

## No significant updates from the Fed

Yesterday's main event, the Fed meeting in the US, concluded in line with market expectations for no change to monetary policy. There was little change in the wording of the meeting statement. While the FOMC acknowledged that inflation had "moved close" to its 2% target, the Committee continued to describe economic growth as being "moderate".

Overall then, the meeting statement will have done nothing to alter the market view that the Fed will hike rates again at its next meeting in June. However, there was no clearly more hawkish tone regarding the economy. This will have disappointed some dollar watchers who had been hoping for some indication that we could see the Fed move to project an additional rate hike this year.

The dollar saw some volatility following the release of the meeting statement. The main dollar pairs open this morning broadly unchanged on the day. EUR/USD is trading close to the \$1.20 mark, while cable (GBP/USD) is changing hands around \$1.36.

Elsewhere, there was little to provide fresh direction to either the euro or sterling over the last 24 hours. The first reading of Eurozone Q1 GDP showed quarterly growth of 0.4%, in line with the market consensus. EUR/GBP opens this morning trading close to the 88p mark.

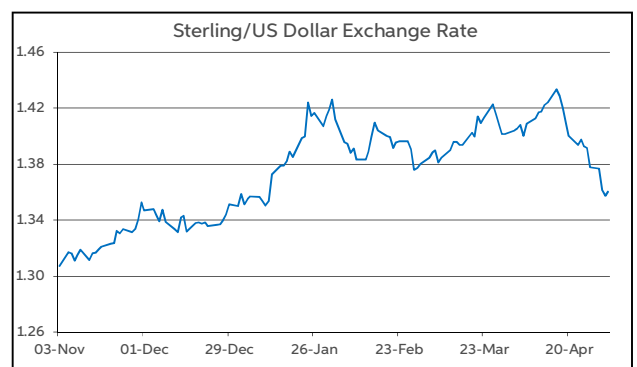
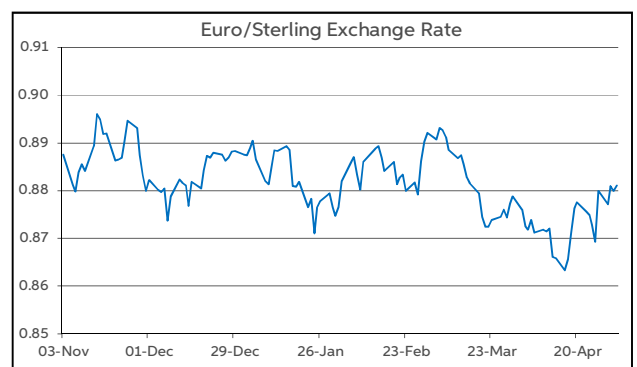
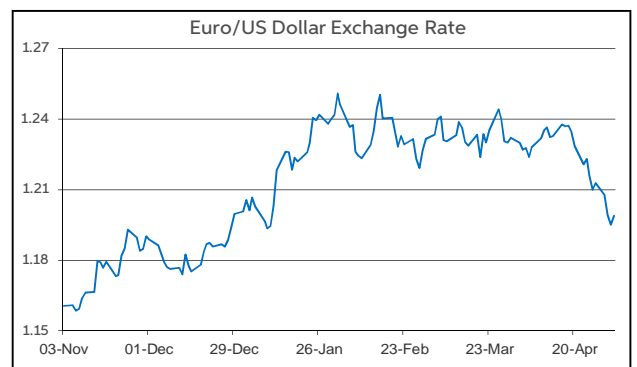
The data schedule for the day ahead includes the UK services PMI and the US non-manufacturing ISM (both April). Barring any surprises from the data, though, any sterling or dollar reaction could be limited. Euro watchers will be keeping a close eye on flash April Eurozone HICP. Headline inflation is expected to have held at just 1.3%, while the core measure is forecast to edge down to 1.2%. Overall, potential euro impact from the data seems to be limited.

**Dara Turnbull, Economist, AIB**

Today's Opening Rates			
		% Change	
		Day *	End 2017
EUR/USD	1.1992	-0.07	-0.03
EUR/GBP	0.8812	-0.05	-0.80
GBP/USD	1.3604	-0.07	0.68
GBP/EUR	1.1343	0.05	0.81
USD/JPY	109.56	-0.15	-2.76
EUR/JPY	131.4	-0.26	-2.80

\* 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	1.92	2.36	2.78	2.75	2.92
EUR	0.00	-0.37	-0.33	-0.19	-0.14	0.40
GBP	0.50	0.51	0.70	0.97	1.08	1.38

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2017 to Date	
Dow Jones	23924.98	-0.72	-3.21	
S&P 500	2635.67	-0.72	-1.42	
FTSE 100	7543.2	+0.30	-1.88	
DJ Stoxx 50	3553.79	+0.50	+1.42	
ISEQ	6844.53	+0.69	-2.75	
Nikkei	22472.78	+0.00	-1.28	

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

Thursday 03 May 2018  
07:30 am



## Euro

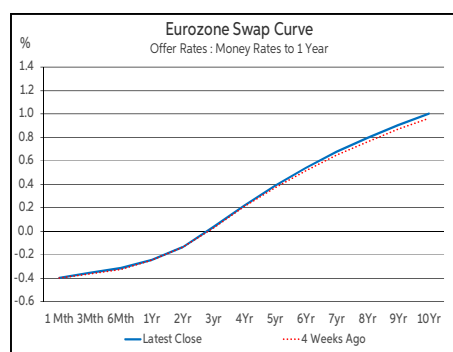
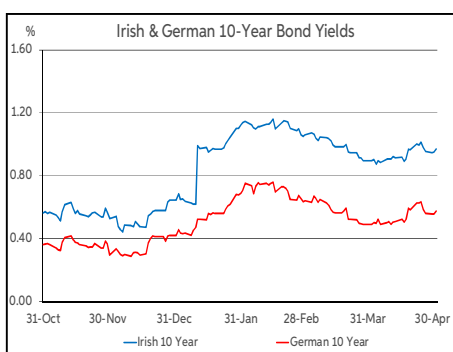
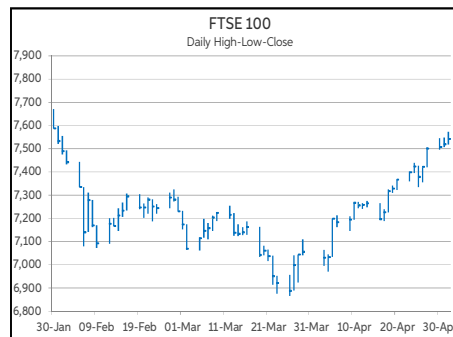
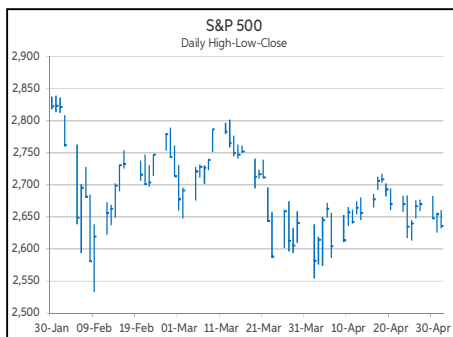
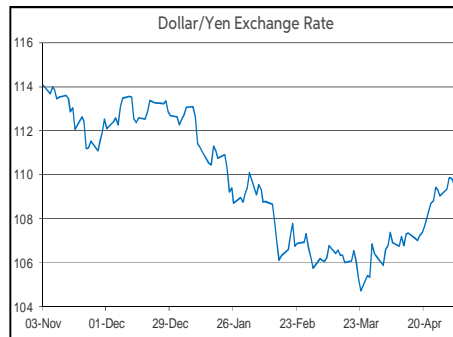
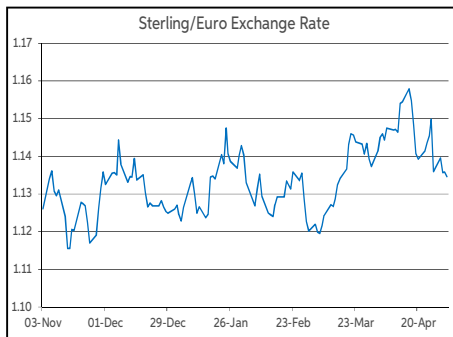
EUR/GBP	0.8813
EUR/USD	1.1991
EUR/JPY	131.38
EUR/SEK	10.662
EUR/DKK	7.4493
EUR/NOK	9.7054
EUR/CHF	1.1946
EUR/AUD	1.5938
EUR/HKD	9.4102
EUR/CAD	1.5411

## Sterling

GBP/EUR	1.1345
GBP/USD	1.3605
GBP/CAD	1.7484
GBP/NZD	1.9375
GBP/JPY	149.07
GBP/SEK	12.0932
GBP/DKK	8.4512
GBP/NOK	11.0114
GBP/CHF	1.3554
GBP/AUD	1.8082

## Dollar

USD/JPY	109.57
USD/CAD	1.2851
USD/CHF	0.9962
USD/CNY	6.3615
USD/BRL	3.5511
USD/RUB	63.62
USD/INR	66.5925
AUD/USD	0.7522
NZD/USD	0.702



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 17
<b>10 Year Yield %</b>				
US	2.97	+1	+17	+57
Germany	0.58	+2	+8	+16
UK	1.45	+5	+9	+27
Ireland	0.97	+2	+10	N/A
Belgium	0.83	+2	+8	+22
France	0.79	+0	+8	+1
Italy	1.78	+0	+5	-21
Spain	1.30	+3	+15	-25
Portugal	1.67	+1	+6	-23
Greece	3.87	+11	-16	-18
<b>5 Year Swap %</b>				
US	2.90	-1	+15	+65
Eurozone	0.39	-1	+2	+7
UK	1.37	+3	-1	+34
<b>2 Year Swap %</b>				
US	2.74	-1	+15	+65
Eurozone	-0.14	-1	+0	+0
UK	1.07	+2	-7	+27
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	39	-0	+2	N/A
Belgium	25	+1	+0	+6
France	22	-1	+0	-14
Italy	121	-2	-3	-37
Spain	72	+1	+7	-40
Portugal	109	-0	-2	-38
Greece	329	+9	-24	-33

Commodities				
	Close	% Change		
		Day	4 Weeks	End 17
Brent Oil	73.36	+0.31	+7.85	+9.71
West Texas Oil	67.91	+0.94	+7.20	+12.32
CRB - All Commodity	201.60	+0.17	+4.81	+3.99
CRB - Food	355.62	+0.01	+6.19	+5.83
Gold \$	1305.2	+0.07	-2.14	+0.20

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