

FX pairs continue to range trade

Currency markets retained their generally subdued tone last week, with the main pairs trading in recent ranges. Of the moves which did occur, the dollar edged higher against the euro and sterling, reversing some of its losses from the previous week. Elsewhere, some improvement in risk sentiment coincided with a softer tone to the yen.

In level terms, the slightly firmer dollar sees EUR/USD open just below the \$1.17 level. GBP/USD is changing hands near \$1.325. The USD/JPY pair has moved above ¥112. Meantime, EUR/GBP continues to trade close to the mid-point of the 88-89p band.

In the week ahead, political events will remain on the minds of markets, particularly in relation to Brexit negotiations and global trade tensions. Any newsflow in this regard may pose some event risk for the dollar and sterling.

Data-wise, sterling watchers will also be keeping an eye on a raft of important UK labour market updates for the three months to May. Employment is expected to record another strong increase, though average earnings growth looks set to remain relatively muted. At the same time, an expected pick-up in inflation and further encouraging retail sales data could increase expectations of a BoE rate hike next month, thus supporting sterling.

In the US, another solid rise in retail sales is forecast, along with an improvement in industrial production (both June) could be somewhat helpful to the dollar. Fed Chair Powell's semi-annual testimony to congress entails some event risk for the US currency. For the euro, a very sparse Eurozone calendar means that the currency could struggle for direction in the coming days.

Dara Turnbull, Economist, AIB

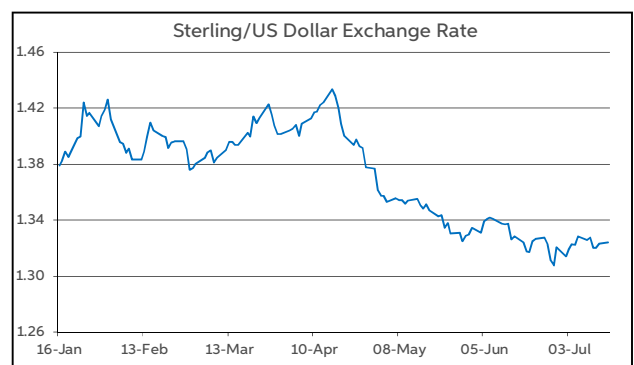
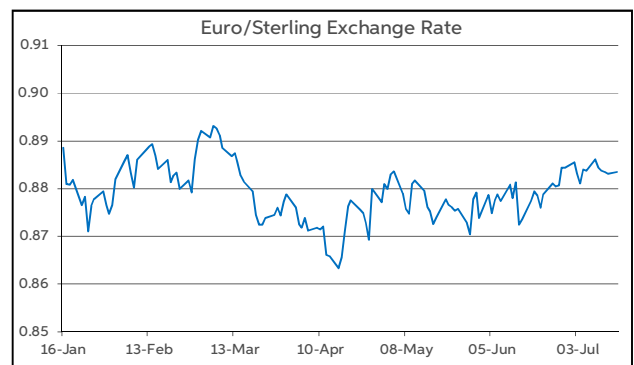
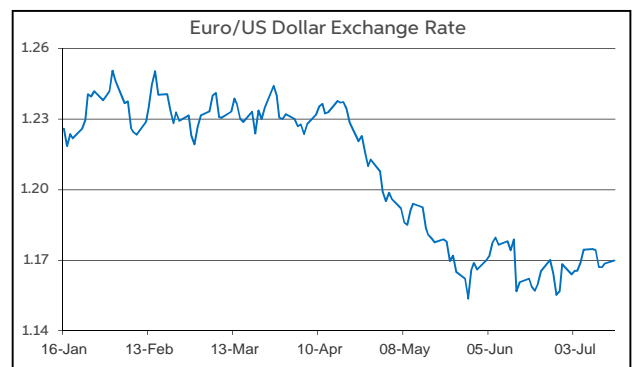
Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	1.875	2.07	2.34	2.79	2.81	2.88
EUR	0.00	-0.37	-0.32	-0.18	-0.15	0.27
GBP	0.50	0.56	0.74	1.01	1.05	1.31

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2017 to Date	
Dow Jones	25019.41	+0.38	+1.21	
S&P 500	2801.31	+0.11	+4.78	
FTSE 100	7661.87	+0.14	-0.34	
DJ Stoxx 50	3454.54	+0.26	-1.41	
ISEQ	7046.01	+0.31	+0.11	
Nikkei	22597.35	+0.00	-0.74	

Today's Opening Rates			
		% Change	
		Day *	End 2017
EUR/USD	1.1697	0.35	-2.49
EUR/GBP	0.8834	-0.19	-0.55
GBP/USD	1.3242	0.56	-2.00
GBP/EUR	1.1317	0.19	0.55
USD/JPY	112.43	-0.20	-0.21
EUR/JPY	131.52	0.15	-2.71

* 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

Monday 16 July 2018
07:30 am



Euro

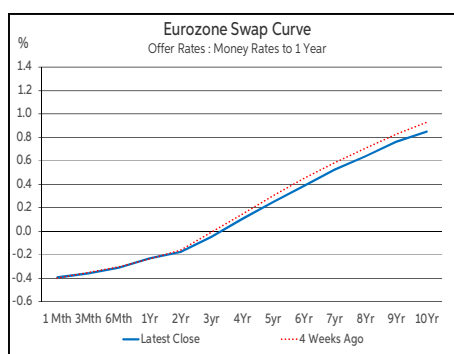
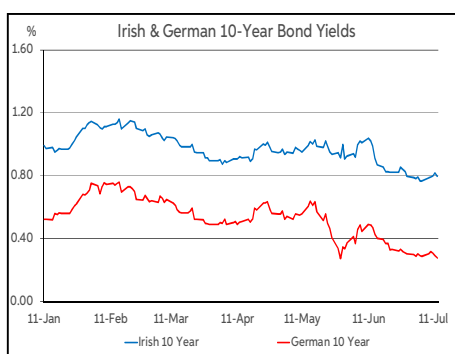
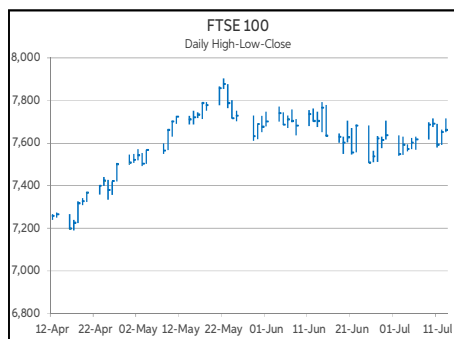
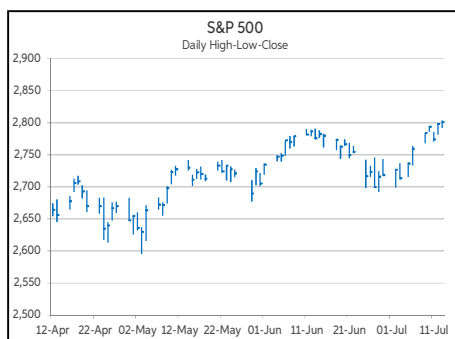
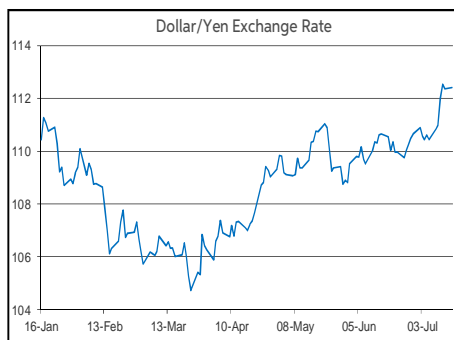
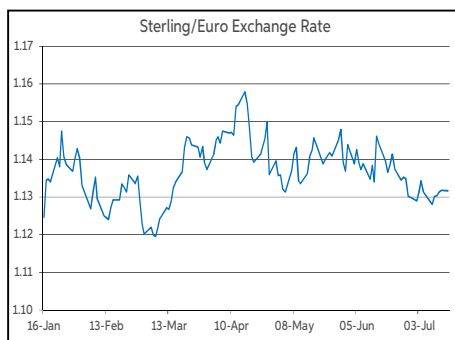
EUR/GBP	0.8834
EUR/USD	1.1697
EUR/JPY	131.52
EUR/SEK	10.3759
EUR/DKK	7.4537
EUR/NOK	9.4856
EUR/CHF	1.1709
EUR/AUD	1.5737
EUR/HKD	9.1798
EUR/CAD	1.538

Sterling

GBP/EUR	1.1317
GBP/USD	1.3242
GBP/CAD	1.7408
GBP/NZD	1.9527
GBP/JPY	148.88
GBP/SEK	11.7405
GBP/DKK	8.4368
GBP/NOK	10.7331
GBP/CHF	1.3254
GBP/AUD	1.7812

Dollar

USD/JPY	112.43
USD/CAD	1.3148
USD/CHF	1.0009
USD/CNY	6.6876
USD/BRL	3.8499
USD/RUB	62.4095
USD/INR	68.6
AUD/USD	0.7432
NZD/USD	0.6779



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 17
10 Year Yield %				
US	2.83	-2	-9	+42
Germany	0.28	-1	-12	-14
UK	1.27	-0	-5	+9
5 Year Swap %				
US	2.84	-3	-8	+60
Eurozone	0.25	-2	-5	-7
UK	1.31	-2	-1	+27
2 Year Swap %				
US	2.78	-2	-3	+70
Eurozone	-0.17	-1	-1	-3
UK	1.04	-1	+3	+24
10 Year Government Bond Spreads to Benchmark bps				
Ireland	52	-1	+5	N/A
Belgium	34	-2	+0	+15
France	34	-0	+2	-2
Italy	227	-6	+8	+69
Spain	97	-2	+9	-15
Portugal	145	-0	+5	-3
Greece	352	-2	-48	-10

Commodities				
	Close	% Change		
		Day	4 Weeks	End 17
Brent Oil	75.33	+1.18	+2.57	+12.65
West Texas Oil	71.03	+1.07	+9.26	+17.48
CRB - All Commodity	193.73	-0.14	-1.28	-0.07
CRB - Food	344.9	-0.66	-4.12	+2.64
Gold \$	1242.0	-0.44	-3.02	-4.65

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