

EUR/USD back below \$1.17

The moves on currency markets for much of yesterday were largely uneventful, continuing the pattern we have seen earlier in the week. A sparse macro data and event calendar meant there was little to interest or provide direction.

However, a risk averse mood to investor sentiment did coincide with some modest gains for the dollar. This was reflected in EUR/USD being unable to hold the \$1.17 level and GBP/USD straddling the \$1.32 mark.

The 'risk off' tone was against a backdrop of an escalation of trade tensions between the US and China. This followed the release by the Trump administration of a list of additional Chinese imports that could be subject to new tariffs, which in turn prompted threats of retaliation from China. As a result, most of the main global equity indices struggled yesterday. The Euro Stoxx 50 finished the day down 1.5%. Meantime, at the closing bell on Wall Street last night, the S&P 500 was 0.7% lower.

In overnight action, Asia markets have experienced a firmer tone to risk appetite, including strong gains for Chinese and Japanese equity markets. At the same time, the yen has weakened, evident in USD/JPY trading up into ¥112 territory. Elsewhere on the currency front, EUR/GBP continues to change hands near the midpoint of 88-89p.

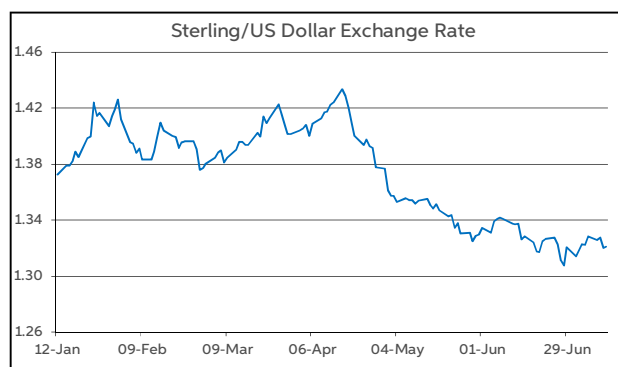
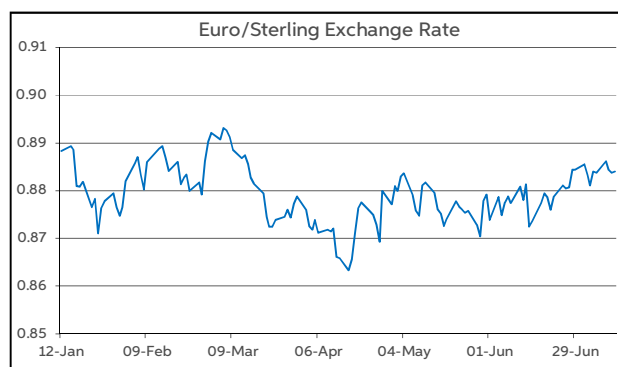
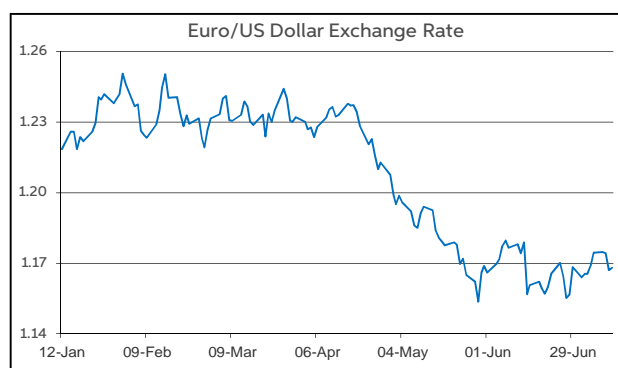
Looking ahead to today, the macro agenda remains quiet in terms of tier-one releases. Data-wise, the few highlights are Eurozone industrial production (May) and US CPI data (June). Meanwhile, the release of the ECB 'account' from its June meeting will be of some interest. Currency-wise, unless the calendar springs a surprise there may not be much directional impact from it.

John Fahey, Senior Economist, AIB

Today's Opening Rates			
		% Change	
		Day *	End 2017
EUR/USD	1.168	-0.40	-2.63
EUR/GBP	0.884	-0.03	-0.48
GBP/USD	1.3209	-0.35	-2.24
GBP/EUR	1.1306	0.03	0.49
USD/JPY	112.23	1.09	-0.39
EUR/JPY	131.09	0.69	-3.03

* 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	1.875	2.07	2.34	2.78	2.82	2.89
EUR	0.00	-0.37	-0.32	-0.18	-0.16	0.28
GBP	0.50	0.55	0.72	1.00	1.07	1.33

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2017 to Date	
Dow Jones	24700.45	-0.88	-0.08	
S&P 500	2774.02	-0.71	+3.76	
FTSE 100	7591.96	-1.30	-1.25	
DJ Stoxx 50	3422.35	-1.47	-2.33	
ISEQ	6945.37	-0.64	-1.32	
Nikkei	22187.96	+1.17	-2.53	

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

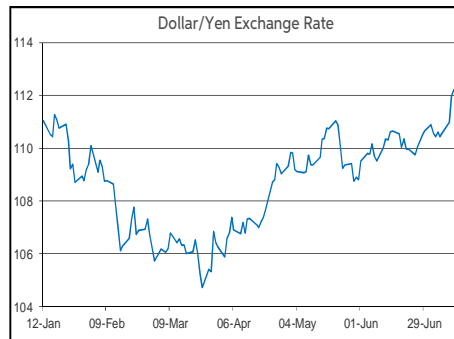
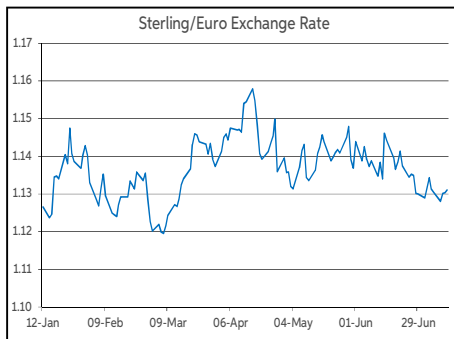
FX Spot	Karl Cooke Shane Gargan Adrian Flanagan Enda Homan	FX Options	Mark Tuite Lenny Hogan	Reuters Phone	AIB 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

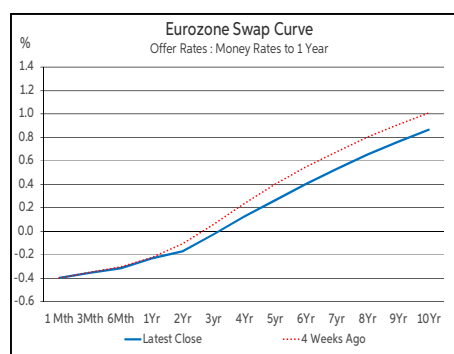
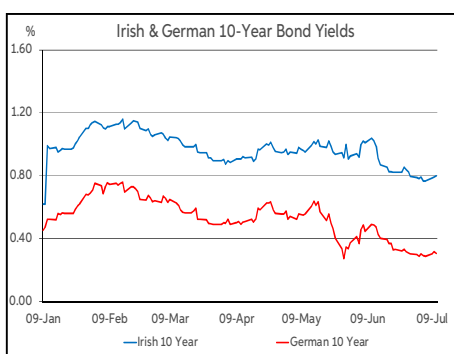
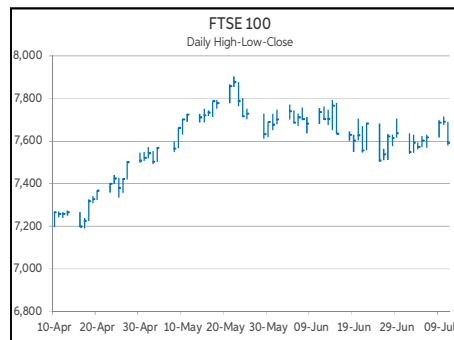
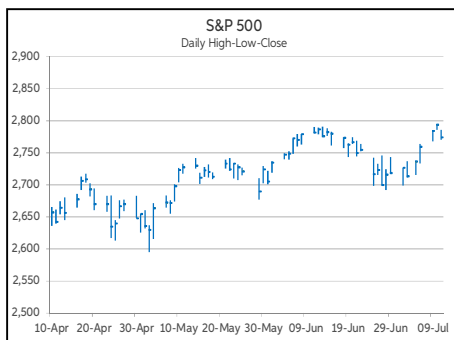
Thursday 12 July 2018
07:30 am



Euro		Sterling		Dollar	
EUR/GBP	0.884	GBP/EUR	1.1306	USD/JPY	112.23
EUR/USD	1.168	GBP/USD	1.3209	USD/CAD	1.3202
EUR/JPY	131.09	GBP/CAD	1.744	USD/CHF	0.9954
EUR/SEK	10.272	GBP/NZD	1.9528	USD/CNY	6.6903
EUR/DKK	7.4539	GBP/JPY	148.24	USD/BRL	3.8774
EUR/NOK	9.4538	GBP/SEK	11.6177	USD/RUB	62.2991
EUR/CHF	1.1627	GBP/DKK	8.4298	USD/INR	68.635
EUR/AUD	1.5817	GBP/NOK	10.6931	AUD/USD	0.7383
EUR/HKD	9.166	GBP/CHF	1.3151	NZD/USD	0.6763
EUR/CAD	1.5418	GBP/AUD	1.7889		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 17
10 Year Yield %				
US	2.84	-3	-13	+43
Germany	0.31	-1	-17	-11
UK	1.29	-1	-6	+11
Ireland	0.80	+1	-19	N/A
Belgium	0.67	-1	-16	+6
France	0.65	+0	-18	-13
Italy	2.68	+1	-11	+69
Spain	1.29	+2	-10	-25
Portugal	1.74	+0	-18	-15
Greece	3.83	+4	-66	-22
5 Year Swap %				
US	2.86	-1	-10	+62
Eurozone	0.26	-2	-14	-5
UK	1.33	-2	-3	+29
2 Year Swap %				
US	2.78	-1	-3	+70
Eurozone	-0.17	-1	-6	-3
UK	1.05	-2	+2	+25
10 Year Government Bond Spreads to Benchmark bps				
Ireland	49	+2	-2	N/A
Belgium	37	+0	+1	+18
France	34	+2	-1	-2
Italy	238	+3	+6	+80
Spain	98	+4	+6	-14
Portugal	144	+1	-2	-4
Greece	352	+5	-49	-10



Commodities				
	Close	% Change		
		Day	4 Weeks	End 17
Brent Oil	73.4	-6.92	-4.35	+9.77
West Texas Oil	70.47	-4.91	+5.76	+16.56
CRB - All Commodity	192.83	-2.75	-3.63	-0.53
CRB - Food	345.93	-3.37	-3.46	+2.94
Gold \$	1242.6	-1.08	-4.43	-4.61

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.