

Euro and sterling regain lost ground

The euro and sterling regained some lost ground against the dollar last week. This reflected a number of factors, including some upbeat data in Europe, mixed data in the US and uncertainty over US trade policy.

Agreement over the weekend by the UK government on its Brexit blueprint saw sterling make some initial modest gains. However, uncertainty over the feasibility of some of the proposals, as well as the resignation of Brexit Secretary Davis yesterday has caused some volatility for the currency this morning.

EUR/USD gained over 1% last week, rising from \$1.164 to open this morning at \$1.177. Cable (GBP/USD) has moved from below \$1.32 to above \$1.33. Meanwhile, the EUR/GBP pair is broadly unchanged, trading close to the mid-point of the 88-89p band.

There is a relatively light schedule of data/events due in the coming days. Of the releases which are due, there will be some interest in the first publication of the new monthly GDP reading in the UK. It may show that growth is improving, while remaining modest. Meantime, industrial output and goods trade figures are expected to show some improvement in May. Sterling impact from the data could be limited, though. The weekend Brexit developments may remain the focus for sterling watchers in the coming days.

From a dollar viewpoint, CPI data for June are the main release. Inflation (both headline and core) is forecast to edge further above 2%. For the euro, an address by ECB President Draghi to members of the EU Parliament today provides some event risk for the currency. Data-wise, Eurozone industrial output for May is the only noteworthy release, with potential euro reaction limited.

Dara Turnbull, Economist, AIB

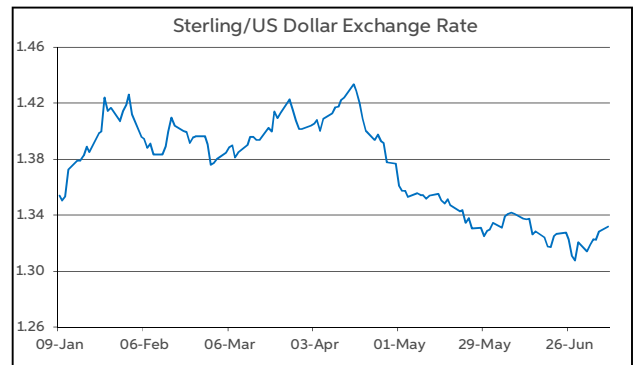
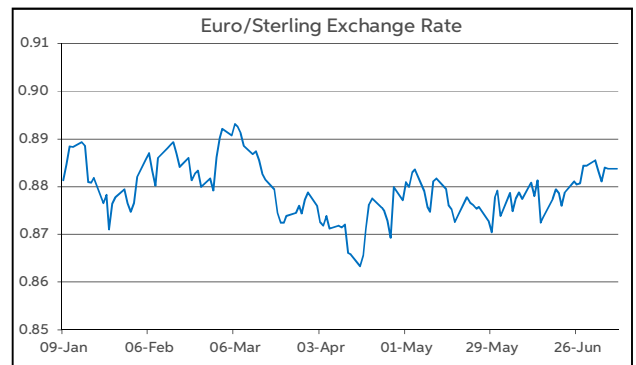
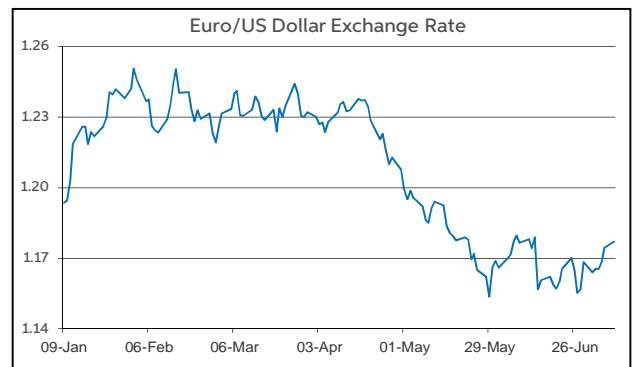
Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	1.875	2.09	2.33	2.77	2.79	2.87
EUR	0.00	-0.37	-0.32	-0.18	-0.17	0.27
GBP	0.50	0.53	0.71	1.00	1.06	1.32

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2017 to Date	
Dow Jones	24456.48	+0.41	-1.06	
S&P 500	2759.82	+0.85	+3.22	
FTSE 100	7617.7	+0.19	-0.91	
DJ Stoxx 50	3448.49	+0.22	-1.58	
ISEQ	7001.49	+0.46	-0.52	
Nikkei	22052.18	+1.21	-3.13	

Today's Opening Rates			
		% Change	
		Day *	End 2017
EUR/USD	1.1772	0.74	-1.87
EUR/GBP	0.8839	-0.01	-0.50
GBP/USD	1.3318	0.78	-1.44
GBP/EUR	1.1309	0.01	0.50
USD/JPY	110.44	-0.20	-1.98
EUR/JPY	130.03	0.56	-3.81

* 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 09 July 2018
07:32 am



Euro

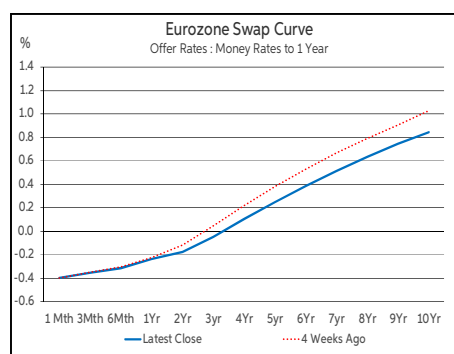
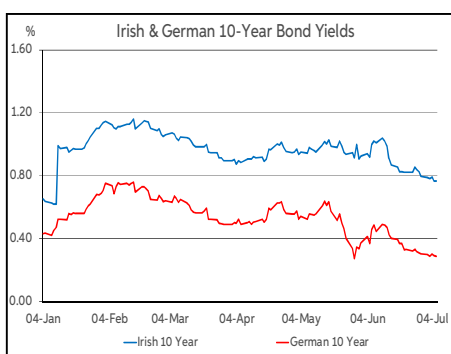
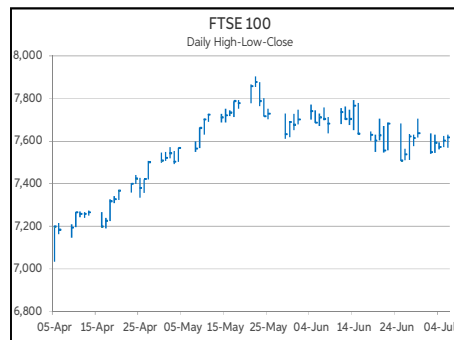
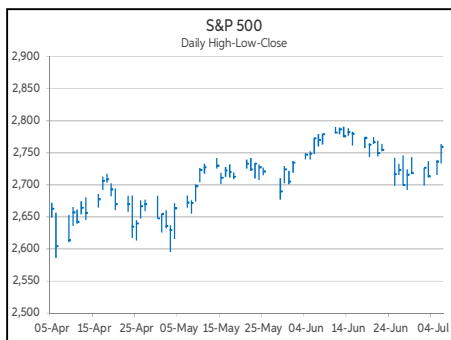
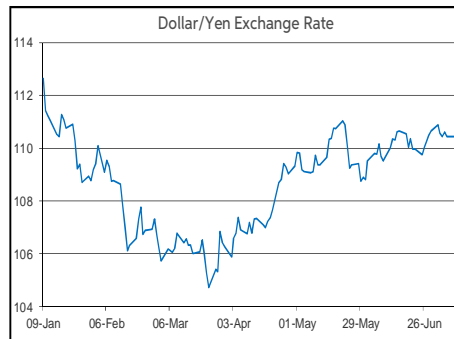
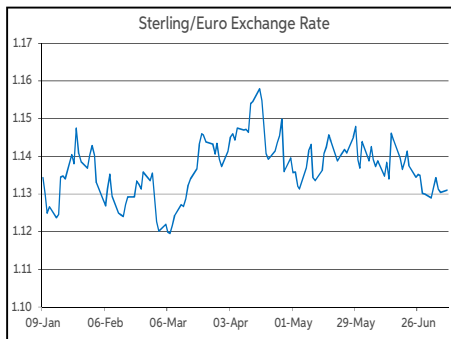
EUR/GBP	0.8839
EUR/USD	1.1773
EUR/JPY	130.02
EUR/SEK	10.2203
EUR/DKK	7.452
EUR/NOK	9.4228
EUR/CHF	1.1622
EUR/AUD	1.5765
EUR/HKD	9.2382
EUR/CAD	1.539

Sterling

GBP/EUR	1.1313
GBP/USD	1.332
GBP/CAD	1.7414
GBP/NZD	1.9456
GBP/JPY	147.11
GBP/SEK	11.5592
GBP/DKK	8.4307
GBP/NOK	10.6555
GBP/CHF	1.3144
GBP/AUD	1.7835

Dollar

USD/JPY	110.44
USD/CAD	1.3074
USD/CHF	0.9871
USD/CNY	6.6203
USD/BRL	3.8629
USD/RUB	62.7202
USD/INR	68.66
AUD/USD	0.7466
NZD/USD	0.6845



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 17
10 Year Yield %				
US	2.82	-1	-12	+42
Germany	0.29	-0	-16	-13
UK	1.26	+1	-13	+8
Ireland	0.77	-0	-24	N/A
Belgium	0.66	-0	-22	+5
France	0.63	-1	-17	-15
Italy	2.71	+0	-41	+71
Spain	1.29	-1	-15	-25
Portugal	1.78	+0	-24	-11
Greece	3.91	-7	-70	-13
5 Year Swap %				
US	2.84	-2	-7	+60
Eurozone	0.25	-2	-14	-7
UK	1.31	-0	-4	+28
2 Year Swap %				
US	2.76	-3	-0	+68
Eurozone	-0.18	-1	-6	-3
UK	1.05	-0	+3	+25
10 Year Government Bond Spreads to Benchmark bps				
Ireland	48	+0	-8	N/A
Belgium	38	+0	-6	+18
France	34	-0	-1	-2
Italy	242	+1	-25	+84
Spain	101	-1	+0	-12
Portugal	150	+1	-8	+2
Greece	362	-6	-54	+0

Commodities				
	Close	% Change		
		Day	4 Weeks	End 17
Brent Oil	77.11	-0.36	+0.85	+15.31
West Texas Oil	73.78	+1.00	+12.18	+22.03
CRB - All Commodity	198.05	+0.94	-0.99	+2.16
CRB - Food	348.84	+1.85	-2.06	+3.81
Gold \$	1255.8	-0.19	-3.37	-3.60

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