

GBP/USD above \$1.40

The main data release of an overall quiet calendar yesterday, the flash EC measure of Eurozone consumer confidence, surprised strongly to the upside in January. The index rose to 1.3 from 0.5, hitting its highest level since August 2000. This suggests that the consumer sector maintained its positive momentum into the start of 2018. However, as has been the trend with stronger than expected Eurozone survey data recently, euro reaction was limited.

Of the currency market moves which did register yesterday, the dollar adopted a softer tone. There was no clear dollar specific reason for this. Elsewhere, the yen appeared to benefit from the BoJ's upgraded view of inflation. The currency may also have seen some 'safe-haven' support from concerns over protectionist US trade policies.

In level terms, cable (GBP/USD) moved above \$1.40 yesterday, hitting another new post-Brexit vote high. EUR/USD traded back above \$1.23. The USD/JPY pair fell below ¥110. Meantime, EUR/GBP remained just below the 88p level.

There is a very busy data schedule in the day ahead. In the Eurozone, the flash January PMIs are due. The headline Composite index is forecast to remain close to December's 7-year high. Although, euro reaction may be muted, as markets look ahead to tomorrow's ECB meeting.

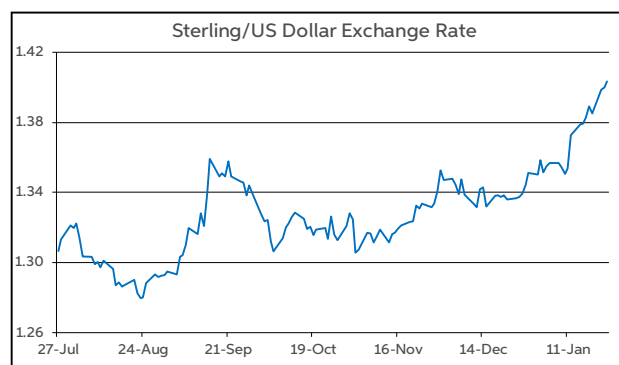
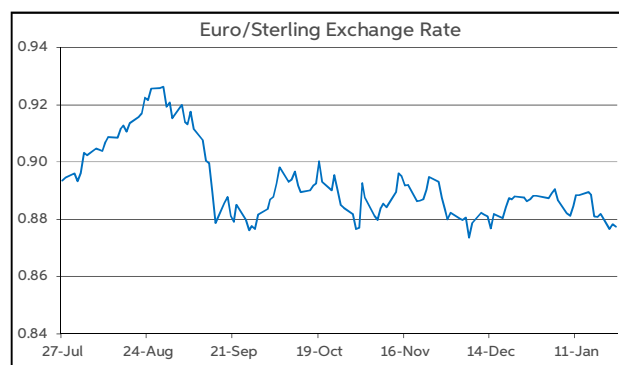
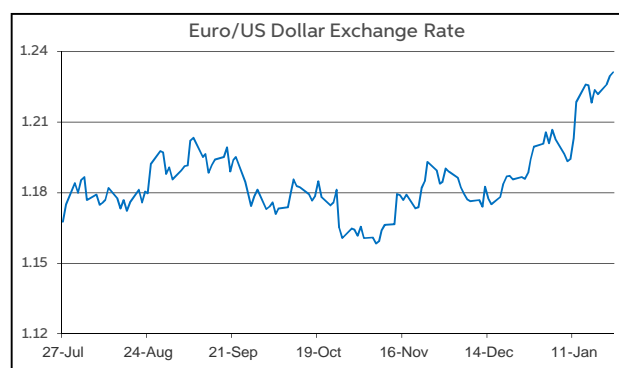
In the UK, mixed results are expected from the latest batch of labour market data (employment, unemployment, earnings), which are for the three months to November. The flash PMIs are also due in the US, with solid results forecast. Overall though, barring any major surprises from the data, FX market reaction could be relatively subdued.

Dara Turnbull, Economist, AIB

Today's Opening Rates			
		% Change	
		Day *	End 2017
EUR/USD	1.2316	0.48	2.67
EUR/GBP	0.8773	0.08	-1.24
GBP/USD	1.4035	0.41	3.87
GBP/EUR	1.1393	-0.08	1.25
USD/JPY	109.94	-0.79	-2.42
EUR/JPY	135.42	-0.32	0.18

* 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	1.75	2.22	2.26	2.49
EUR	0.00	-0.37	-0.33	-0.19	-0.13	0.39
GBP	0.50	0.50	0.53	0.78	0.88	1.19

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2017 to Date	
Dow Jones	26210.81	-0.01	+6.03	
S&P 500	2839.13	+0.22	+6.19	
FTSE 100	7731.83	+0.21	+0.57	
DJ Stoxx 50	3672.29	+0.19	+4.80	
ISEQ	7235.11	+1.08	+2.80	
Nikkei	23940.78	-0.76	+5.17	

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

Wednesday 24 January 2018
07:30 am



Euro

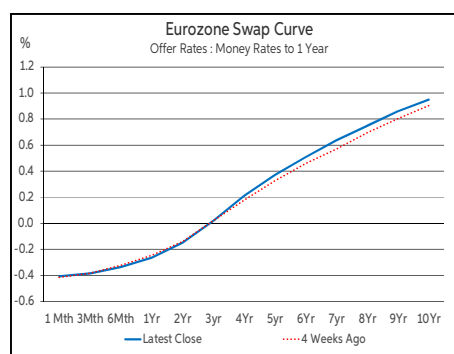
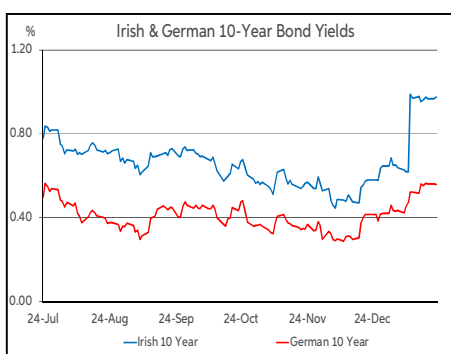
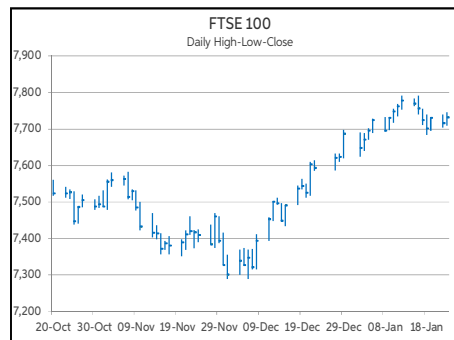
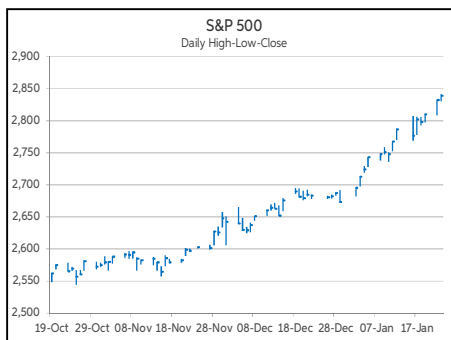
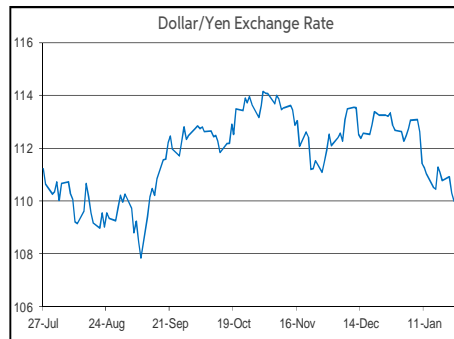
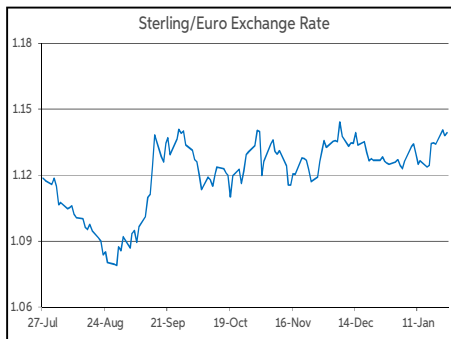
EUR/GBP	0.8773
EUR/USD	1.2315
EUR/JPY	135.41
EUR/SEK	9.8423
EUR/DKK	7.4441
EUR/NOK	9.6192
EUR/CHF	1.1753
EUR/AUD	1.536
EUR/HKD	9.6285
EUR/CAD	1.5279

Sterling

GBP/EUR	1.1393
GBP/USD	1.4035
GBP/CAD	1.7411
GBP/NZD	1.9053
GBP/JPY	154.29
GBP/SEK	11.2127
GBP/DKK	8.4817
GBP/NOK	10.9624
GBP/CHF	1.3395
GBP/AUD	1.7501

Dollar

USD/JPY	109.95
USD/CAD	1.2404
USD/CHF	0.9542
USD/CNY	6.3929
USD/BRL	3.2369
USD/RUB	56.3655
USD/INR	63.6575
AUD/USD	0.8019
NZD/USD	0.7366



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 17
10 Year Yield %				
US	2.61	-4	+14	+21
Germany	0.56	-0	+15	+14
UK	1.35	+0	+11	+17
Ireland	0.98	+1	N/A	N/A
Belgium	0.70	+0	+10	+9
France	0.82	-1	+11	+5
Italy	1.88	-3	-2	-12
Spain	1.34	-3	-11	-20
Portugal	1.66	-2	-11	-23
Greece	3.69	-8	-31	-35
5 Year Swap %				
US	2.44	-7	+18	+20
Eurozone	0.37	-2	+4	+5
UK	1.18	-1	+11	+15
2 Year Swap %				
US	2.22	-5	+13	+14
Eurozone	-0.15	-3	-1	-1
UK	0.87	-2	+6	+7
10 Year Government Bond Spreads to Benchmark bps				
Ireland	42	+1	N/A	N/A
Belgium	14	+0	-4	-5
France	26	-1	-3	-9
Italy	132	-3	-16	-26
Spain	78	-3	-26	-34
Portugal	110	-2	-25	-37
Greece	314	-8	-46	-49

Commodities				
	Close	% Change		
		Day	4 Weeks	End 17
Brent Oil	69.96	+1.35	+4.39	+4.62
West Texas Oil	64.45	+1.24	+8.23	+6.60
CRB - All Commodity	196.94	+0.37	+3.39	+1.59
CRB - Food	337.72	-0.46	-0.39	+0.50
Gold \$	1341.8	+0.54	+4.55	+3.00

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