

Dollar firms on US tax headlines

The dollar made gains against the euro and sterling yesterday. The currency benefited from news reports that the Trump administration and US congressional leaders would release a joint tax reform proposal before the end of the month. A lack of news on implementing Trump's expansive fiscal agenda has been a negative for the dollar for much of this year.

EUR/USD traded as low as \$1.187 following yesterday evening's reports and remains below \$1.19 this morning. Cable (GBP/USD) moved from its opening level above \$1.33 to down near \$1.32.

Elsewhere, in terms of the main macro data news, there was a mixed batch of UK labour market data for July. This included weaker than expected employment and earnings growth. Although from a currency perspective, EUR/GBP is broadly unchanged on the day, trading close to 90p.

In the day ahead, the main event is the BoE meeting. No policy changes are anticipated. Although, markets will be closely analysing the minutes/statement as they look to see if the Bank continues to indicate that rates may need to be tightened more quickly in the coming years than markets expect. The market consensus is that the vote to leave rates unchanged will be a 7:2 split. However, a hawkish surprise cannot be ruled out. Such an outcome, or any other hawkish signals, could provide some support to sterling today.

In the US, markets may continue to digest the aforementioned newsflow in relation to tax reform proposals. Data-wise, dollar watchers will be looking to initial jobless claims figures for signs of the potential economic impact of the recent hurricanes. Another increase in claims could weigh on the currency.

Dara Turnbull, Economist, AIB

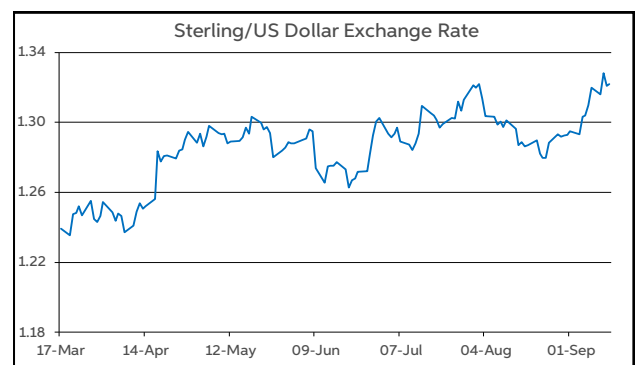
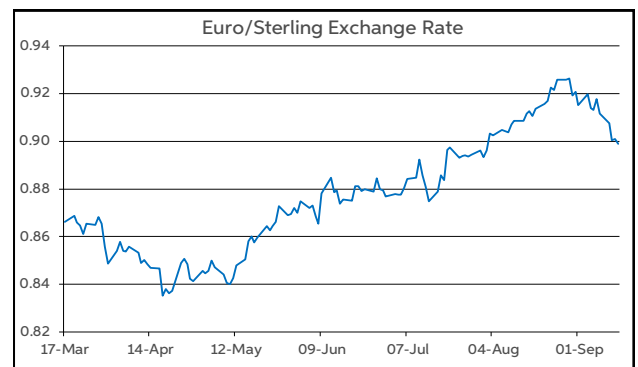
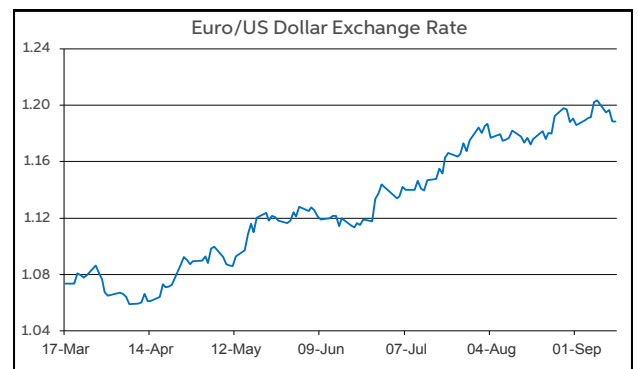
Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	1.125	1.23	1.32	1.71	1.60	1.84
EUR	0.00	-0.37	-0.33	-0.17	-0.18	0.20
GBP	0.25	0.25	0.30	0.63	0.64	0.90

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2016 to Date	
Dow Jones	22158.18	+0.18	+12.12	
S&P 500	2498.37	+0.08	+11.59	
FTSE 100	7379.7	-0.28	+3.32	
DJ Stoxx 50	3523.14	+0.30	+7.07	
ISEQ	6733.8	+0.13	+3.32	
Nikkei	19807.44	-0.29	+3.63	

Today's Opening Rates			
		% Change	
		Day *	End 2016
EUR/USD	1.188	-0.84	13.00
EUR/GBP	0.8989	-0.17	5.53
GBP/USD	1.3217	-0.68	7.14
GBP/EUR	1.1122	0.17	-5.24
USD/JPY	110.43	0.29	-5.51
EUR/JPY	131.2	-0.57	6.55

* 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

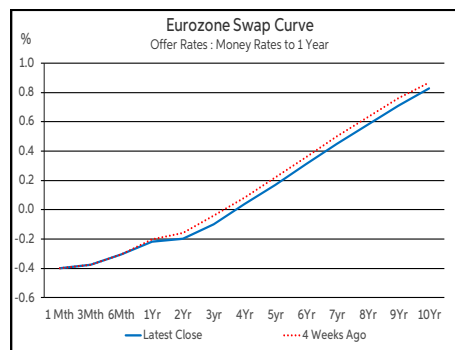
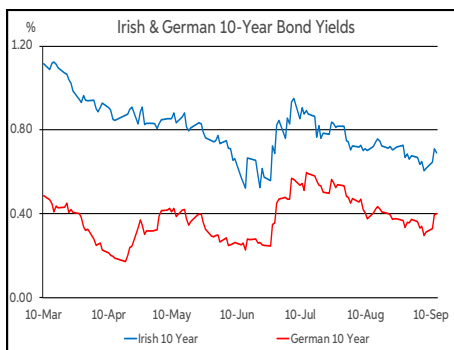
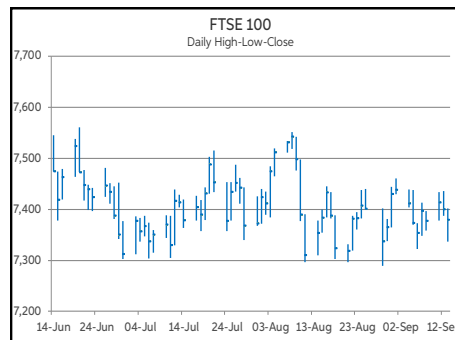
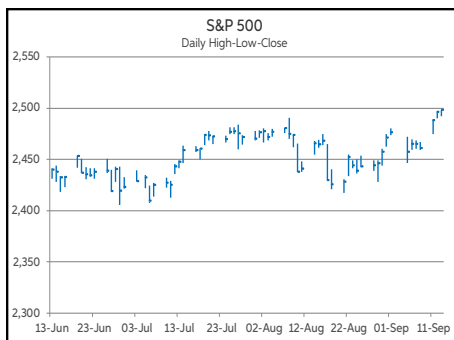
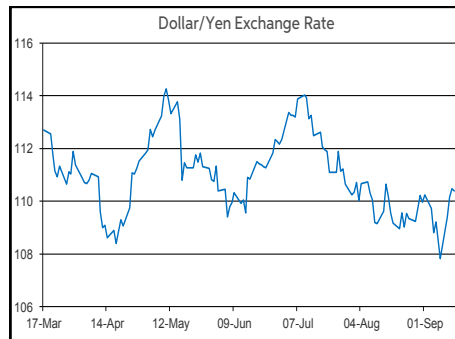
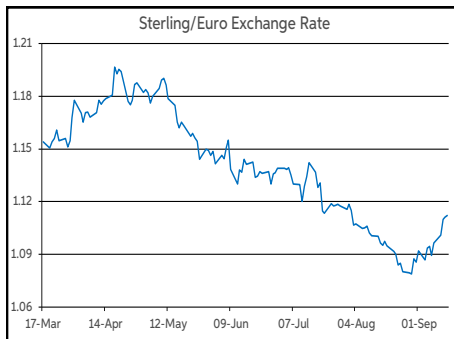
CONTACTS		
AIB Customer Treasury Services business.treasury@aib.ie aib.corporatetreasury@aib.ie fxcentre.aib.ie	Customer Treasury Services GB treasury.gb@aib.ie aibgb.co.uk/fxcentre	Customer Treasury Services NI FTBtreasury@aib.ie firsttrustbank.co.uk/fxcentre

Opening Levels

Thursday 14 September 2017
07:29 am



Euro		Sterling		Dollar	
EUR/GBP	0.8989	GBP/EUR	1.1122	USD/JPY	110.43
EUR/USD	1.188	GBP/USD	1.3217	USD/CAD	1.2179
EUR/JPY	131.2	GBP/CAD	1.6097	USD/CHF	0.9637
EUR/SEK	9.5498	GBP/NZD	1.8251	USD/CNY	6.5481
EUR/DKK	7.4407	GBP/JPY	145.96	USD/BRL	3.1349
EUR/NOK	9.3702	GBP/SEK	10.6177	USD/RUB	57.9003
EUR/CHF	1.1449	GBP/DKK	8.2752	USD/INR	64.06
EUR/AUD	1.4854	GBP/NOK	10.4231	AUD/USD	0.7997
EUR/HKD	9.28	GBP/CHF	1.2737	NZD/USD	0.724
EUR/CAD	1.447	GBP/AUD	1.6524		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 16
10 Year Yield %				
US	2.19	+3	-3	-25
Germany	0.40	+1	-3	+20
UK	1.15	+1	+4	-9
5 Year Swap %				
US	1.81	-1	-3	-14
Eurozone	0.17	-2	-5	+9
UK	0.89	-1	+6	+1
2 Year Swap %				
US	1.56	+1	-1	+12
Eurozone	-0.20	-2	-4	-4
UK	0.63	-1	+7	+3
10 Year Government Bond Spreads to Benchmark bps				
Ireland	29	-3	-4	-26
Belgium	29	-1	-3	-2
France	29	-0	-1	-19
Italy	169	+1	+9	+8
Spain	117	-3	+16	-1
Portugal	239	-3	+5	-114
Greece	490	-3	-5	-178

Commodities				
	Close	% Change		
		Day	4 Weeks	End 16
Brent Oil	55.16	+1.64	+9.73	-2.92
West Texas Oil	49.3	+2.26	+5.34	-8.28
CRB - All Commodity	182.88	+0.81	+4.29	-5.00
CRB - Food	333.42	-1.57	-5.33	-1.57
Gold \$	1323.7	-0.65	+3.13	+14.88

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.