

US payrolls in focus

There was a mixed tone to financial market sentiment yesterday. This was reflected in the main equity indices. The Euro Stoxx 50 closed down 0.9% on the day, prompted by some disappointing corporate updates. However, at the close in the US, the S&P 500 was broadly unchanged.

On the currency front, the modest dollar support seen following Wednesday evening's US Fed meeting proved to be short lived. The currency resumed its downward trend yesterday, falling against a basket of other majors.

Data-wise, disappointing US productivity figures (-0.1% in Q4 vs f'cast +1%), a metric closely followed by the Fed may have been unhelpful to the dollar yesterday. Elsewhere, light data/events schedules in the Eurozone and UK meant that there was little to provide direction for the euro or sterling.

In level terms, the softer tone to the dollar saw the EUR/USD pair move back up to the \$1.25 mark. Cable (GBP/USD) also moved higher from below \$1.42, to open this morning at \$1.426. Meantime, the EUR/GBP pair spent the day confined to the 87-88p range.

In the day ahead, the focus for markets will be firmly on the key US release of the month, the January employment report. Non-farm payrolls are expected to have recorded a strong 180k rise in the month. At the same time, the unemployment rate looks set to have remained at just 4.1%, while earnings growth is seen edging up slightly. Overall though, barring any major surprises, dollar reaction to the data could be limited.

Dara Turnbull, Economist, AIB

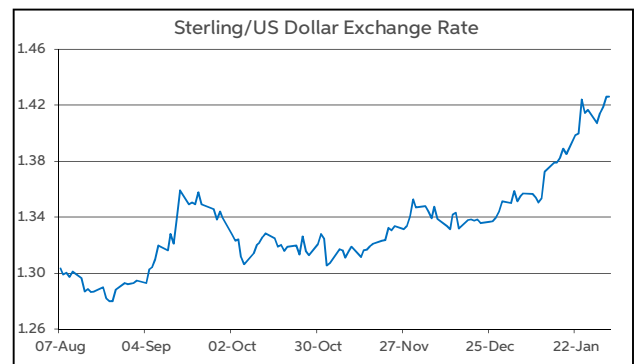
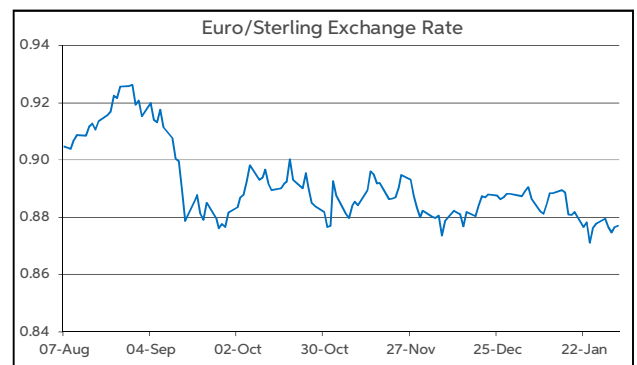
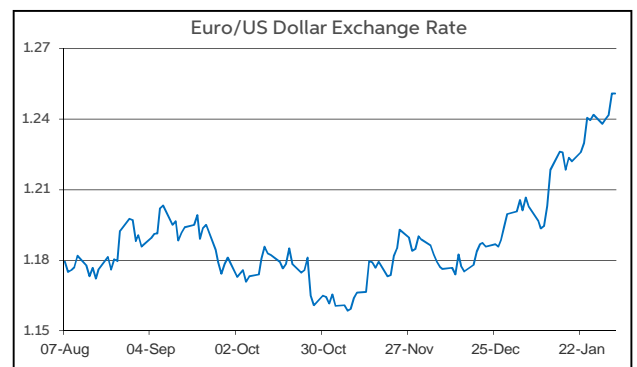
Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	1.375	1.58	1.79	2.29	2.38	2.64
EUR	0.00	-0.37	-0.33	-0.19	-0.12	0.48
GBP	0.50	0.50	0.52	0.81	0.96	1.36

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2017 to Date	
Dow Jones	26186.71	+0.14	+5.94	
S&P 500	2821.98	-0.06	+5.55	
FTSE 100	7490.39	-0.57	-2.57	
DJ Stoxx 50	3577.35	-0.88	+2.09	
ISEQ	6946.32	-0.22	-1.31	
Nikkei	23274.53	-0.90	+2.24	

Today's Opening Rates			
		% Change	
		Day *	End 2017
EUR/USD	1.2504	0.68	4.23
EUR/GBP	0.8768	0.19	-1.29
GBP/USD	1.4257	0.47	5.51
GBP/EUR	1.14	-0.19	1.31
USD/JPY	109.71	0.36	-2.63
EUR/JPY	137.19	1.02	1.49

* 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

Friday 02 February 2018
07:29 am



Euro

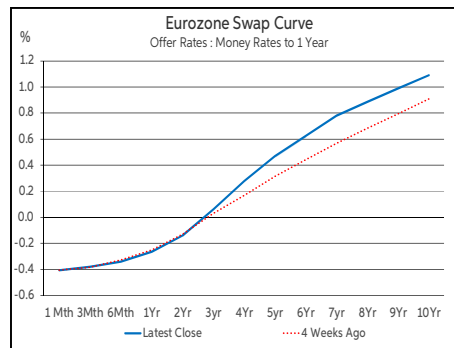
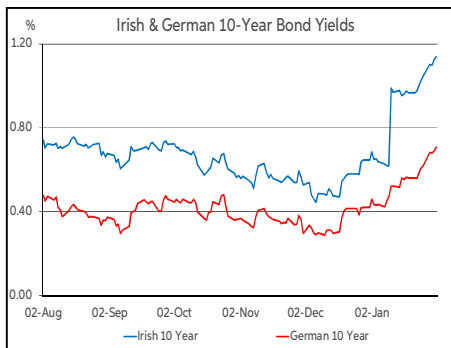
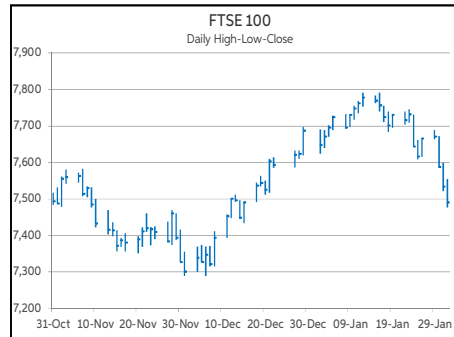
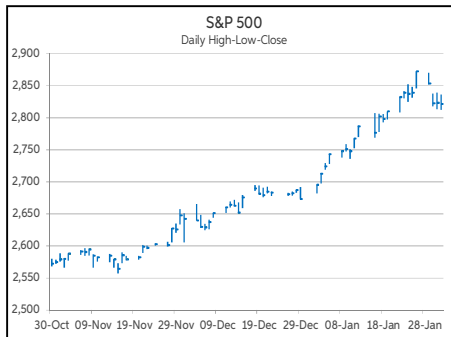
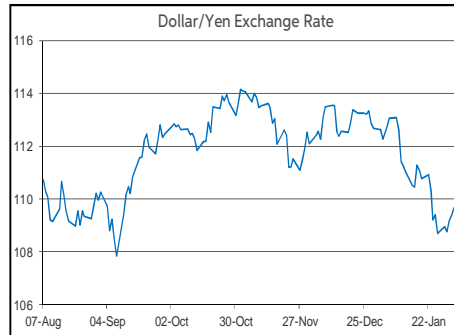
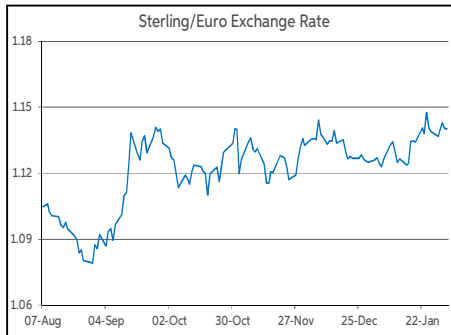
EUR/GBP	0.8769
EUR/USD	1.2504
EUR/JPY	137.19
EUR/SEK	9.8213
EUR/DKK	7.4427
EUR/NOK	9.5673
EUR/CHF	1.1588
EUR/AUD	1.5611
EUR/HKD	9.7766
EUR/CAD	1.5354

Sterling

GBP/EUR	1.1399
GBP/USD	1.4257
GBP/CAD	1.7506
GBP/NZD	1.9337
GBP/JPY	156.43
GBP/SEK	11.1997
GBP/DKK	8.4859
GBP/NOK	10.9093
GBP/CHF	1.321
GBP/AUD	1.7796

Dollar

USD/JPY	109.72
USD/CAD	1.2278
USD/CHF	0.9266
USD/CNY	6.276
USD/BRL	3.1668
USD/RUB	56.0206
USD/INR	63.9225
AUD/USD	0.8009
NZD/USD	0.737



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 17
10 Year Yield %				
US	2.78	+7	+33	+37
Germany	0.71	+2	+28	+29
UK	1.52	+3	+29	+34
Ireland	1.14	+1	N/A	N/A
Belgium	0.85	+1	+21	+23
France	0.96	+0	+18	+19
Italy	1.95	-7	-6	-5
Spain	1.41	+0	-12	-13
Portugal	1.93	-2	+3	+3
Greece	3.65	-2	-14	-39
5 Year Swap %				
US	2.63	+3	+32	+39
Eurozone	0.47	-1	+16	+15
UK	1.34	+1	+29	+31
2 Year Swap %				
US	2.31	-4	+18	+23
Eurozone	-0.14	-3	-1	+0
UK	0.95	-1	+16	+15
10 Year Government Bond Spreads to Benchmark bps				
Ireland	43	-0	N/A	N/A
Belgium	14	-0	-7	-5
France	26	-2	-10	-10
Italy	124	-9	-33	-33
Spain	71	-2	-39	-42
Portugal	122	-4	-25	-25
Greece	295	-4	-41	-68

Commodities				
	Close	% Change		
		Day	4 Weeks	End 17
Brent Oil	69.65	+0.87	+2.32	+4.16
West Texas Oil	65.92	+1.70	+6.36	+9.03
CRB - All Commodity	198.35	+0.49	+1.53	+2.31
CRB - Food	346.23	+0.16	+1.41	+3.03
Gold \$	1349.6	+0.30	+2.01	+3.60

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