

## Dollar retains overall softer tone

The first week of 2018 was much like the final week of 2017 from a currency market perspective. The dollar remained generally out of favour on the exchanges, with the euro and sterling trading up around their highs from 2017 against the currency.

Meantime, despite some important releases (incl. EZ inflation and PMIs), both the euro and sterling saw limited reaction. Thus, the EUR/GBP pair traded in a narrow range.

In level terms, the dollar has recovered some lost ground heading into this morning's European open. However, EUR/USD is still trading above \$1.20, while GBP/USD is changing hands around \$1.354. Elsewhere, EUR/GBP is trading near 88.6p.

In the week ahead, markets will be looking to the raft of EC Eurozone sentiment indices for December for further evidence that growth in the currency bloc accelerated in Q4. The headline economic sentiment index looks set to rise to a 17-year high. Very encouraging results are also anticipated from Eurozone unemployment, retail sales and industrial production (all November). Currency-wise, the data may provide some support to the euro.

For the dollar, retail sales for December are the main release. A further solid increase is forecast, suggesting consumer spending may have remained very healthy in the fourth quarter. Although, with dollar seemingly out of favour, support for the currency from the data could be limited.

For sterling, both UK industrial production and the goods trade balance are expected to improve in November. However, as with the US schedule, currency market reaction may be muted.

**Dara Turnbull, Economist, AIB**

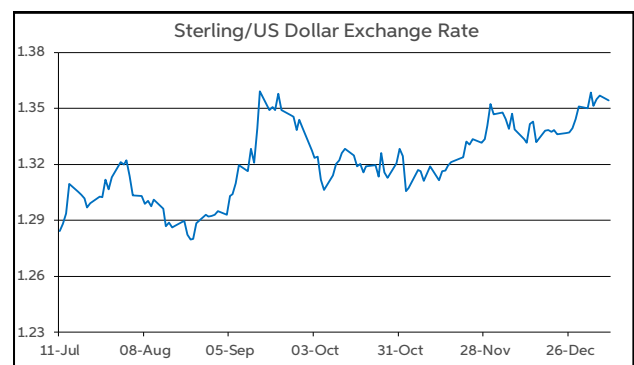
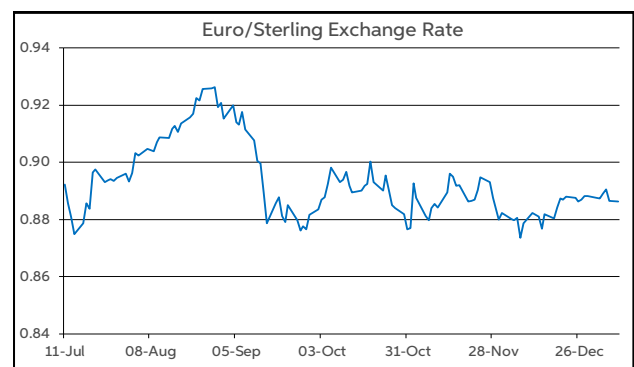
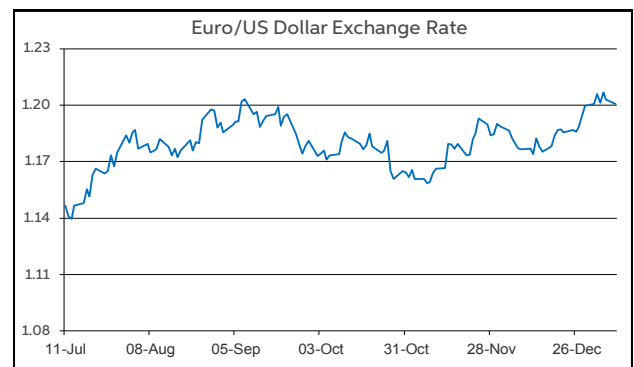
Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	1.375	1.55	1.70	2.15	2.15	2.33
EUR	0.00	-0.37	-0.33	-0.19	-0.15	0.31
GBP	0.50	0.49	0.52	0.76	0.82	1.09

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2017 to Date	
Dow Jones	25295.87	+0.88	+2.33	
S&P 500	2743.15	+0.70	+2.60	
FTSE 100	7724.22	+0.37	+0.47	
DJ Stoxx 50	3607.63	+1.09	+2.96	
ISEQ	7174.14	+0.67	+1.93	
Nikkei	23714.53	+0.00	+4.17	

Today's Opening Rates			
		% Change	
		Day *	End 2017
EUR/USD	1.2007	-0.51	0.09
EUR/GBP	0.8864	-0.33	-0.21
GBP/USD	1.3542	-0.19	0.22
GBP/EUR	1.1277	0.33	0.21
USD/JPY	113.28	0.27	0.54
EUR/JPY	136.02	-0.27	0.62

\* v Previous Day's European Open

See Next Page for More Rates >>>



All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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# Opening Levels

Monday 08 January 2018  
07:34 am



## Euro

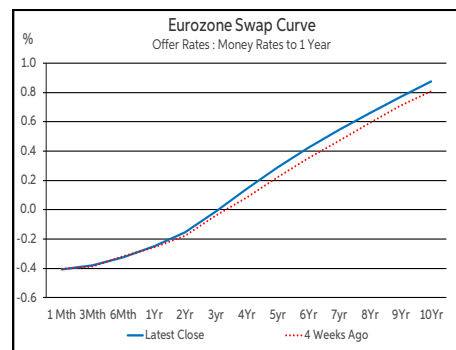
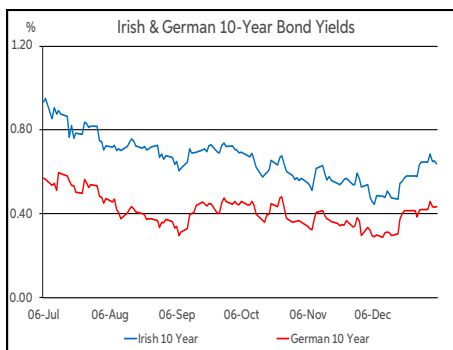
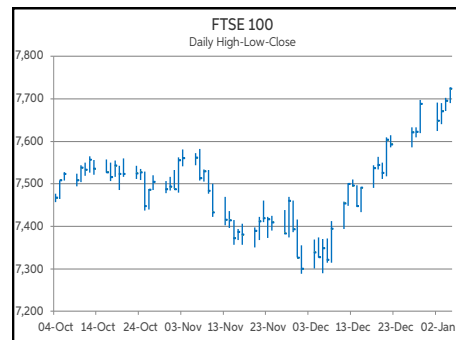
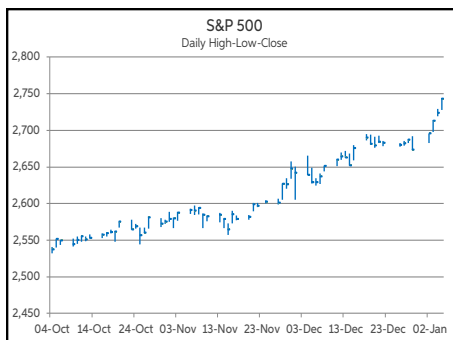
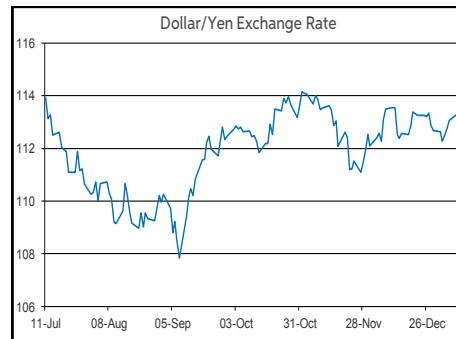
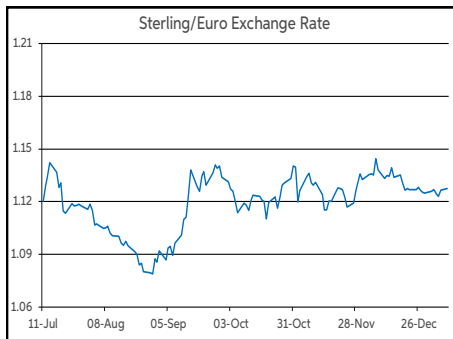
EUR/GBP	0.8864
EUR/USD	1.2007
EUR/JPY	136.02
EUR/SEK	9.807
EUR/DKK	7.4462
EUR/NOK	9.6836
EUR/CHF	1.1724
EUR/AUD	1.5326
EUR/HKD	9.3906
EUR/CAD	1.4905

## Sterling

GBP/EUR	1.1277
GBP/USD	1.3542
GBP/CAD	1.6811
GBP/NZD	1.8896
GBP/JPY	153.39
GBP/SEK	11.0599
GBP/DKK	8.397
GBP/NOK	10.9208
GBP/CHF	1.3223
GBP/AUD	1.7286

## Dollar

USD/JPY	113.27
USD/CAD	1.2412
USD/CHF	0.9764
USD/CNY	6.488
USD/BRL	3.2288
USD/RUB	57.0905
USD/INR	63.355
AUD/USD	0.7833
NZD/USD	0.7165



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 17
<b>10 Year Yield %</b>				
US	2.47	+2	+10	+7
Germany	0.44	+1	+14	+2
UK	1.24	+1	-3	+6
<b>5 Year Swap %</b>				
US	2.30	-1	+11	+6
Eurozone	0.29	-2	+7	-3
UK	1.07	+2	-3	+4
<b>2 Year Swap %</b>				
US	2.13	-0	+15	+5
Eurozone	-0.15	-2	+3	-1
UK	0.80	+1	-4	-0
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	20	-2	+2	-3
Belgium	21	+0	+2	+2
France	35	-0	+5	-0
Italy	156	-2	+22	-2
Spain	107	-3	-2	-6
Portugal	147	-0	-1	-1
Greece	329	-7	-82	-34

Commodities				
	Close	% Change		
		Day	4 Weeks	End 17
Brent Oil	67.62	-0.66	+6.66	+1.12
West Texas Oil	61.49	-0.79	+7.59	+1.70
CRB - All Commodity	193.45	-0.98	+4.56	-0.22
CRB - Food	341.77	+0.37	-0.49	+1.71
Gold \$	1320.6	-0.18	+5.77	+1.38

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