

Dollar still on the back foot overall

There was a more positive tone to financial markets last week. Equities recovered from the lows seen the previous week, with the main indices up around 3-4% in Europe and the US. This more positive sentiment coincided with some dollar weakness. The US currency had seen some support during the recent bout of volatility. Some disappointing US data (incl. retail sales and industrial production for January), as well as some scepticism/concerns over the White House's budget proposals also proved unhelpful to the dollar.

In level terms, the softer dollar saw EUR/USD hit a new three-year high during the week around \$1.255. The dollar has since recovered some of its losses, with the pair opening this morning up at \$1.24. GBP/USD is changing hands close to the \$1.40 mark. Meantime, some support for the yen means that USD/JPY remains pinned down close to a 15-month low below ¥107. Meanwhile, the EUR/GBP pair continues to trade in the 88-89p range.

In the week ahead, a meeting of all EU leaders (excluding UK) on Friday to discuss, amongst other things, Brexit, may pose some potential headline risk for sterling. However, a raft of overall positive UK labour market data for Q4 (incl. employment, unemployment and earnings) may help to support the currency.

For the euro, the flash Eurozone PMIs for February are due. The composite index is forecast to remain close to January's 11½-year high. Although, euro reaction to the PMIs has tended to be quite muted in recent months. Dollar-wise, markets will look to the latest Fed minutes for further insights into the rates outlook. This is in the context of the more upbeat views on the economy expressed in the meeting statement. Any suggestion that an upward revision to its rates projections is possible may help to boost the dollar.

Dara Turnbull, Economist, AIB

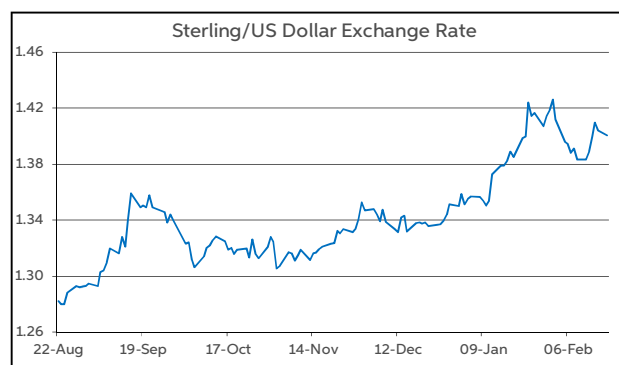
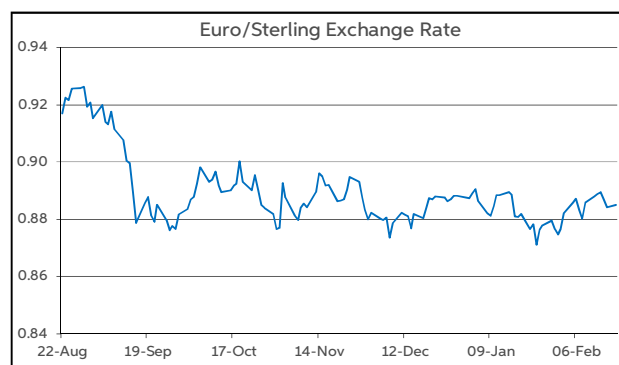
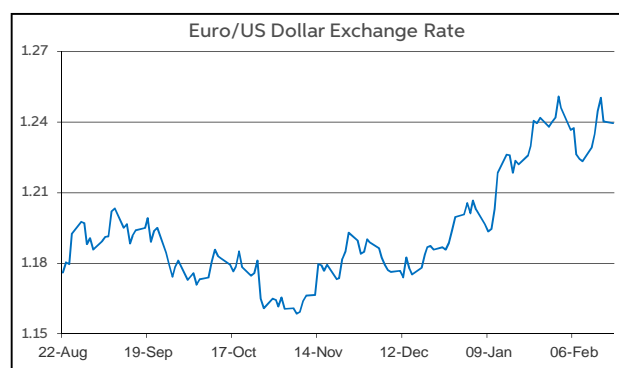
Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	1.375	1.59	1.88	2.39	2.46	2.73
EUR	0.00	-0.37	-0.33	-0.19	-0.11	0.49
GBP	0.50	0.49	0.54	0.87	1.01	1.40

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2017 to Date	
Dow Jones	25219.38	+0.08	+2.02	
S&P 500	2732.22	+0.04	+2.19	
FTSE 100	7294.7	+0.83	-5.11	
DJ Stoxx 50	3426.8	+1.10	-2.20	
ISEQ	6833.41	+0.82	-2.91	
Nikkei	22149.21	+1.97	-2.70	

Today's Opening Rates			
		% Change	
		Day *	End 2017
EUR/USD	1.2395	-1.22	3.33
EUR/GBP	0.8851	-0.32	-0.36
GBP/USD	1.4002	-0.91	3.63
GBP/EUR	1.1293	0.32	0.36
USD/JPY	106.56	0.74	-5.42
EUR/JPY	132.09	-0.49	-2.29

* 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 19 February 2018
07:33 am



Euro

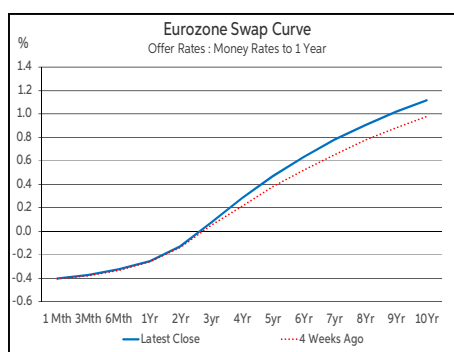
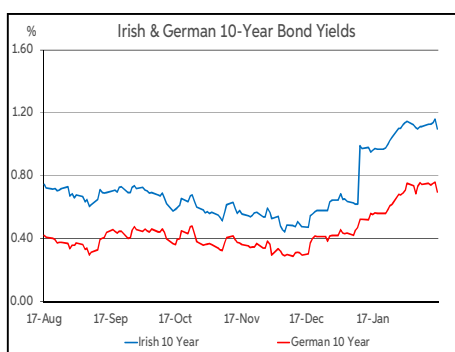
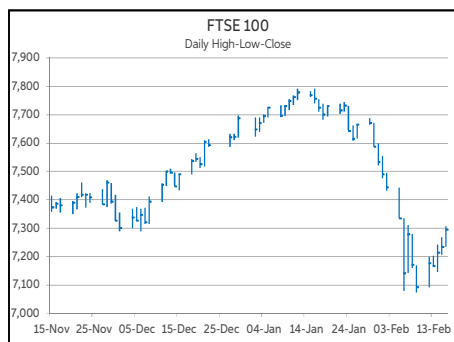
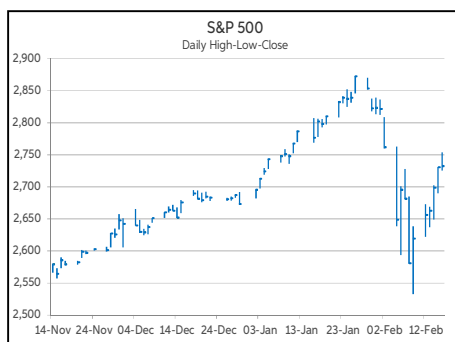
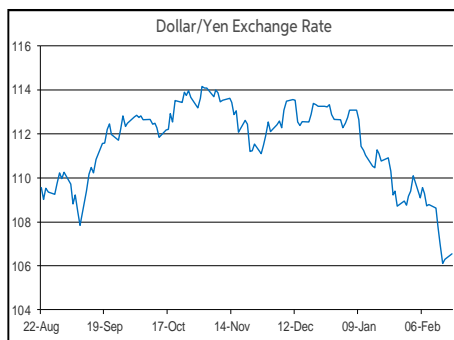
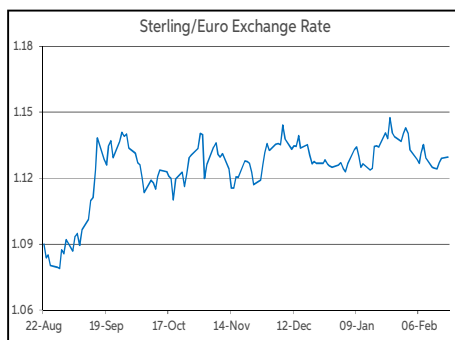
EUR/GBP	0.8851
EUR/USD	1.2397
EUR/JPY	132.09
EUR/SEK	9.875
EUR/DKK	7.4478
EUR/NOK	9.634
EUR/CHF	1.1521
EUR/AUD	1.5672
EUR/HKD	9.6955
EUR/CAD	1.5558

Sterling

GBP/EUR	1.1293
GBP/USD	1.4002
GBP/CAD	1.7575
GBP/NZD	1.8964
GBP/JPY	149.21
GBP/SEK	11.1517
GBP/DKK	8.4115
GBP/NOK	10.8842
GBP/CHF	1.3013
GBP/AUD	1.7703

Dollar

USD/JPY	106.56
USD/CAD	1.2551
USD/CHF	0.9293
USD/CNY	6.3438
USD/BRL	3.231
USD/RUB	56.335
USD/INR	64.24
AUD/USD	0.7909
NZD/USD	0.7381



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 17
10 Year Yield %				
US	2.87	-3	+21	+47
Germany	0.70	-6	+14	+28
UK	1.57	-8	+23	+39
Ireland	1.10	-6	+13	N/A
Belgium	0.97	-5	+28	+36
France	0.94	-5	+10	+16
Italy	1.98	-8	+3	-2
Spain	1.45	-4	+2	-9
Portugal	1.98	-6	+25	+9
Greece	4.21	-18	+45	+16
5 Year Swap %				
US	2.70	-3	+19	+46
Eurozone	0.47	-4	+9	+16
UK	1.39	-6	+21	+35
2 Year Swap %				
US	2.42	-3	+17	+34
Eurozone	-0.13	-1	+1	+2
UK	0.99	-3	+12	+19
10 Year Government Bond Spreads to Benchmark bps				
Ireland	40	-0	-1	N/A
Belgium	28	+2	+14	+8
France	24	+1	-4	-12
Italy	128	-1	-11	-29
Spain	75	+2	-11	-37
Portugal	129	+0	+12	-19
Greece	351	-12	+32	-11

Commodities				
	Close	% Change		
		Day	4 Weeks	End 17
Brent Oil	64.84	+0.79	-5.49	-3.04
West Texas Oil	61.89	+0.67	-2.35	+2.37
CRB - All Commodity	198.35	+0.49	+1.53	+2.31
CRB - Food	343.43	-0.88	+2.03	+2.20
Gold \$	1347.9	-0.40	+1.18	+3.48

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