

Tight range trading on FX front

Investor sentiment was mixed in tone yesterday. The Euro Stoxx 50 finished the day up c.1%. However, there was a more cautious mood on Wall Street, in part due to on-going political wrangling in Washington and the questions it raises for the Trump administration's ability to implement its wider economic agenda.

Data-wise, the main release of note yesterday was UK retail sales for February. Sales surprised strongly to the upside of expectations, registering monthly growth of 1.4% (vs f'cast for 0.4%). However, they are still on course to contract in Q1. This would represent the first quarterly contraction since Q4'13.

From a currency viewpoint, the data has had minimal impact on sterling. The currency retains its firmer tone against both the dollar and euro. In level terms, cable (GBP/USD) remains up near the \$1.25 mark, while EUR/GBP is trading down near 86p. Meantime, EUR/USD also had a fairly uneventful day yesterday against the backdrop of a quiet macro schedule for both sides of the currency pair. Indeed, over the last 24 hours, EUR/USD has traded in a tight range in the upper half of the \$1.07-1.08 band.

Today, we get some important releases from the European schedule, with the flash PMI's for March due out of France, Germany and the Eurozone. The composite headline numbers from all three are expected to be broadly similar to their respective February readings, indicating on-going solid growth. Elsewhere, the UK macro diary is sparse, while the highlights from the US calendar are the durable goods (Feb) and PMI data (Mar).

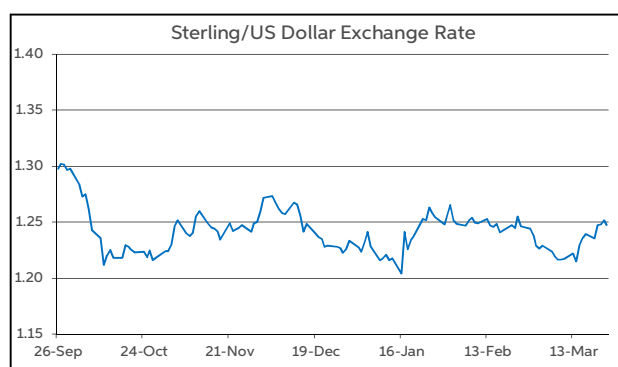
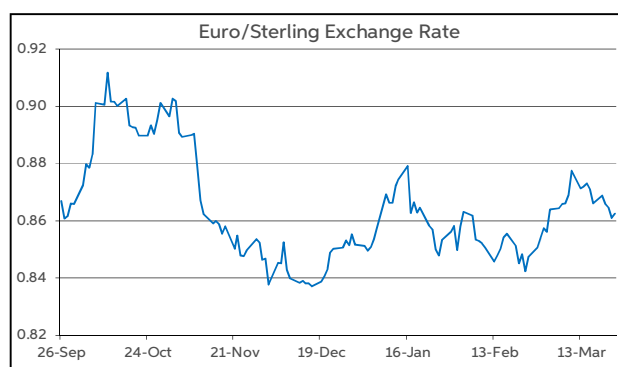
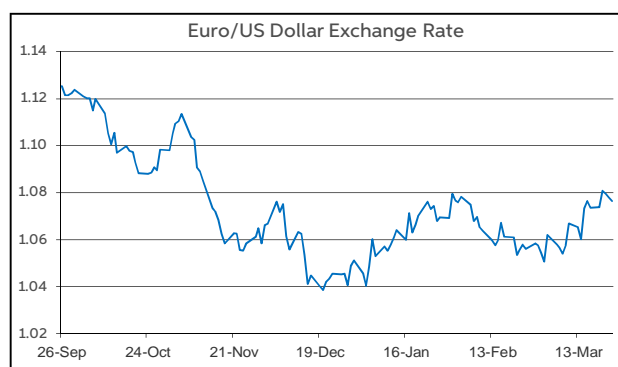
Overall, from a currency perspective, unless there is a significant surprise from today's data, the majors may continue to narrow range trade near current levels heading into the weekend.

John Fahey, Senior Economist, AIB

Today's Opening Rates			
		% Change	
		Day *	End 2016
EUR/USD	1.0767	-0.20	2.42
EUR/GBP	0.8627	-0.14	1.28
GBP/USD	1.2478	-0.05	1.15
GBP/EUR	1.1588	0.14	-1.26
USD/JPY	111.31	-0.05	-4.76
EUR/JPY	119.84	-0.28	-2.68

* 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	0.875	0.98	1.15	1.80	1.64	2.06
EUR	0.00	-0.37	-0.33	-0.11	-0.07	0.29
GBP	0.25	0.26	0.34	0.74	0.66	0.94

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2016 to Date	
Dow Jones	20656.58	-0.02	+4.52	
S&P 500	2345.96	-0.11	+4.79	
FTSE 100	7340.71	+0.22	+2.77	
DJ Stoxx 50	3452.18	+0.92	+4.91	
ISEQ	6641.65	+0.76	+1.91	
Nikkei	19262.53	+0.93	+0.78	

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	James Murray				

Opening Levels

Friday 24 March 2017
07:23 am



Euro

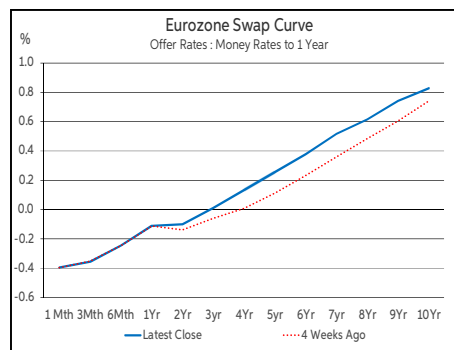
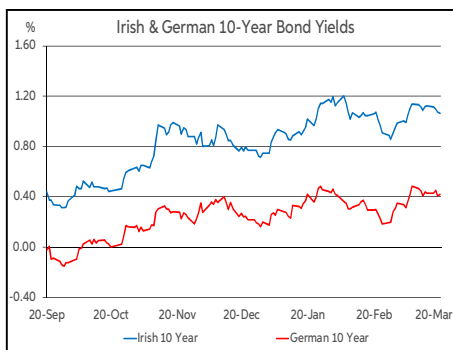
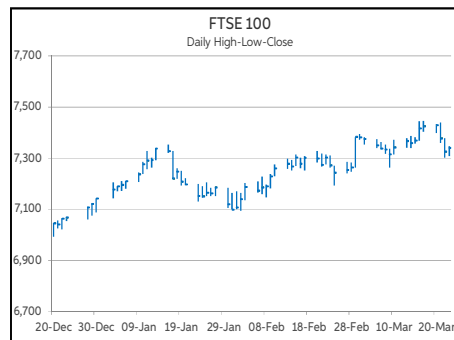
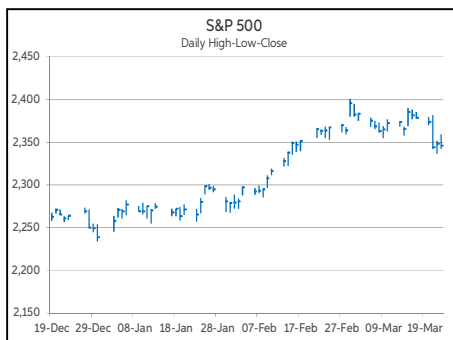
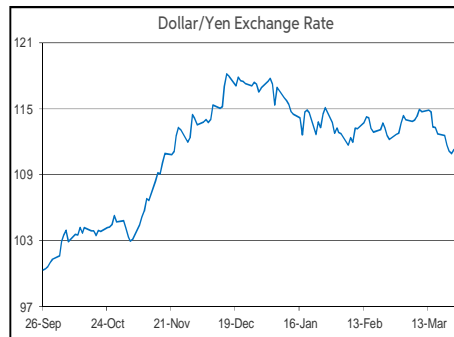
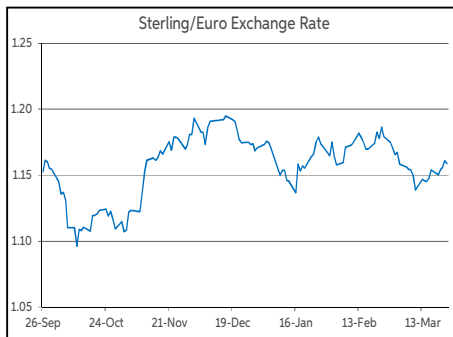
EUR/GBP	0.8627
EUR/USD	1.0767
EUR/JPY	119.83
EUR/SEK	9.5173
EUR/DKK	7.4365
EUR/NOK	9.1588
EUR/CHF	1.0708
EUR/AUD	1.4133
EUR/HKD	8.3607
EUR/CAD	1.4385

Sterling

GBP/EUR	1.1586
GBP/USD	1.2478
GBP/CAD	1.6672
GBP/NZD	1.7813
GBP/JPY	138.88
GBP/SEK	11.0267
GBP/DKK	8.6176
GBP/NOK	10.6112
GBP/CHF	1.241
GBP/AUD	1.6379

Dollar

USD/JPY	111.3
USD/CAD	1.336
USD/CHF	0.9945
USD/CNY	6.8935
USD/BRL	3.1397
USD/RUB	57.439
USD/INR	65.4525
AUD/USD	0.7615
NZD/USD	0.7002



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 16
10 Year Yield %				
US	2.42	+1	+4	-3
Germany	0.42	+2	+19	+22
UK	1.23	+5	+8	-1
Ireland				
Ireland	1.07	-1	+9	+32
Belgium	0.90	-2	+15	+39
France	1.03	-0	+5	+36
Italy	2.44	+1	+23	+64
Spain	1.72	+1	-3	+35
Portugal	4.16	+34	+23	+43
Greece	7.03	-13	-6	+15
5 Year Swap %				
US	2.04	+1	+6	+9
Eurozone	0.26	-2	+14	+18
UK	0.93	+3	+8	+6
2 Year Swap %				
US	1.60	-1	+5	+16
Eurozone	-0.10	-2	+4	+6
UK	0.65	+1	+4	+5
10 Year Government Bond Spreads to Benchmark bps				
Ireland	65	-2	-10	+10
Belgium	48	-3	-4	+17
France	61	-2	-14	+14
Italy	202	-1	+4	+42
Spain	130	-1	-22	+13
Portugal	374	+32	+4	+21
Greece	661	-14	-25	-7

Commodities				
	Close	% Change		
		Day	4 Weeks	End 16
Brent Oil	50.56	-0.16	-10.64	-11.02
West Texas Oil	47	-0.61	-13.73	-12.56
CRB - All Commodity	183.64	-0.11	-4.17	-4.61
CRB - Food	340.46	-0.19	-1.50	+0.50
Gold \$	1245.8	-0.32	-0.29	+8.12

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