

FX markets remain subdued

Currency markets retained their subdued tone yesterday. This was despite a busier data calendar over the last 24 hours. Eurozone industrial production recorded a strong rebound in May (+1.3%), while US CPI inflation edged further above 2% (2.9% headline, 2.3% core). Neither of which had a major impact on their respective currencies.

Meantime, FX markets took no noticeable direction from the publication by the UK government of its detailed proposals (white paper) for the future relationship between the UK and the EU. The paper expands on the 'Chequers' agreement.

Elsewhere, yesterday's ECB meeting minutes provided no major new information on the outlook for monetary policy in the currency bloc. They emphasised the view that interest rates would need to be on hold "at least through the summer of 2019".

In level terms, the lack of major moves on currency markets means EUR/GBP opens this morning still trading close to 88.5p. The EUR/USD pair remains below \$1.17. Meantime, cable (GBP/USD) has slipped just below the \$1.32 level.

On the equities front, there was a more positive tone to sentiment yesterday, following the previous day's trade war concerns related losses. The S&P 500 was up 0.9% at the close on Wall Street yesterday evening.

In the day ahead, there is a very sparse data schedule, with the preliminary Michigan measure of US consumer sentiment for July the only release of note. Thus, we could see FX markets retain their subdued tone as we head into the weekend.

Dara Turnbull, Economist, AIB

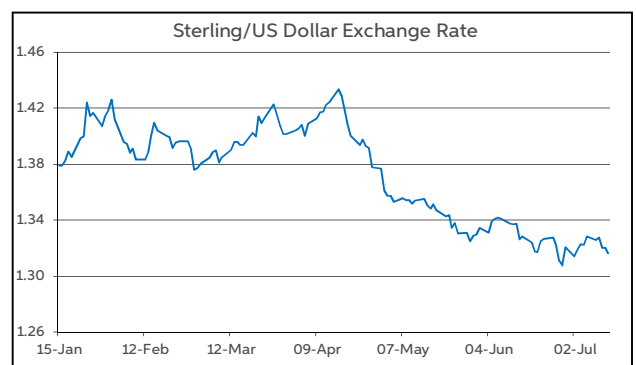
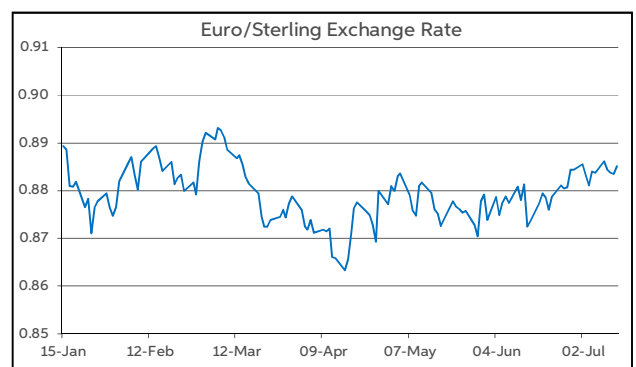
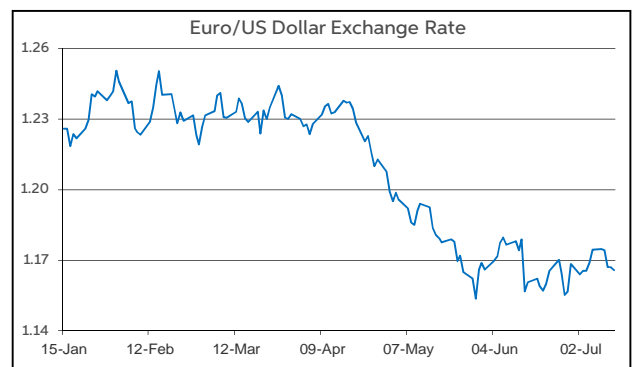
Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	1.875	2.07	2.34	2.79	2.80	2.88
EUR	0.00	-0.37	-0.32	-0.18	-0.15	0.27
GBP	0.50	0.56	0.73	1.01	1.05	1.32

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2017 to Date	
Dow Jones	24924.89	+0.91	+0.83	
S&P 500	2798.29	+0.87	+4.66	
FTSE 100	7651.33	+0.78	-0.47	
DJ Stoxx 50	3445.49	+0.68	-1.67	
ISEQ	7024.26	+1.14	-0.20	
Nikkei	22597.35	+1.85	-0.74	

Today's Opening Rates			
		% Change	
		Day *	End 2017
EUR/USD	1.1661	-0.17	-2.79
EUR/GBP	0.8854	0.12	-0.33
GBP/USD	1.3168	-0.29	-2.55
GBP/EUR	1.129	-0.12	0.33
USD/JPY	112.55	0.33	-0.11
EUR/JPY	131.24	0.13	-2.91

* 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 13 July 2018
07:29 am



Euro

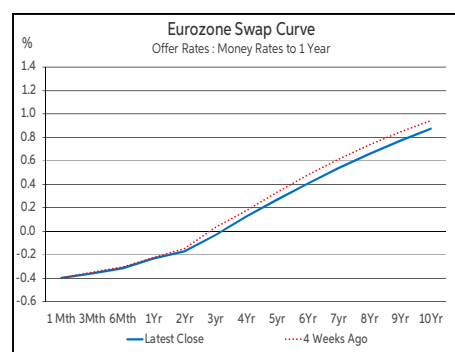
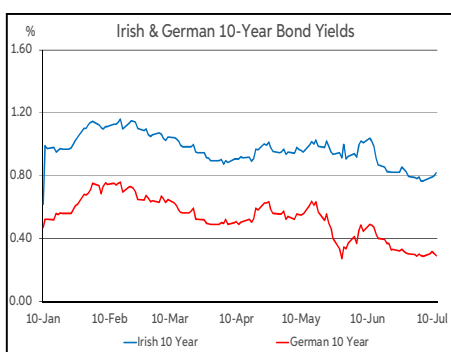
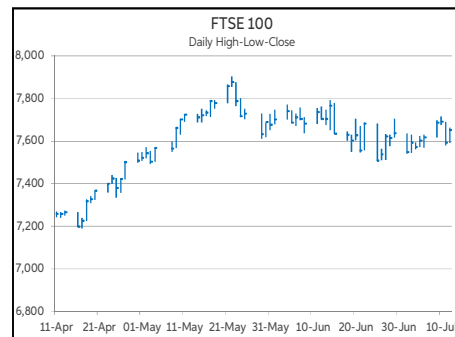
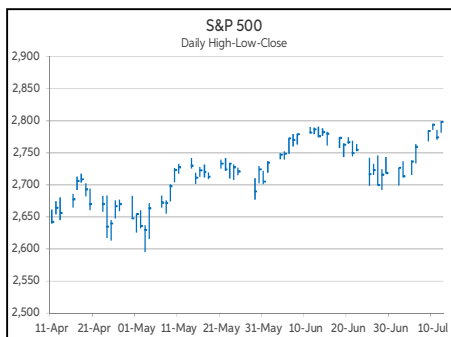
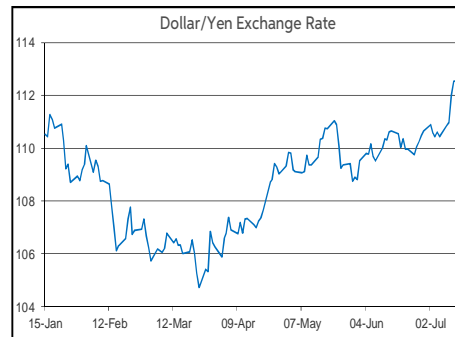
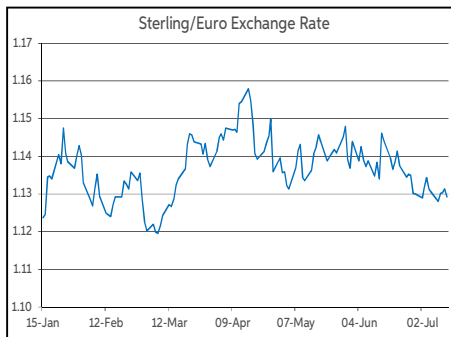
EUR/GBP	0.8853
EUR/USD	1.1661
EUR/JPY	131.26
EUR/SEK	10.34
EUR/DKK	7.4549
EUR/NOK	9.4515
EUR/CHF	1.1694
EUR/AUD	1.5722
EUR/HKD	9.1503
EUR/CAD	1.5346

Sterling

GBP/EUR	1.1291
GBP/USD	1.3168
GBP/CAD	1.733
GBP/NZD	1.9451
GBP/JPY	148.18
GBP/SEK	11.6736
GBP/DKK	8.4178
GBP/NOK	10.6703
GBP/CHF	1.3205
GBP/AUD	1.7752

Dollar

USD/JPY	112.53
USD/CAD	1.3157
USD/CHF	1.0027
USD/CNY	6.6634
USD/BRL	3.8826
USD/RUB	62.177
USD/INR	68.41
AUD/USD	0.7414
NZD/USD	0.6767



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 17
10 Year Yield %				
US	2.85	+1	-9	+44
Germany	0.29	-1	-14	-13
UK	1.28	-2	-6	+9
5 Year Swap %				
US	2.86	-3	-7	+62
Eurozone	0.27	-0	-6	-5
UK	1.31	-3	-1	+27
2 Year Swap %				
US	2.78	-4	-6	+69
Eurozone	-0.17	-1	-2	-3
UK	1.05	-2	+3	+24
10 Year Government Bond Spreads to Benchmark bps				
Ireland	53	+3	+4	N/A
Belgium	36	-1	+2	+16
France	34	-0	+2	-2
Italy	233	-5	+3	+76
Spain	98	+0	+8	-14
Portugal	145	+1	-2	-2
Greece	354	+2	-55	-8

Commodities				
	Close	% Change		
		Day	4 Weeks	End 17
Brent Oil	74.45	+1.43	-1.96	+11.34
West Texas Oil	70.28	-0.27	+5.04	+16.24
CRB - All Commodity	194.00	+0.61	-2.52	+0.07
CRB - Food	345.56	-0.37	-3.81	+2.83
Gold \$	1247.5	+0.40	-4.23	-4.23

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.