

## Dollar firmer over last 24 hours

As anticipated, yesterday's ECB meeting provided no surprises. The Governing Council maintained its guidance that interest rates will remain at their current levels "at least through the summer of 2019". Overall then, the Governing Council ECB remains content to take a very cautious approach to tightening policy. The ECB's meeting was somewhat unhelpful for the euro.

In terms of yesterday's schedule, data-wise there were some disappointing US figures. Durable goods orders rose by 1% in June, versus an expected 3% increase. Meantime, the goods trade deficit widened again in June. Despite this, the dollar was on the front foot yesterday. For sterling, the news that the EU had rejected the UK's proposed customs arrangement weighed on the currency.

In level terms, the firmer dollar and modestly softer euro sees EUR/USD open this morning down in the lower half of the \$1.16-1.17 band. GBP/USD is trading just below \$1.31. Meanwhile, USD/JPY has regained the ¥111 level.

Elsewhere, given the aforementioned market reaction to the ECB and UK/EU negotiations, the EUR/GBP pair has largely traded sideways. Indeed, the pair has spent the last 24 hours confined to a very tight 88.6-88.9p range.

Turning to the day ahead, the highlight is US Q2 GDP. Annualised growth is forecast to have accelerated to 4.1%, from 2% in Q1, likely as a result of stronger consumer spending.

While it is expected, such a result could still help to provide support to the dollar today. However, given the quiet schedule the main currency pairs are unlikely to see much change from their current levels.

**Dara Turnbull, Economist, AIB**

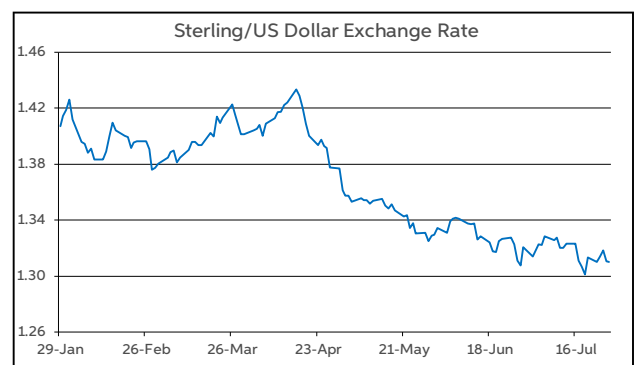
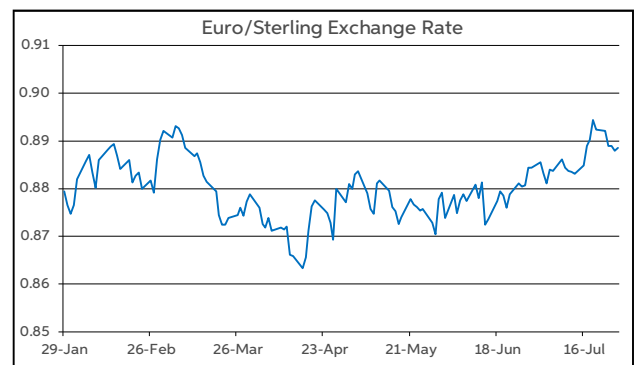
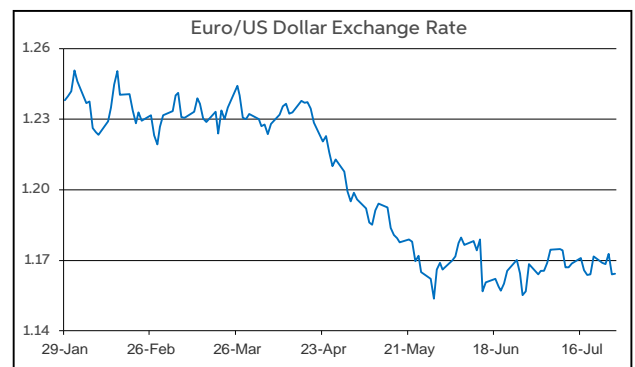
Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	1.875	2.07	2.34	2.82	2.88	2.98
EUR	0.00	-0.37	-0.32	-0.18	-0.15	0.31
GBP	0.50	0.65	0.80	1.04	1.10	1.34

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2017 to Date	
Dow Jones	25527.07	+0.44	+3.27	
S&P 500	2837.44	-0.30	+6.13	
FTSE 100	7663.17	+0.06	-0.32	
DJ Stoxx 50	3509.26	+1.18	+0.15	
ISEQ	6928	+0.65	-1.57	
Nikkei	22696.98	+0.49	-0.30	

Today's Opening Rates			
		% Change	
		Day *	End 2017
EUR/USD	1.1638	-0.78	-2.98
EUR/GBP	0.8888	0.02	0.06
GBP/USD	1.3091	-0.81	-3.12
GBP/EUR	1.1248	-0.02	-0.06
USD/JPY	111.11	0.28	-1.38
EUR/JPY	129.29	-0.52	-4.36

\* 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

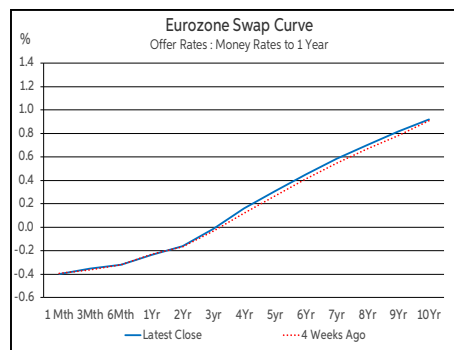
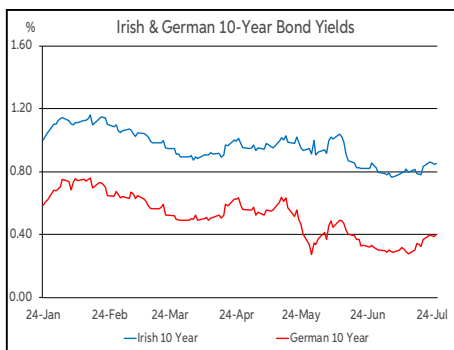
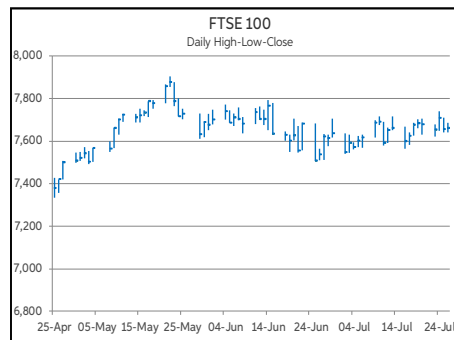
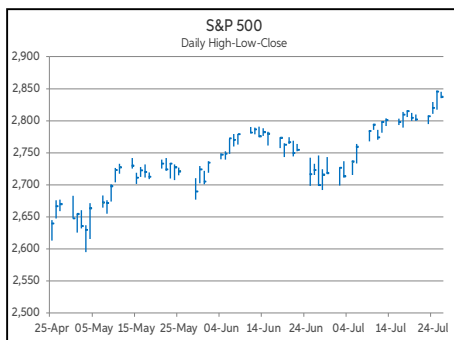
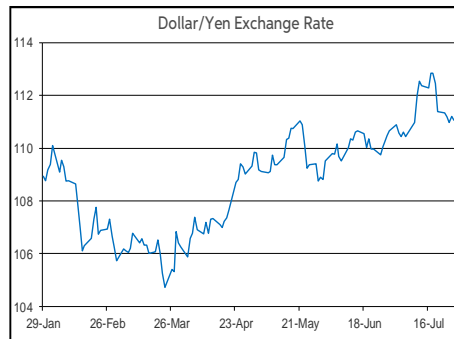
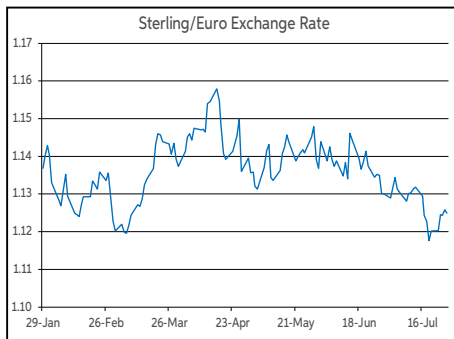
FX Spot	Karl Cooke Shane Gargan Adrian Flanagan Enda Homan	FX Options	Mark Tuite Lenny Hogan	Reuters Phone	AIB 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

Friday 27 July 2018  
07:29 am



Euro		Sterling		Dollar	
EUR/GBP	0.8888	GBP/EUR	1.1248	USD/JPY	111.11
EUR/USD	1.1638	GBP/USD	1.3091	USD/CAD	1.3068
EUR/JPY	129.29	GBP/CAD	1.7109	USD/CHF	0.9947
EUR/SEK	10.2536	GBP/NZD	1.9325	USD/CNY	6.809
EUR/DKK	7.451	GBP/JPY	145.45	USD/BRL	3.7455
EUR/NOK	9.5258	GBP/SEK	11.5324	USD/RUB	62.9002
EUR/CHF	1.1578	GBP/DKK	8.3821	USD/INR	68.71
EUR/AUD	1.5767	GBP/NOK	10.7138	AUD/USD	0.738
EUR/HKD	9.1319	GBP/CHF	1.3024	NZD/USD	0.6773
EUR/CAD	1.5206	GBP/AUD	1.7734		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 17
<b>10 Year Yield %</b>				
US	2.98	+1	+14	+58
Germany	0.40	+2	+9	-2
UK	1.28	+1	+2	+10
Ireland	0.85	+0	+2	N/A
Belgium	0.69	+0	-3	+8
France	0.69	+1	-0	-9
Italy	2.69	+3	-7	+69
Spain	1.32	+0	-3	-23
Portugal	1.71	+0	-10	-18
Greece	3.80	+1	-20	-25
<b>5 Year Swap %</b>				
US	2.94	-2	+9	+69
Eurozone	0.31	-1	+4	-1
UK	1.33	-0	+4	+29
<b>2 Year Swap %</b>				
US	2.84	-0	+9	+76
Eurozone	-0.16	-1	+1	-2
UK	1.09	-0	+8	+29
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	45	-1	-7	N/A
Belgium	29	-1	-12	+10
France	29	-1	-9	-7
Italy	229	+1	-16	+71
Spain	91	-1	-12	-21
Portugal	131	-1	-20	-16
Greece	339	-1	-29	-23

Commodities				
	Close	% Change		
		Day	4 Weeks	End 17
Brent Oil	74.54	+0.83	-4.25	+11.47
West Texas Oil	71.59	+0.65	-2.53	+18.41
CRB - All Commodity	194.99	+0.17	-1.96	+0.58
CRB - Food	342.3	+0.60	-1.01	+1.86
Gold \$	1223.1	-0.73	-2.05	-6.11

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