

Dollar maintains firmer tone

The dollar's recent upward trend continued last week. Some positive US data releases over the course of the week (incl. unemployment and core PCE inflation) were a contributing factor to the currency recording c.1.5% gains against the euro and sterling. The dollar is now back to around where it started the year. Elsewhere, the yen also recorded healthy gains on the week. However, there was no clear yen specific reason for this. The moves may reflect thin trading conditions, with Japanese markets closed for most of last week as a result of various holidays.

A quiet schedule yesterday meant moves in the main FX pairs were limited, though the euro did come under some modest downward pressure. In level terms, EUR/GBP is trading back below the 88p level. The EUR/USD pair is trading near a fourth month low, in the lower half of the \$1.19-1.20 band. EUR/JPY remains below ¥130. Meantime, cable (GBP/USD) opens this morning at \$1.357.

In terms of the FX outlook for the remainder of the week, a relatively light data/events calendar means that the schedule may not provide much fresh direction to markets. The main potential currency mover will be Thursday's BoE meeting, though no policy changes are anticipated.

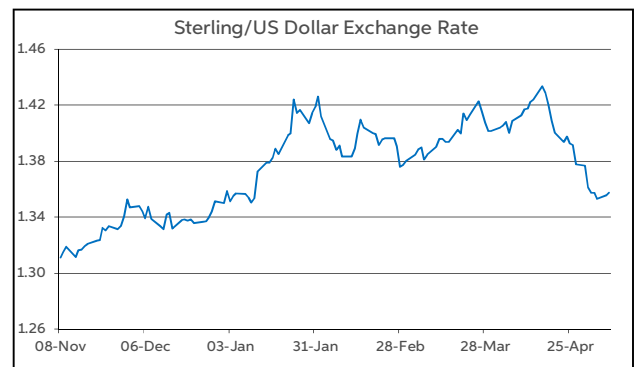
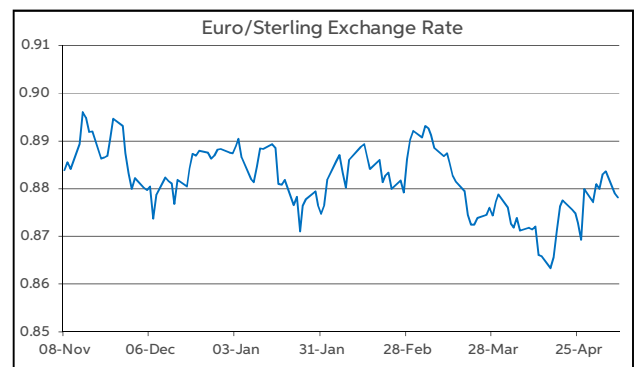
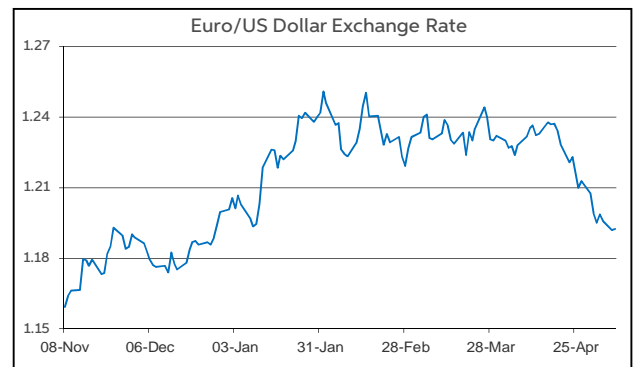
Markets will be looking to the BoE Inflation Report, minutes and Governor Carney's press conference for guidance on the outlook for rates. Soft UK data recently and some 'cautious' comments from Carney mean markets now expect the next BoE hike in August, and this week's updates will be assessed in this context. Data-wise, UK industrial production and trade (March), US CPI inflation (April and German, French and Italian industrial production (March) are the pick of the releases. Today, a speech from Fed Chair Powell poses some potential event risk for the dollar.

Dara Turnbull, Economist, AIB

Today's Opening Rates			
		% Change	
		Day *	End 2017
EUR/USD	1.1925	-0.28	-0.59
EUR/GBP	0.8783	-0.49	-1.13
GBP/USD	1.3574	0.18	0.46
GBP/EUR	1.1379	0.49	1.14
USD/JPY	108.92	-0.16	-3.33
EUR/JPY	129.9	-0.46	-3.91

* v Previous Day's European Open

See Next Page for More Rates ▶▶▶



Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	1.625	1.93	2.37	2.78	2.77	2.92
EUR	0.00	-0.37	-0.33	-0.19	-0.13	0.38
GBP	0.50	0.51	0.67	0.95	1.03	1.34

Equity Indices			
	Latest Close	% Changes	
		on Day	End 2017 to Date
Dow Jones	24357.32	+0.39	-1.46
S&P 500	2672.63	+0.35	-0.04
FTSE 100	7567.14	+0.00	-1.57
DJ Stoxx 50	3564.19	+0.38	+1.72
ISEQ	6864.59	+0.00	-2.47
Nikkei	22508.69	+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 08 May 2018
07:34 am



Euro

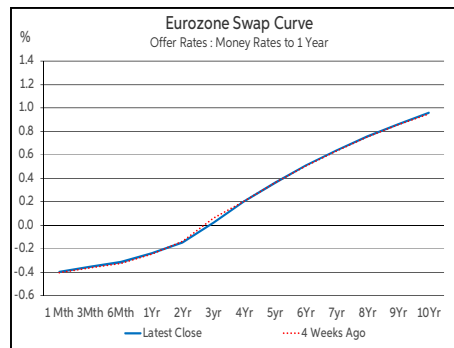
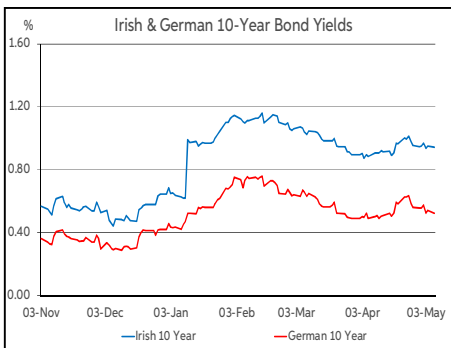
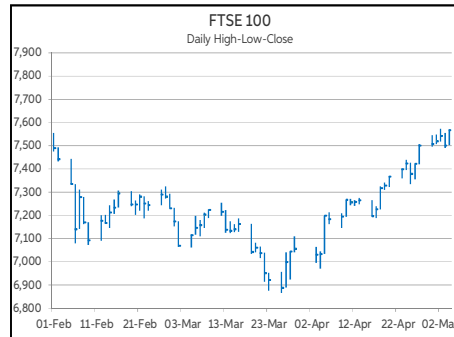
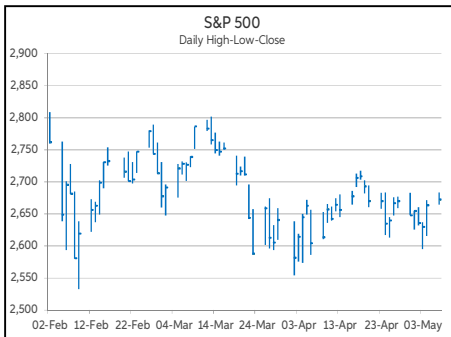
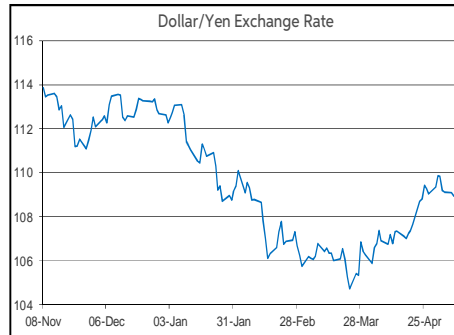
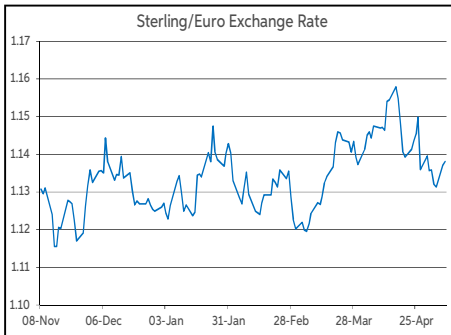
EUR/GBP	0.8784
EUR/USD	1.1925
EUR/JPY	129.91
EUR/SEK	10.529
EUR/DKK	7.4502
EUR/NOK	9.6097
EUR/CHF	1.195
EUR/AUD	1.588
EUR/HKD	9.3599
EUR/CAD	1.5385

Sterling

GBP/EUR	1.1379
GBP/USD	1.3574
GBP/CAD	1.7512
GBP/NZD	1.9325
GBP/JPY	147.85
GBP/SEK	11.9839
GBP/DKK	8.4796
GBP/NOK	10.9385
GBP/CHF	1.3602
GBP/AUD	1.8074

Dollar

USD/JPY	108.92
USD/CAD	1.2896
USD/CHF	1.0019
USD/CNY	6.36
USD/BRL	3.5506
USD/RUB	62.7019
USD/INR	67.0625
AUD/USD	0.7509
NZD/USD	0.7021



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 17
10 Year Yield %				
US	2.95	+0	+17	+55
Germany	0.53	-2	+2	+11
UK	1.40	+2	-0	+22
Ireland	0.94	-1	+4	N/A
Belgium	0.78	-3	-1	+17
France	0.74	-1	+1	-3
Italy	1.75	-4	-2	-25
Spain	1.26	-2	+4	-28
Portugal	1.63	-4	-4	-26
Greece	4.03	-3	+9	-1
5 Year Swap %				
US	2.88	-1	+17	+64
Eurozone	0.36	-1	+0	+5
UK	1.34	-0	-7	+30
2 Year Swap %				
US	2.73	-1	+15	+65
Eurozone	-0.15	-1	-1	-1
UK	1.02	-1	-13	+22
10 Year Government Bond Spreads to Benchmark bps				
Ireland	42	+1	+1	N/A
Belgium	25	-1	-3	+6
France	22	+1	-1	-14
Italy	122	-3	-4	-35
Spain	74	-1	+1	-39
Portugal	111	-3	-6	-37
Greece	351	-2	+6	-12

Commodities				
	Close	% Change		
		Day	4 Weeks	End 17
Brent Oil	76.17	+1.74	+10.95	+13.91
West Texas Oil	70.74	+1.48	+11.58	+17.00
CRB - All Commodity	203.64	+0.19	+4.45	+5.04
CRB - Food	355.54	-0.64	+4.93	+5.80
Gold \$	1314.7	-0.06	-1.64	+0.92

This publication is for information purposes and is not an invitation to deal. The information is believed to be reliable but is not guaranteed. Any expressions of opinions are subject to change without notice. This publication is not to be reproduced in whole or in part without prior permission. In the Republic of Ireland it is distributed by Allied Irish Banks, p.l.c. In the UK it is distributed by Allied Irish Banks, p.l.c. and Allied Irish Bank (GB). In Northern Ireland it is distributed by First Trust Bank. In the United States of America it is distributed by Allied Irish Banks, p.l.c. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland. Allied Irish Bank (GB) and First Trust Bank are trade marks used under licence by AIB Group (UK) p.l.c. (a wholly owned subsidiary of Allied Irish Banks, p.l.c.), incorporated in Northern Ireland. Registered Office 92 Ann Street, Belfast BT1 3HH. Registered Number NI018800. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In the United States of America, Allied Irish Banks, p.l.c., New York Branch, is a branch licensed by the New York State Department of Financial Services. Deposits and other investment products are not FDIC insured, they are not guaranteed by any bank and they may lose value. Please note that telephone calls may be recorded in line with market practice.