

Another range bound day on the FX front

Once again, there was very much a summer lull to the action on currency markets as the trading week got underway yesterday. As a result, the main FX pairs have continued to trade within tight ranges over the last 24 hours.

Data-wise, markets did have some important figures to digest yesterday. This came in the form of US retail sales for June. While headline sales increased as expected, by 0.5%, there were strong upward revisions to the May figures. Yesterday's spending update augurs well for the economy's overall performance in Q2. However, despite this, there was no major reaction from the dollar to the release. Meanwhile, both the UK and Eurozone macro calendars were very sparse.

In level terms, EUR/USD has been mostly trading in a very tight range just above \$1.17. EUR/GBP continues to change hands near to the 88.5p mark. Meantime, cable (GBP/USD) has tended to trade close to the mid-point of \$1.32-1.33.

Ahead today, there is a busy macro schedule. From a sterling viewpoint, comments by BoE Governor Carney, as well as further Brexit debate in the UK parliament, pose some event risk for the currency. Data-wise, UK labour market data (incl. unemployment, employment and wage growth) for the three months to May are due. Overall, if the data print as expected, they could help to build expectations of a BoE rate hike sooner rather than later, which may as a consequence provide some support to the currency.

In the US, Fed Chair Powell's semi-annual testimony entails some event risk for the dollar. However, the Fed Chair may not deviate too much from the June FOMC updates. In such a scenario, his remarks may not have any major impact on the dollar.

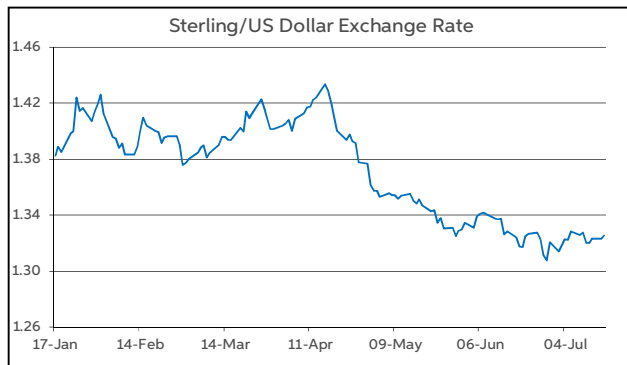
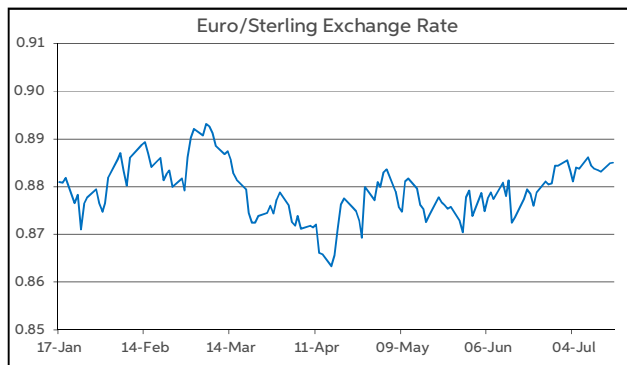
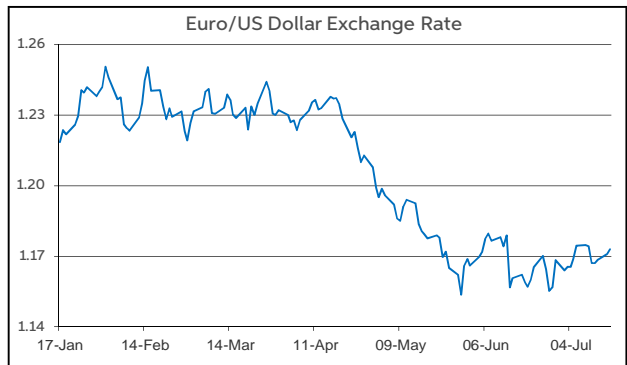
John Fahey, Senior Economist, AIB

Today's Opening Rates

		% Change	
		Day *	End 2017
EUR/USD	1.1731	0.39	-2.21
EUR/GBP	0.8851	0.28	-0.36
GBP/USD	1.3252	0.10	-1.92
GBP/EUR	1.1295	-0.28	0.36
USD/JPY	112.34	-0.12	-0.29
EUR/JPY	131.78	0.27	-2.52

* 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	1.875	2.08	2.33	2.79	2.82	2.90
EUR	0.00	-0.37	-0.32	-0.18	-0.16	0.28
GBP	0.50	0.57	0.75	1.02	1.05	1.30

	Equity Indices		
	Latest Close	% Changes	
		on Day	End 2017 to Date
Dow Jones	25064.36	+0.18	+1.40
S&P 500	2798.43	-0.10	+4.67
FTSE 100	7600.45	-0.80	-1.14
DJ Stoxx 50	3449.08	-0.16	-1.57
ISEQ	7057	+0.16	+0.27
Nikkei	22697.36	+0.44	-0.30

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

Tuesday 17 July 2018
07:27 am



Euro

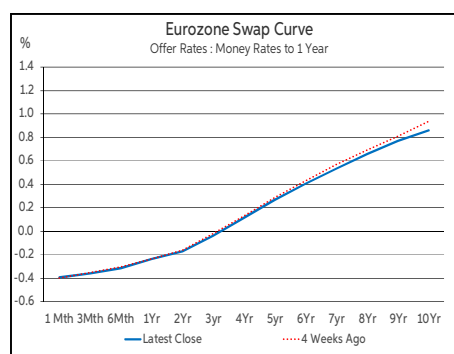
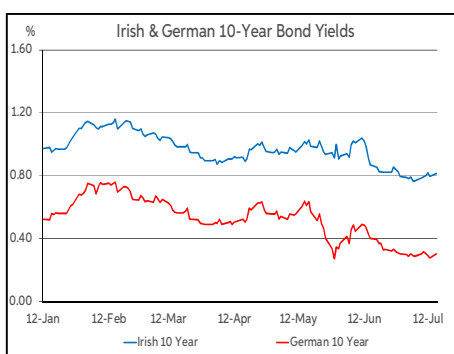
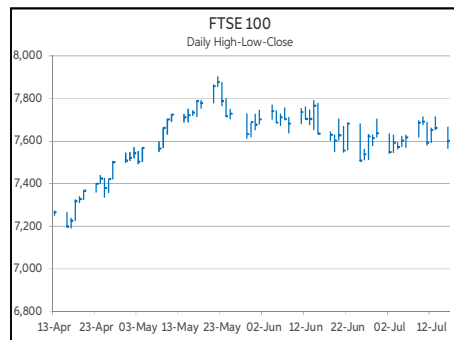
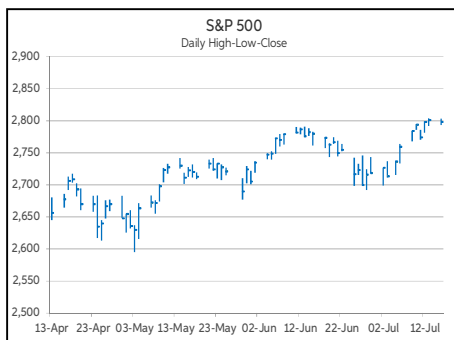
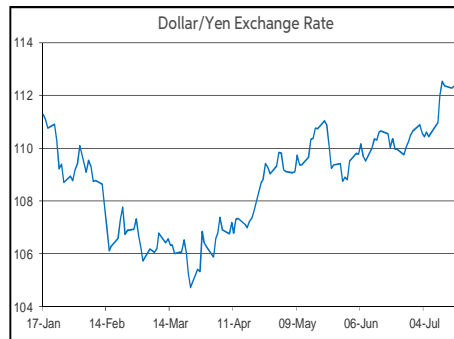
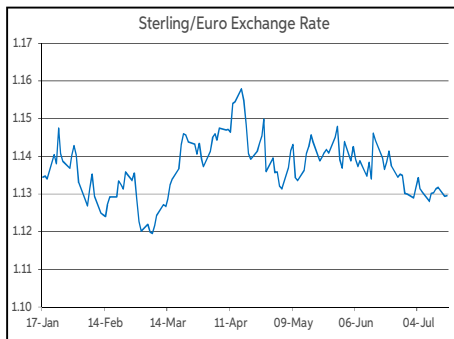
EUR/GBP	0.8851
EUR/USD	1.1731
EUR/JPY	131.78
EUR/SEK	10.314
EUR/DKK	7.4542
EUR/NOK	9.4771
EUR/CHF	1.1678
EUR/AUD	1.5782
EUR/HKD	9.2061
EUR/CAD	1.5383

Sterling

GBP/EUR	1.1295
GBP/USD	1.3252
GBP/CAD	1.7381
GBP/NZD	1.9407
GBP/JPY	148.87
GBP/SEK	11.6532
GBP/DKK	8.4208
GBP/NOK	10.7039
GBP/CHF	1.3195
GBP/AUD	1.7825

Dollar

USD/JPY	112.34
USD/CAD	1.3114
USD/CHF	0.9953
USD/CNY	6.6807
USD/BRL	3.8592
USD/RUB	62.3504
USD/INR	68.37
AUD/USD	0.7432
NZD/USD	0.6826



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 17
10 Year Yield %				
US	2.85	+3	-6	+45
Germany	0.30	+2	-9	-12
UK	1.29	+2	-3	+11
Ireland	0.82	+2	-4	N/A
Belgium	0.65	+3	-8	+4
France	0.65	+4	-6	-12
Italy	2.57	+2	+3	+57
Spain	1.26	+2	+3	-28
Portugal	1.75	+3	+3	-14
Greece	3.82	+1	-53	-23
5 Year Swap %				
US	2.86	+1	-8	+61
Eurozone	0.27	-0	-2	-5
UK	1.30	-2	-3	+27
2 Year Swap %				
US	2.76	-4	-4	+68
Eurozone	-0.17	-1	-1	-3
UK	1.04	-1	+2	+24
10 Year Government Bond Spreads to Benchmark bps				
Ireland	51	-1	+5	N/A
Belgium	35	+0	+1	+15
France	35	+1	+3	-1
Italy	226	-0	+12	+69
Spain	96	-1	+12	-16
Portugal	145	+0	+13	-2
Greece	351	-1	-44	-11

Commodities				
	Close	% Change		
		Day	4 Weeks	End 17
Brent Oil	71.84	-4.63	-4.65	+7.43
West Texas Oil	68.22	-3.96	+3.50	+12.83
CRB - All Commodity	191.17	-1.32	-2.55	-1.39
CRB - Food	341.52	-3.38	-4.11	+1.63
Gold \$	1241.6	-0.04	-2.90	-4.69

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