

## Dollar maintains its advantage, while euro edges lower

The start of the week and the last day of April trading saw the dollar maintain its recent advantage on currency markets. At the same time, the euro found itself on the defensive.

Data-wise, from a euro viewpoint, both preliminary Italian and German April inflation figures (HICP) fell back and missed to the downside of forecasts. This suggests the potential for a below consensus result from Thursday's Eurozone inflation data. Meanwhile, M3 money growth data for March also came in below expectations. Overall, yesterday's Eurozone calendar provided further support to the ECB's cautious approach to its policy outlook and in turn was somewhat of a headwind to the euro.

In contrast, from a dollar perspective, US core-PCE (Fed's preferred inflation gauge) rose from 1.6% in February to 1.9% in March (just below the Central Bank's 2% target). This was in line with expectations and had already been touted in last week's Q1 GDP data. Meantime, personal consumption data for March indicate that the Q1 slowdown in consumer spending came earlier in the quarter and recovered as the period progressed. The positive tone from yesterday's US macro updates, including further evidence that inflation is moving higher, were helpful to the dollar.

So as trading gets underway this morning, the euro is lower compared to 24 hours earlier. This is reflected in EUR/USD below \$1.21 and EUR/GBP back under 88p. Elsewhere, GBP/USD remains pinned down near the midpoint of the \$1.37-1.38 band.

Ahead today, much of Europe is on holiday. Therefore, unless the macro schedule (highlights being UK mfg PMI and US mfg ISM) springs a major surprise, the aforementioned pairs could spend the day in relatively narrow ranges near their current levels.

**John Fahey, Senior Economist, AIB**

### Today's Opening Rates

		% Change	
		Day *	End 2017
EUR/USD	1.2059	-0.57	0.53
EUR/GBP	0.8771	-0.30	-1.26
GBP/USD	1.3747	-0.26	1.74
GBP/EUR	1.1396	0.30	1.28
USD/JPY	109.43	0.28	-2.88
EUR/JPY	132.02	-0.26	-2.34

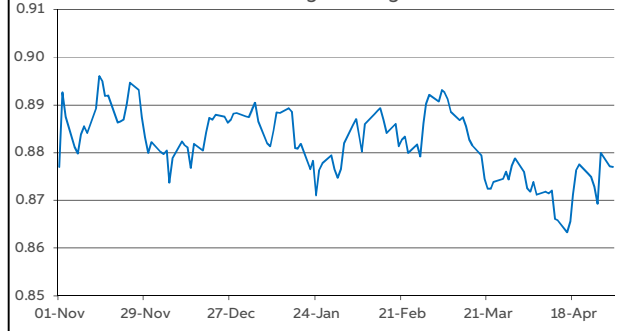
\* v Previous Day's European Open

See Next Page for More Rates ▶▶▶

Euro/US Dollar Exchange Rate



Euro/Sterling Exchange Rate



Sterling/US Dollar Exchange Rate



Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	1.625	1.91	2.36	2.77	2.75	2.92
EUR	0.00	-0.37	-0.33	-0.19	-0.14	0.39
GBP	0.50	0.51	0.71	0.97	1.06	1.35

Equity Indices			
	Latest Close	% Changes	
		on Day	End 2017 to Date
Dow Jones	24163.15	-0.61	-2.25
S&P 500	2648.05	-0.82	-0.96
FTSE 100	7509.3	+0.09	-2.32
DJ Stoxx 50	3536.52	+0.50	+0.93
ISEQ	6805.19	+0.10	-3.31
Nikkei	22508.03	+0.18	-1.13

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 01 May 2018  
07:29 am



## Euro

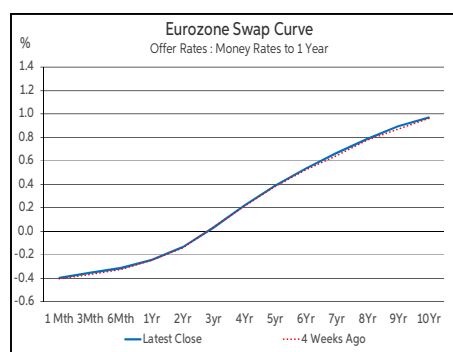
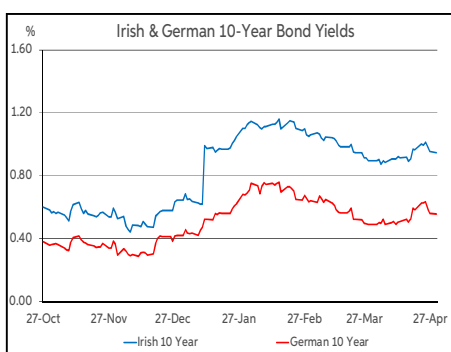
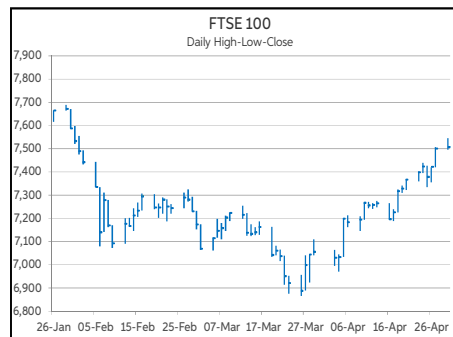
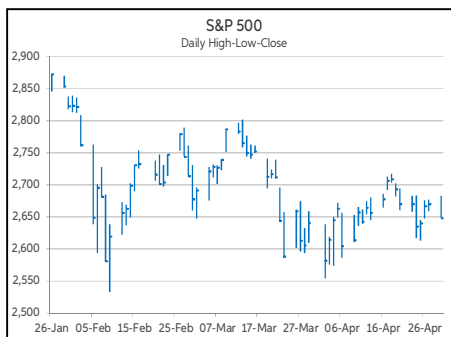
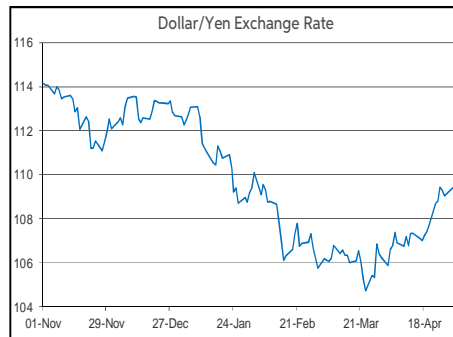
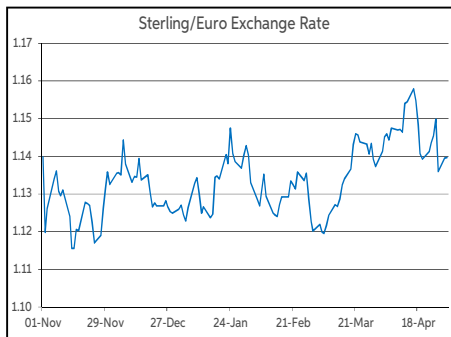
EUR/GBP	0.8771
EUR/USD	1.2059
EUR/JPY	132.02
EUR/SEK	10.569
EUR/DKK	7.4496
EUR/NOK	9.6806
EUR/CHF	1.196
EUR/AUD	1.6014
EUR/HKD	9.4636
EUR/CAD	1.5473

## Sterling

GBP/EUR	1.1396
GBP/USD	1.3747
GBP/CAD	1.7637
GBP/NZD	1.955
GBP/JPY	150.43
GBP/SEK	12.0445
GBP/DKK	8.4918
GBP/NOK	11.0349
GBP/CHF	1.3636
GBP/AUD	1.8249

## Dollar

USD/JPY	109.43
USD/CAD	1.2828
USD/CHF	0.9916
USD/CNY	6.3325
USD/BRL	3.5073
USD/RUB	62.9737
USD/INR	66.44
AUD/USD	0.753
NZD/USD	0.7029



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 17
<b>10 Year Yield %</b>				
US	2.95	-0	+22	+55
Germany	0.56	-0	+7	+14
UK	1.42	-2	+7	+24
Ireland	0.95	-1	+5	N/A
Belgium	0.80	-1	+5	+19
France	0.79	-0	+7	+1
Italy	1.78	+5	+0	-21
Spain	1.27	+2	+12	-27
Portugal	1.65	+3	+5	-24
Greece	3.76	-10	-48	-28
<b>5 Year Swap %</b>				
US	2.88	-3	+21	+63
Eurozone	0.38	-3	+1	+7
UK	1.34	-3	-1	+31
<b>2 Year Swap %</b>				
US	2.72	-1	+17	+64
Eurozone	-0.14	-1	+0	+0
UK	1.05	-2	-7	+25
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	39	-0	-2	N/A
Belgium	25	-1	-1	+5
France	23	+0	+1	-13
Italy	122	+5	-7	-35
Spain	71	+2	+6	-41
Portugal	110	+3	-1	-38
Greece	320	-10	-55	-42

Commodities				
	Close	% Change		
		Day	4 Weeks	End 17
Brent Oil	75.17	+0.71	+11.13	+12.41
West Texas Oil	68.56	+0.66	+8.74	+13.40
CRB - All Commodity	201.98	+0.29	+4.45	+4.19
CRB - Food	353.48	+5.99	+5.40	+5.19
Gold \$	1315.8	-0.60	-1.94	+1.01

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