

Market concerns over oil prices and global trade

There was a mixed tone to investor sentiment yesterday. European equity markets managed to register some gains on the day. However, the mood on Wall Street was more cautious against a backdrop of global trade tensions and rising oil prices. Brent oil hit \$80 a barrel for the first time since 2014 as oil inventories fell further, with increasing concerns about supply from Iran and Venezuela.

Meanwhile, on bond markets, US treasury yields remained up near their recent highs. The 10 year yield continued above the 3% level. Elsewhere, investors kept a watchful eye on Italian political newsflow amid on-going concerns over the economic policies of the prospective new populist government.

Data-wise, the macro schedule yesterday was very quiet. The only highlight was from the US, with the Philly Fed survey for May. In keeping with the current trend for US data, the index surprised to the upside of expectations.

On currency markets, the action was confined to tight ranges. This means that the dollar continues to hold the upper hand, while the euro retains a somewhat softer tone.

In levels terms, this is reflected in EUR/USD remaining pinned down near the \$1.18 level and cable (GBP/USD) straddling the \$1.35 mark. Meantime, the EUR/GBP pair has been changing hands in tight 87.1-87.5p range over the last 24 hours.

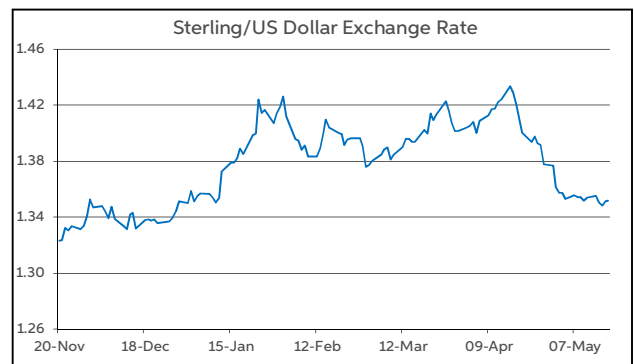
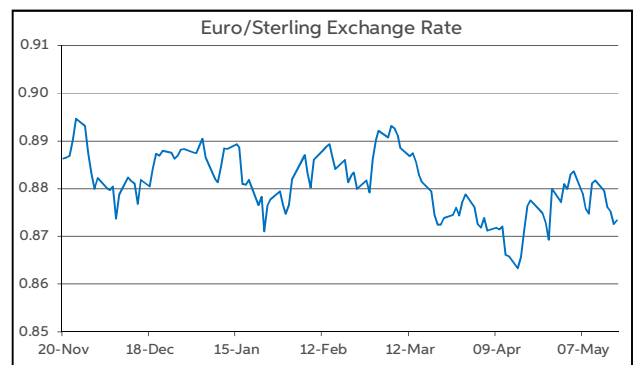
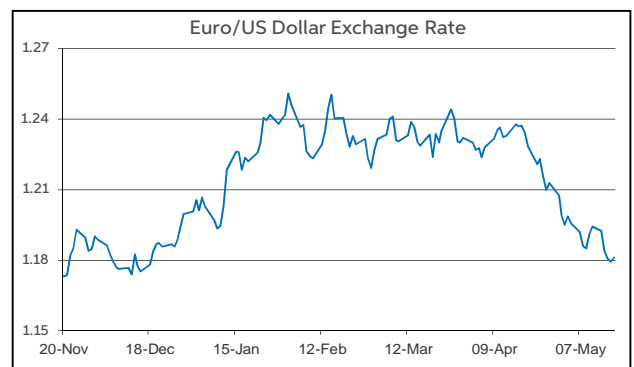
Looking ahead to today, the macro calendar is once again sparse, with no significant releases due on either side of the Atlantic. As a result, the main FX pairs may trade in narrow ranges near their current levels as we head into the weekend.

John Fahey, Senior Economist, AIB

Today's Opening Rates			
		% Change	
		Day *	End 2017
EUR/USD	1.1813	-0.04	-1.53
EUR/GBP	0.8734	0.10	-1.68
GBP/USD	1.3521	-0.14	0.07
GBP/EUR	1.1446	-0.10	1.71
USD/JPY	110.84	0.48	-1.62
EUR/JPY	130.94	0.44	-3.14

* 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	1.625	1.95	2.33	2.77	2.81	3.01
EUR	0.00	-0.37	-0.33	-0.19	-0.12	0.45
GBP	0.50	0.50	0.62	0.93	1.06	1.44

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2017 to Date	
Dow Jones	24713.98	-0.22	-0.02	
S&P 500	2720.13	-0.09	+1.74	
FTSE 100	7787.97	+0.70	+1.30	
DJ Stoxx 50	3592.18	+0.82	+2.52	
ISEQ	7081.83	+1.06	+0.62	
Nikkei	22930.36	+0.40	+0.73	

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

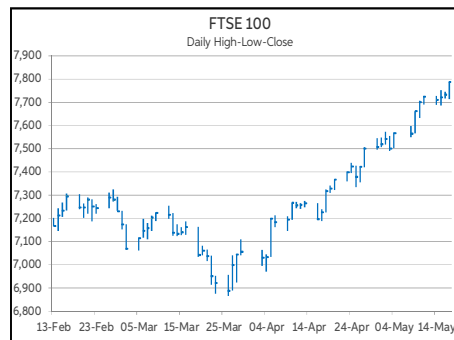
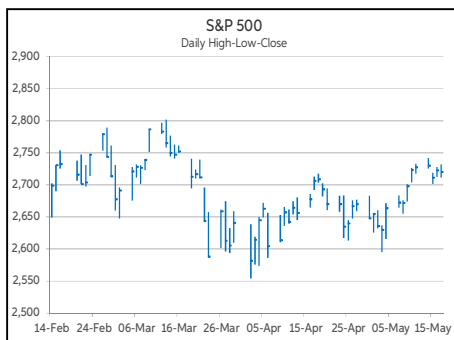
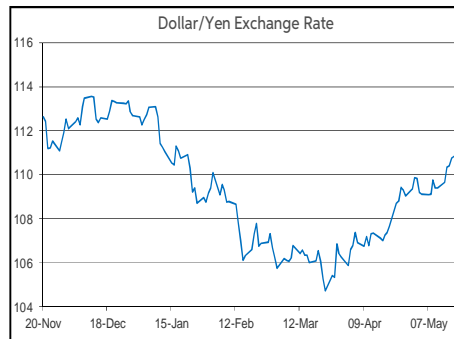
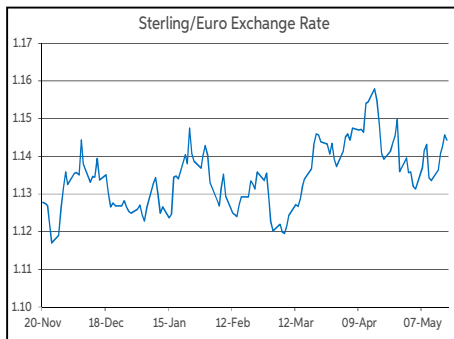
FX Spot	Karl Cooke Shane Gargan Adrian Flanagan Enda Homan	FX Options	Mark Tuite Lenny Hogan	Reuters Phone	AIB 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

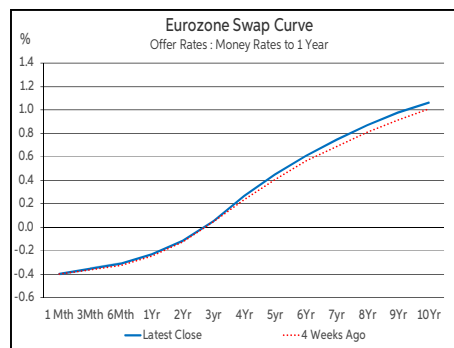
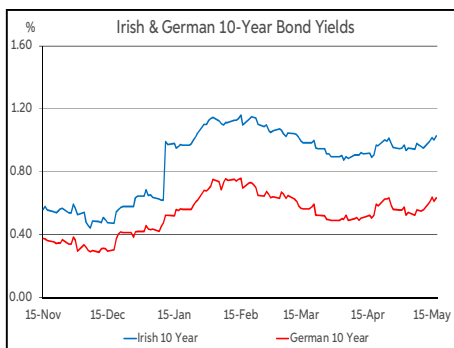
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07:28 am



Euro		Sterling		Dollar	
EUR/GBP	0.8734	GBP/EUR	1.1446	USD/JPY	110.84
EUR/USD	1.1813	GBP/USD	1.3521	USD/CAD	1.281
EUR/JPY	130.94	GBP/CAD	1.7319	USD/CHF	0.9999
EUR/SEK	10.314	GBP/NZD	1.9603	USD/CNY	6.3675
EUR/DKK	7.4484	GBP/JPY	149.87	USD/BRL	3.6964
EUR/NOK	9.5872	GBP/SEK	11.8053	USD/RUB	62.1229
EUR/CHF	1.1813	GBP/DKK	8.5258	USD/INR	67.955
EUR/AUD	1.5705	GBP/NOK	10.9741	AUD/USD	0.7519
EUR/HKD	9.2727	GBP/CHF	1.352	NZD/USD	0.6897
EUR/CAD	1.5132	GBP/AUD	1.7978		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 17
10 Year Yield %				
US	3.11	+1	+20	+71
Germany	0.63	+2	+4	+21
UK	1.56	+5	+4	+38
Ireland	1.03	+3	+6	N/A
Belgium	0.90	+2	+5	+28
France	0.86	+3	+5	+9
Italy	2.11	-0	+33	+11
Spain	1.39	-1	+12	-15
Portugal	1.77	-1	+13	-12
Greece	4.37	+9	+38	+33
5 Year Swap %				
US	3.00	-1	+13	+76
Eurozone	0.45	+0	+4	+13
UK	1.43	+3	-2	+39
2 Year Swap %				
US	2.78	-3	+8	+70
Eurozone	-0.12	-1	+1	+2
UK	1.06	+2	-10	+26
10 Year Government Bond Spreads to Benchmark bps				
Ireland	40	+0	+2	N/A
Belgium	26	+0	+1	+7
France	23	+0	+2	-13
Italy	147	-3	+30	-10
Spain	76	-3	+8	-37
Portugal	114	-3	+9	-34
Greece	374	+6	+34	+12



Commodities				
	Close	% Change		
		Day	4 Weeks	End 17
Brent Oil	79.3	+0.03	+7.48	+18.59
West Texas Oil	71.47	+0.06	+4.64	+18.21
CRB - All Commodity	203.56	-0.10	+0.84	+5.00
CRB - Food	353.83	-0.65	+0.58	+5.29
Gold \$	1292.0	+0.01	-4.01	-0.82

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