742
EUR/CAD	1.5631	GBP/AUD	1.7721		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 17
<b>10 Year Yield %</b>				
US	2.90	-1	+28	+50
Germany	0.76	+1	+20	+34
UK	1.65	+2	+32	+47
Ireland	1.16	+2	N/A	N/A
Belgium	1.02	+1	+32	+41
France	0.99	+0	+15	+21
Italy	2.06	+0	+8	+6
Spain	1.49	-1	+2	-5
Portugal	2.04	-1	+27	+15
Greece	4.39	-0	+65	+35
<b>5 Year Swap %</b>				
US	2.70	-2	+23	+46
Eurozone	0.50	-1	+11	+19
UK	1.43	-1	+26	+40
<b>2 Year Swap %</b>				
US	2.44	+1	+21	+36
Eurozone	-0.12	-1	-0	+2
UK	1.01	-1	+14	+21
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	40	+1	N/A	N/A
Belgium	26	-0	+13	+7
France	23	-1	-5	-13
Italy	130	-1	-11	-28
Spain	73	-2	-18	-39
Portugal	128	-2	+8	-19
Greece	363	-1	+45	+1

Commodities				
	% Change			
	Close	Day	4 Weeks	End 17
Brent Oil	64.33	-0.05	-7.19	-3.80
West Texas Oil	61.48	+1.29	-3.88	+1.69
CRB - All Commodity	198.35	+0.49	+1.53	+2.31
CRB - Food	343.43	-0.88	+1.99	+2.20
Gold \$	1353.4	+0.19	+1.97	+3.90

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