

No changes from the ECB; GDP in focus

The ECB provided no major surprises to markets yesterday, making no changes to policy. The post-meeting statement may have disappointed versus some expectations for hawkish rhetoric, as it contained no changes in terms of the Bank's forward guidance. However, both the statement and President Draghi in his press conference were upbeat on the economy. At the same time, the ECB President made no attempts to 'talk down' the euro, maintaining the line that the ECB doesn't "target exchange rates".

As a result, EUR/USD traded above \$1.25 for the first time since November 2014, while the EUR/GBP pair has edged back up to the mid-point of the 87-88p band. Meanwhile, the dollar has had an interesting 24 hours. US Treasury Secretary Mnuchin's comments from Wednesday (favours a weak dollar) continued to act as a headwind to the dollar in early trading yesterday. However, overnight comments from President Trump, that he wanted to see a "strong dollar", have seen the currency regain some ground. EUR/USD is trading back at \$1.246 this morning, while cable (GBP/USD) is around \$1.425.

Turning to the day ahead, we get a first look at Q4 GDP from two major economies. First up, the UK is expected to have recorded another 0.4% rise. Although, this suggests that the economy grew by 1.8% in 2017, its weakest rate since 2012 as negative Brexit effects weigh on activity. Barring any surprises then, overall sterling impact may be muted.

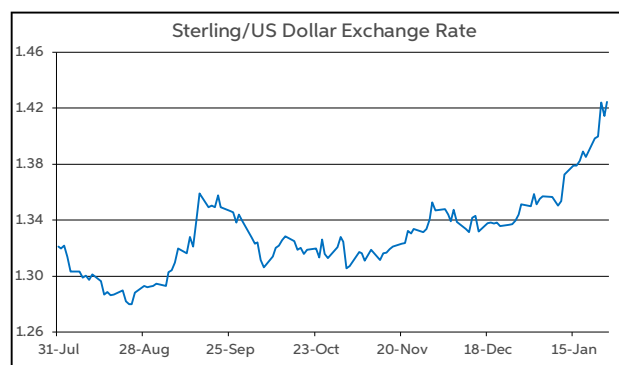
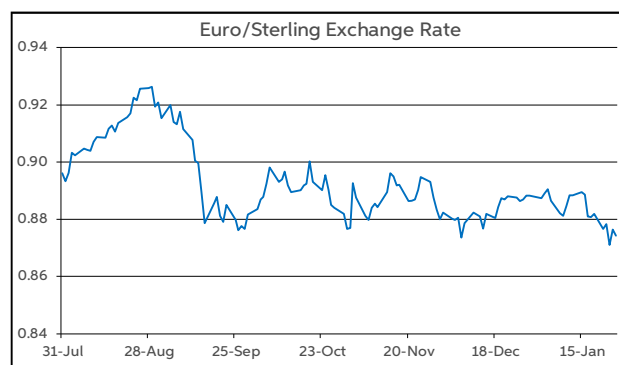
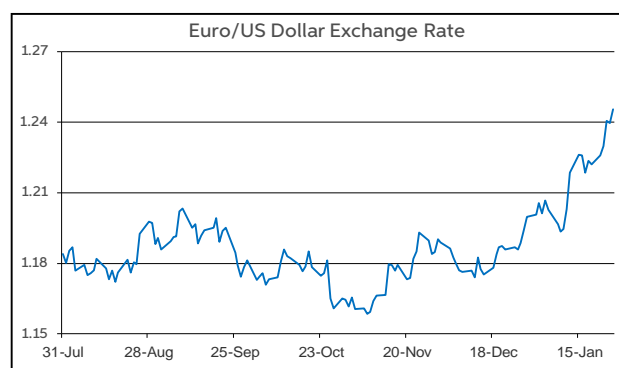
Elsewhere, the US economy is predicted to have grown by 3% on an annualised basis. Such a result would represent the first time the economy has managed to put together three consecutive 3%+ quarterly expansions since Q1 2005. Given that the dollar is largely out of favour at the moment, potential support may be limited.

Dara Turnbull, Economist, AIB

Today's Opening Rates			
		% Change	
		Day *	End 2017
EUR/USD	1.2456	0.07	3.83
EUR/GBP	0.8746	0.47	-1.54
GBP/USD	1.4241	-0.39	5.40
GBP/EUR	1.1429	-0.47	1.57
USD/JPY	109.05	0.12	-3.21
EUR/JPY	135.85	0.21	0.50

* v Previous Day's European Open

See Next Page for More Rates ▶▶▶



Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	1.375	1.57	1.76	2.24	2.29	2.50
EUR	0.00	-0.37	-0.33	-0.19	-0.13	0.44
GBP	0.50	0.50	0.53	0.79	0.92	1.25

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2017 to Date	
Dow Jones	26392.79	+0.54	+6.77	
S&P 500	2839.25	+0.06	+6.20	
FTSE 100	7615.84	-0.36	-0.94	
DJ Stoxx 50	3630.15	-0.36	+3.60	
ISEQ	7033.76	-1.71	-0.06	
Nikkei	23631.88	-0.16	+3.81	

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 26 January 2018
07:27 am



Euro

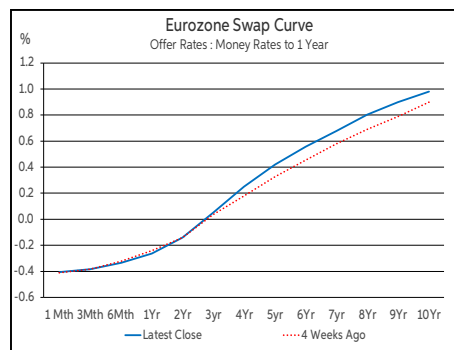
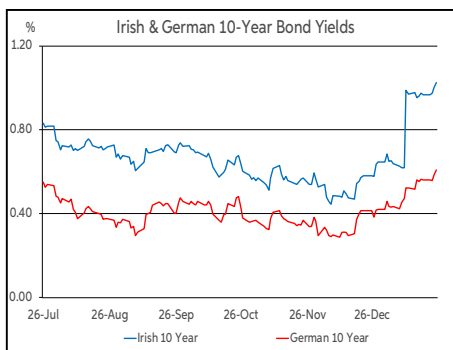
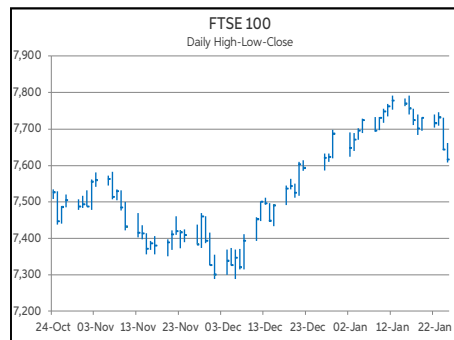
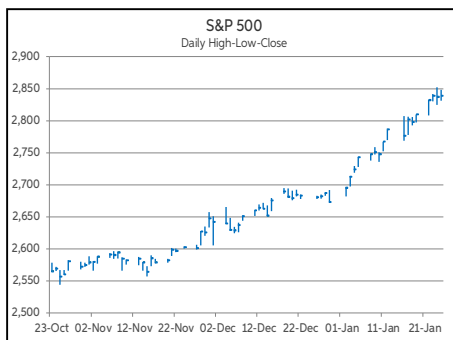
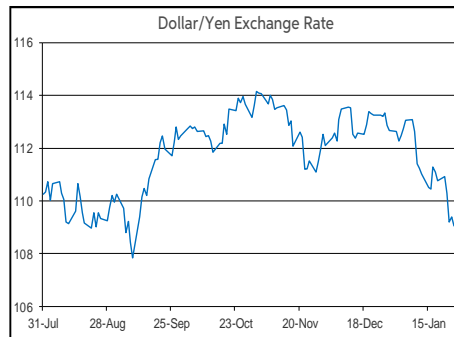
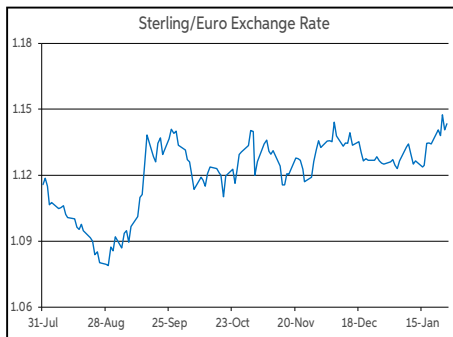
EUR/GBP	0.8746
EUR/USD	1.2456
EUR/JPY	135.85
EUR/SEK	9.8081
EUR/DKK	7.4443
EUR/NOK	9.5789
EUR/CHF	1.1674
EUR/AUD	1.5431
EUR/HKD	9.7389
EUR/CAD	1.535

Sterling

GBP/EUR	1.1429
GBP/USD	1.4241
GBP/CAD	1.7549
GBP/NZD	1.9357
GBP/JPY	155.3
GBP/SEK	11.2139
GBP/DKK	8.5102
GBP/NOK	10.9523
GBP/CHF	1.3348
GBP/AUD	1.7641

Dollar

USD/JPY	109.05
USD/CAD	1.2319
USD/CHF	0.937
USD/CNY	6.3275
USD/BRL	3.147
USD/RUB	55.8672
USD/INR	63.51
AUD/USD	0.8072
NZD/USD	0.7354



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 17
10 Year Yield %				
US	2.62	-2	+19	+22
Germany	0.61	+2	+19	+19
UK	1.41	+0	+22	+23
Ireland	1.03	+2	N/A	N/A
Belgium	0.73	+2	+13	+12
France	0.89	+3	+14	+12
Italy	1.96	+6	+2	-4
Spain	1.40	+6	-10	-14
Portugal	1.89	+21	+3	-0
Greece	3.63	-2	-38	-41
5 Year Swap %				
US	2.47	-3	+21	+23
Eurozone	0.42	+2	+9	+10
UK	1.24	-0	+20	+20
2 Year Swap %				
US	2.23	-2	+15	+15
Eurozone	-0.14	-2	+0	+0
UK	0.90	-1	+10	+10
10 Year Government Bond Spreads to Benchmark bps				
Ireland	42	+0	N/A	N/A
Belgium	13	+0	-6	-7
France	28	+0	-5	-7
Italy	135	+4	-17	-23
Spain	79	+4	-29	-33
Portugal	128	+19	-16	-19
Greece	302	-4	-57	-60

Commodities				
	Close	% Change		
		Day	4 Weeks	End 17
Brent Oil	70.42	-0.16	+5.55	+5.31
West Texas Oil	65.62	-0.11	+9.66	+8.53
CRB - All Commodity	199.34	-0.08	+3.27	+2.83
CRB - Food	338.71	-0.11	+0.77	+0.79
Gold \$	1348.5	-0.72	+4.13	+3.52

This publication is for information purposes and is not an invitation to deal. The information is believed to be reliable but is not guaranteed. Any expressions of opinions are subject to change without notice. This publication is not to be reproduced in whole or in part without prior permission. In the Republic of Ireland it is distributed by Allied Irish Banks, p.l.c. In the UK it is distributed by Allied Irish Banks, p.l.c. and Allied Irish Bank (GB). In Northern Ireland it is distributed by First Trust Bank. In the United States of America it is distributed by Allied Irish Banks, p.l.c. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland. Allied Irish Bank (GB) and First Trust Bank are trade marks used under licence by AIB Group (UK) p.l.c. (a wholly owned subsidiary of Allied Irish Banks, p.l.c.), incorporated in Northern Ireland. Registered Office 92 Ann Street, Belfast BT1 3HH. Registered Number NI018800. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In the United States of America, Allied Irish Banks, p.l.c., New York Branch, is a branch licensed by the New York State Department of Financial Services. Deposits and other investment products are not FDIC insured, they are not guaranteed by any bank and they may lose value. Please note that telephone calls may be recorded in line with market practice.