

## Dollar edges off its recent lows

Yesterday's global schedule had a lack of any major macro releases or market moving headlines. Despite this, equity markets still managed to move higher on the day, with the S&P 500 rising above 2,700 for the first time. Meantime in overnight action, there were strong gains for Japanese equities, with the Nikkei rising to a 26-year high.

As mentioned, yesterday's data schedule was relatively uneventful. The main highlights were German unemployment for December coming in slightly lower than expected at 3.6%. Meantime in the UK, the construction PMI for December missed to the downside of forecasts. Neither release had any major impact on their respective currencies. In the US, the manufacturing ISM for December printed ahead of expectations. Overnight, the release of the Fed minutes from their December meeting (where they raised rates) contained little new insight and therefore had minimal impact on the dollar. The tone of the text indicated that the Fed remains content with its gradual pace of policy tightening.

Looking at the opening levels of the FX main pairs this morning, the action has been confined to very tight ranges over the last 24 hours. The dollar has edged off its lows, while sterling is modestly lower since yesterday's open. In level terms, EUR/USD is back down near \$1.20 and GBP/USD is changing hands close to the \$1.35 level. Meanwhile, the EUR/GBP pair is trading near 89p.

Ahead today, the macro calendar is on the quiet side, with the main data of note being the December UK and US services PMIs. From a currency perspective, the main pairs may continue to trade in narrow ranges ahead of tomorrow's eagerly awaited US payroll figures for December.

**John Fahey, Senior Economist, AIB**

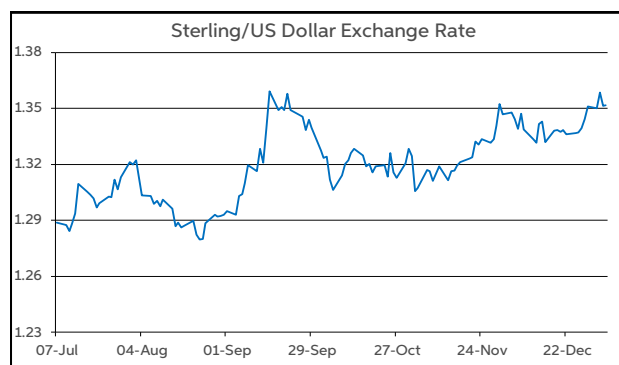
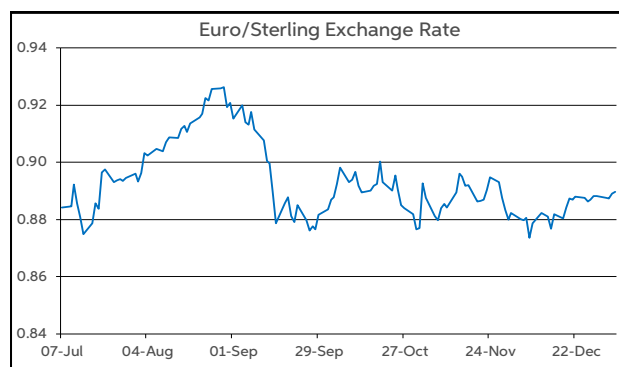
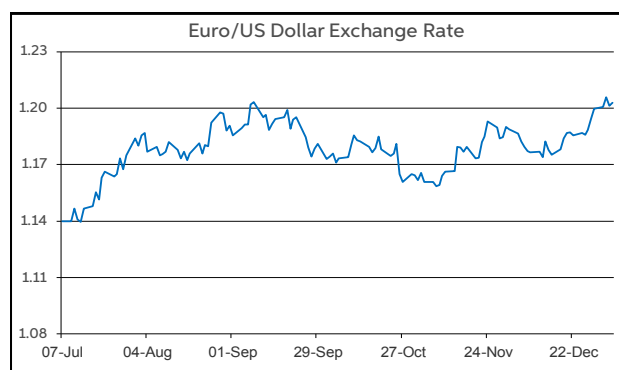
Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	1.375	1.56	1.70	2.12	2.13	2.29
EUR	0.00	-0.37	-0.33	-0.19	-0.13	0.33
GBP	0.50	0.49	0.52	0.76	0.79	1.04

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2016 to Date	
Dow Jones	24922.68	+0.40	+26.11	
S&P 500	2713.06	+0.64	+21.18	
FTSE 100	7671.11	+0.30	+7.40	
DJ Stoxx 50	3509.88	+0.56	+6.67	
ISEQ	7071.23	+0.24	+8.50	
Nikkei	23506.33	+3.26	+22.98	

Today's Opening Rates			
		% Change	
		Day *	End 2016
EUR/USD	1.203	-0.22	14.43
EUR/GBP	0.8897	0.41	4.45
GBP/USD	1.3521	-0.61	9.61
GBP/EUR	1.1238	-0.40	-4.26
USD/JPY	112.56	0.25	-3.69
EUR/JPY	135.43	0.04	9.98

\* 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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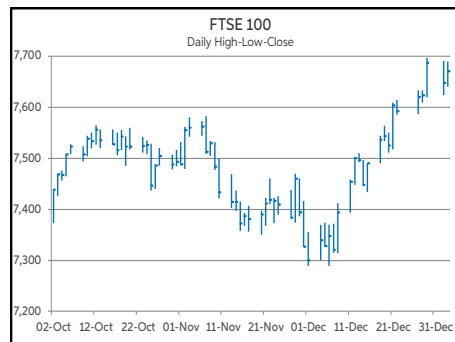
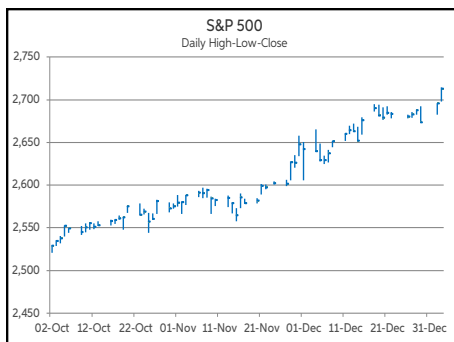
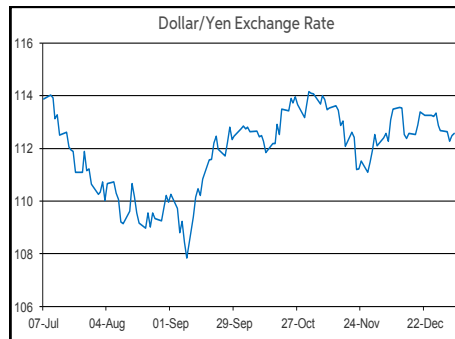
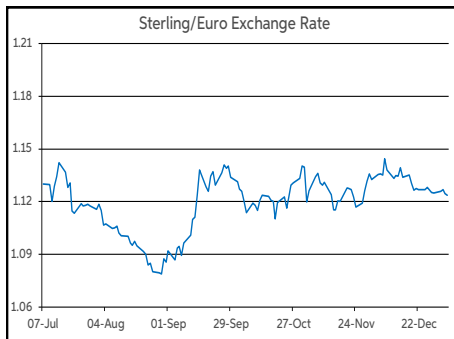
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# Opening Levels

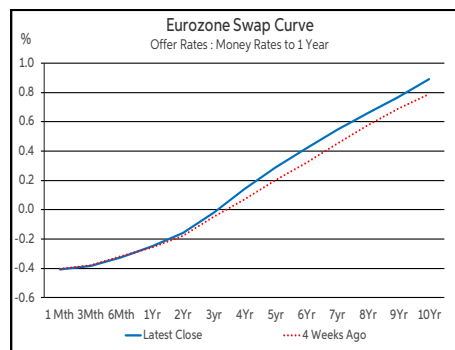
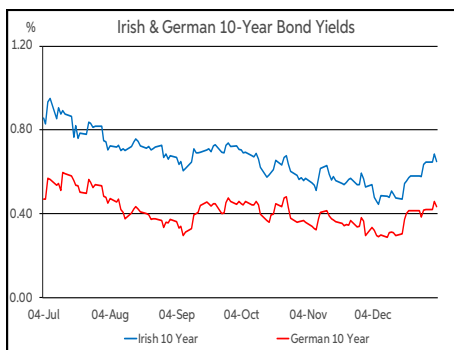
Thursday 04 January 2018  
07:30 am



Euro		Sterling		Dollar	
EUR/GBP	0.8897	GBP/EUR	1.1233	USD/JPY	112.55
EUR/USD	1.2029	GBP/USD	1.3517	USD/CAD	1.2523
EUR/JPY	135.4	GBP/CAD	1.6929	USD/CHF	0.977
EUR/SEK	9.8228	GBP/NZD	1.8983	USD/CNY	6.4967
EUR/DKK	7.4444	GBP/JPY	152.13	USD/BRL	3.2369
EUR/NOK	9.7387	GBP/SEK	11.0395	USD/RUB	57.24
EUR/CHF	1.1755	GBP/DKK	8.3654	USD/INR	63.42
EUR/AUD	1.5328	GBP/NOK	10.9434	AUD/USD	0.7847
EUR/HKD	9.4036	GBP/CHF	1.3207	NZD/USD	0.7119
EUR/CAD	1.5065	GBP/AUD	1.7225		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 16
<b>10 Year Yield %</b>				
US	2.44	-2	+10	+4
Germany	0.44	-2	+14	+2
UK	1.22	-6	-1	+3
Ireland	0.65	-4	+19	+0
Belgium	0.65	-3	+16	+4
France	0.79	-1	+19	+1
Italy	2.05	-3	+35	+6
Spain	1.57	-2	+16	+3
Portugal	1.97	-2	+12	+8
Greece	3.94	-10	-80	-10
<b>5 Year Swap %</b>				
US	2.24	-4	+6	-0
Eurozone	0.29	-4	+9	-3
UK	1.03	-5	-5	-0
<b>2 Year Swap %</b>				
US	2.07	-4	+10	-1
Eurozone	-0.16	-3	+2	-2
UK	0.78	-3	-6	-3
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	21	-2	+5	-1
Belgium	21	-0	+3	+2
France	35	+1	+5	-0
Italy	162	-1	+21	+4
Spain	114	+0	+2	+1
Portugal	154	+1	-2	+6
Greece	350	-8	-93	-12



Commodities				
	% Change			
	Close	Day	4 Weeks	End 17
Brent Oil	67.84	+1.91	+10.81	+1.45
West Texas Oil	61.61	+2.05	+10.43	+1.90
CRB - All Commodity	195.35	+0.33	+5.75	+0.77
CRB - Food	339.16	+1.72	-1.34	+0.93
Gold \$	1312.9	-0.40	+3.87	+0.79

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