

Sterling moves higher

Investor sentiment was holding a generally positive tone yesterday. While the data schedule was quiet, the IMF's upward revisions to its global growth forecasts did provide a supportive backdrop. Wall Street continued to set record closing highs, with the S&P 500 gaining 0.8% on the day.

The action on currency markets saw the firmer tone to sterling carry over to the start of the week, with the currency making further gains. Meantime, while the US government 'shutdown' and subsequent short term resolution was grabbing plenty of headlines, the dollar reaction to this newsflow continued to be muted.

In level terms, the firmer sterling tone is reflected in EUR/GBP being unable to hold the 88p mark. Meanwhile, cable (GBP/USD) has managed to register a new post-Brexit vote high, with the pair trading up towards the upper half of the \$1.39-1.40 band and briefly tested at \$1.40. Twice last week, the pair tested above the \$1.39 mark before edging back below it. So, it will be interesting to see if it can sustain and build on this level over the coming days with sterling net long positions currently at multi-year highs.

Elsewhere, EUR/USD continued to change hands in a tight range within \$1.22-1.23. In overnight action, the yen was modestly weaker following the latest BoJ meeting where President Kuroda emphasised his commitment to comprehensive monetary easing.

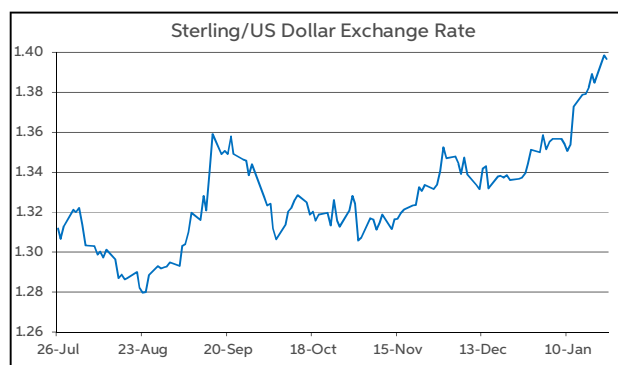
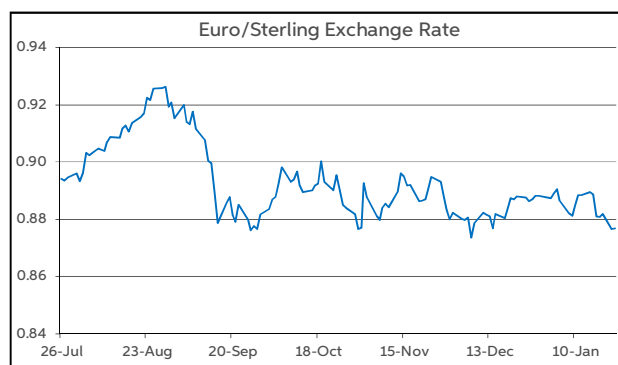
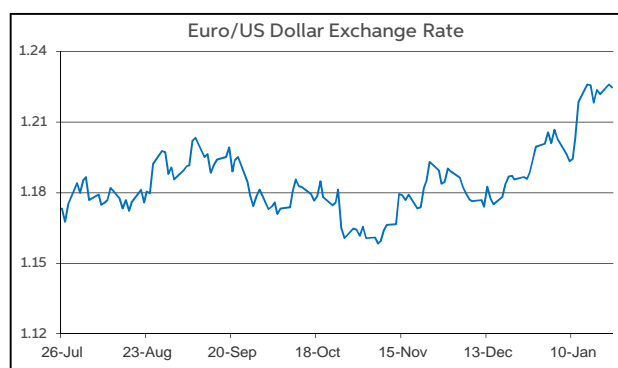
Ahead today, the global macro agenda remains on the sparse side. Indeed, the only highlights are the German ZEW (Jan) and UK public finance data, none of which is likely to interest markets much. Therefore, from an FX viewpoint, the main pairs may continue to trade near current levels over the course of today.

John Fahey, Senior Economist, AIB

Today's Opening Rates			
		% Change	
		Day *	End 2017
EUR/USD	1.2248	0.15	2.10
EUR/GBP	0.8769	-0.56	-1.28
GBP/USD	1.3967	0.74	3.37
GBP/EUR	1.1402	0.56	1.30
USD/JPY	111.02	0.22	-1.46
EUR/JPY	135.99	0.38	0.60

* 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	1.56	1.74	2.23	2.25	2.51
EUR	0.00	-0.37	-0.33	-0.19	-0.14	0.38
GBP	0.50	0.50	0.52	0.78	0.88	1.19

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2017 to Date	
Dow Jones	26214.6	+0.55	+6.05	
S&P 500	2832.97	+0.81	+5.96	
FTSE 100	7715.44	-0.20	+0.36	
DJ Stoxx 50	3665.28	+0.44	+4.60	
ISEQ	7157.5	+0.01	+1.69	
Nikkei	24124.15	+1.29	+5.97	

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	AlBI 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

Tuesday 23 January 2018
07:27 am



Euro

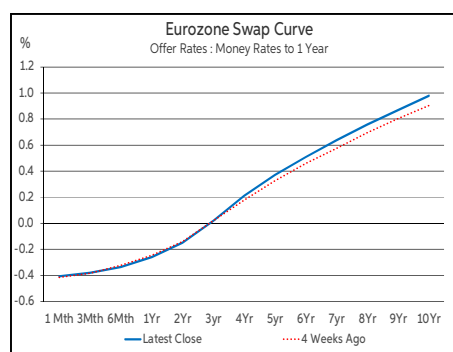
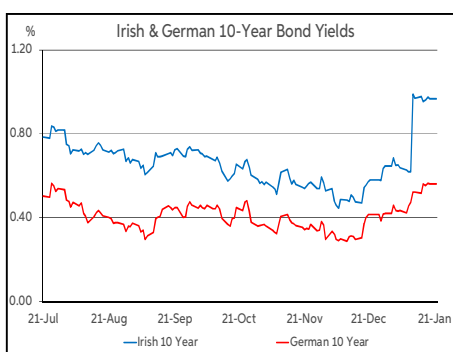
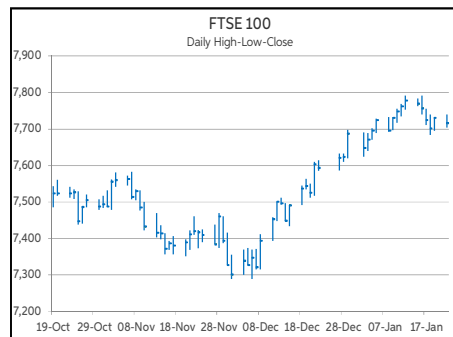
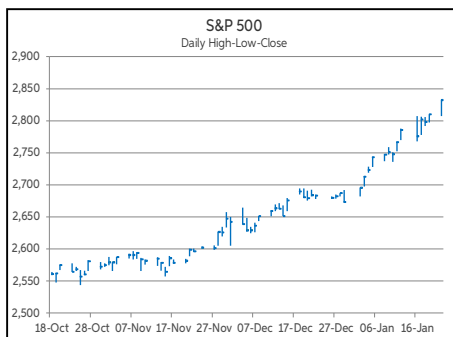
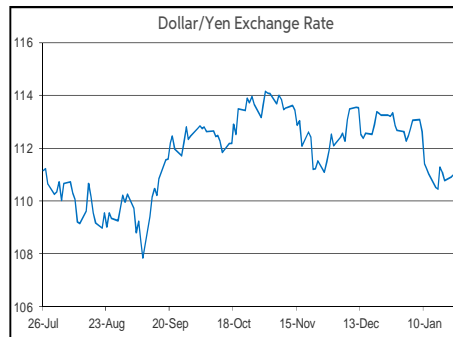
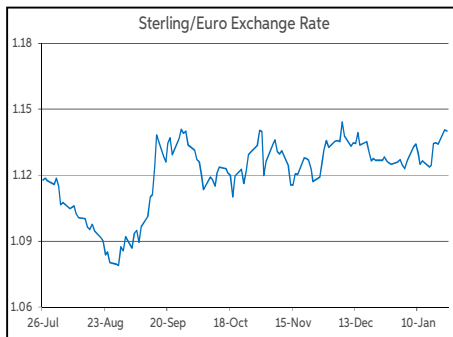
EUR/GBP	0.8769
EUR/USD	1.2248
EUR/JPY	135.99
EUR/SEK	9.8374
EUR/DKK	7.4432
EUR/NOK	9.638
EUR/CHF	1.1786
EUR/AUD	1.5358
EUR/HKD	9.5736
EUR/CAD	1.5266

Sterling

GBP/EUR	1.1402
GBP/USD	1.3967
GBP/CAD	1.7407
GBP/NZD	1.9083
GBP/JPY	155.06
GBP/SEK	11.2145
GBP/DKK	8.4873
GBP/NOK	10.9915
GBP/CHF	1.344
GBP/AUD	1.7513

Dollar

USD/JPY	111.02
USD/CAD	1.2463
USD/CHF	0.9622
USD/CNY	6.399
USD/BRL	3.202
USD/RUB	56.3724
USD/INR	63.77
AUD/USD	0.7976
NZD/USD	0.7316



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 17
10 Year Yield %				
US	2.65	-1	+17	+25
Germany	0.56	-0	+15	+14
UK	1.35	+1	+11	+17
Ireland	0.97	+0	N/A	N/A
Belgium	0.69	+0	+10	+8
France	0.84	-0	+13	+6
Italy	1.91	-4	+1	-8
Spain	1.37	-5	-8	-17
Portugal	1.69	-5	-8	-21
Greece	3.78	+2	-23	-27
5 Year Swap %				
US	2.49	-3	+19	+24
Eurozone	0.37	-1	+4	+5
UK	1.18	+1	+12	+15
2 Year Swap %				
US	2.22	-3	+11	+14
Eurozone	-0.15	-1	-1	-1
UK	0.87	+0	+6	+7
10 Year Government Bond Spreads to Benchmark bps				
Ireland	41	+0	N/A	N/A
Belgium	13	+0	-4	-6
France	28	+0	-2	-8
Italy	135	-4	-13	-22
Spain	81	-5	-22	-31
Portugal	113	-4	-23	-35
Greece	322	+2	-38	-41

Commodities				
	Close	% Change		
		Day	4 Weeks	End 17
Brent Oil	69.03	+0.61	+5.79	+3.23
West Texas Oil	63.66	+0.44	+9.29	+5.29
CRB - All Commodity	196.22	+0.37	+4.44	+1.21
CRB - Food	338.18	+1.59	+0.15	+0.64
Gold \$	1334.5	+0.17	+4.62	+2.45

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