

## Dollar weakens over year end

Despite the holiday season and the resulting lack of data/events, we have still seen some moves in the main FX pairs in recent days. Most notably, the dollar lost ground against a basket of other majors. This seems to have partly reflected some year end flows.

The softer tone to the dollar means that the EUR/USD pair opens this morning trading up above the key support level of \$1.20. Cable (GBP/USD) is changing hands above \$1.35 level. The dollar has also fallen versus the yen, with USD/JPY trading below ¥113. Meanwhile, the EUR/GBP pair has been broadly stable, continuing to trade in the 88-89p band. Much attention in the coming days will be on whether key support around the \$1.20 level can hold for the dollar against the euro.

In this regard there are a raft of important US data releases due in the coming days. These include the December employment report. The key non-farm payrolls are expected to record another strong increase (+189k). At the same time, the unemployment rate looks set to have held at just 4.1%, though earnings growth is forecast to have remained relatively subdued at 2.5%.

For sterling, the main release is the UK PMIs for December. Both the manufacturing and services indices are anticipated to be little changed in the month, pointing to a modest pace of growth. Sterling impact from the data could be limited.

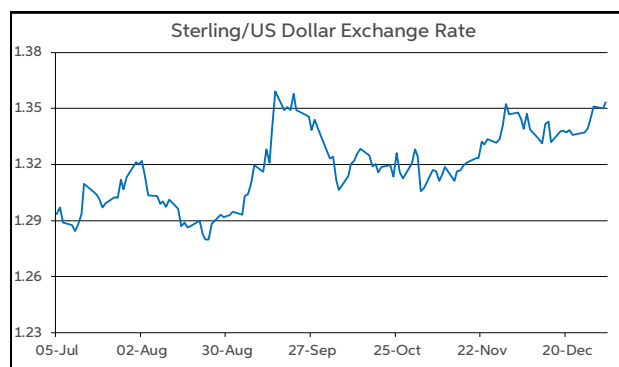
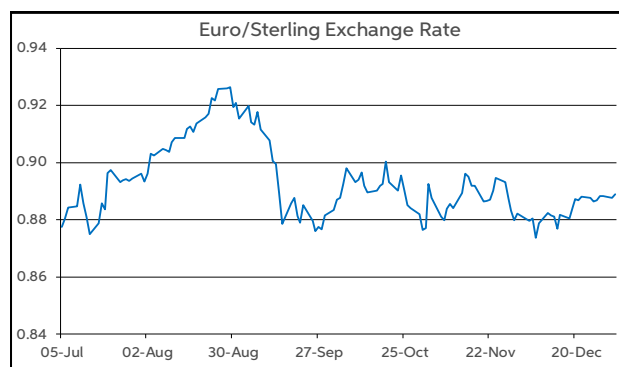
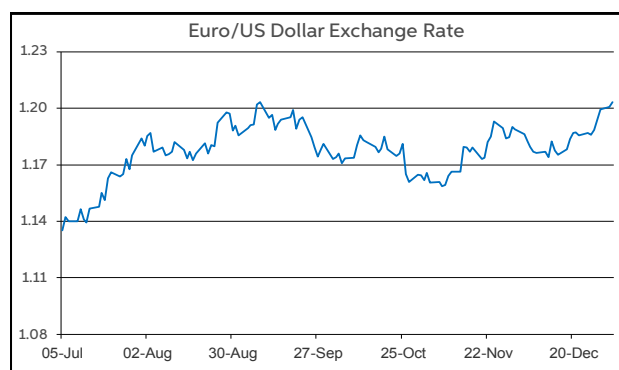
There is a light schedule in the Eurozone. Although, it does include flash HICP data for December. Headline inflation is expected to have slowed to 1.3% from 1.5%, further below the ECB's target of close to, but below, 2%, which could act as a headwind to the euro.

**Dara Turnbull, Economist, AIB**

Today's Opening Rates			
		% Change	
		Day *	End 2016
EUR/USD	1.2044	0.39	14.56
EUR/GBP	0.8888	0.10	4.34
GBP/USD	1.355	0.30	9.84
GBP/EUR	1.1248	-0.10	-4.16
USD/JPY	112.37	0.17	-3.85
EUR/JPY	135.36	0.59	9.92

\* 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	1.375	1.56	1.69	2.11	2.09	2.24
EUR	0.00	-0.37	-0.33	-0.19	-0.14	0.33
GBP	0.50	0.50	0.52	0.77	0.79	1.05

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2017 to Date	
Dow Jones	24719.22	+0.00	+25.08	
S&P 500	2673.61	+0.00	+19.42	
FTSE 100	7687.77	+0.00	+7.63	
DJ Stoxx 50	3503.96	+0.00	+6.49	
ISEQ	7038.28	+0.00	+7.99	
Nikkei	22764.94	+0.00	+19.10	

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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

# Opening Levels

Tuesday 02 January 2018  
08:03 am



## Euro

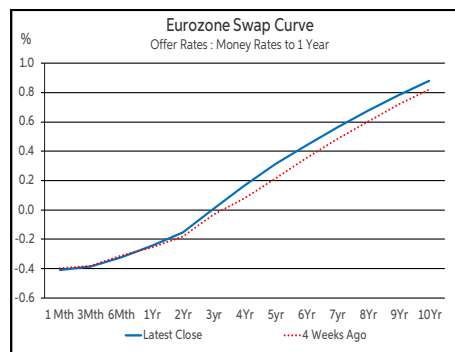
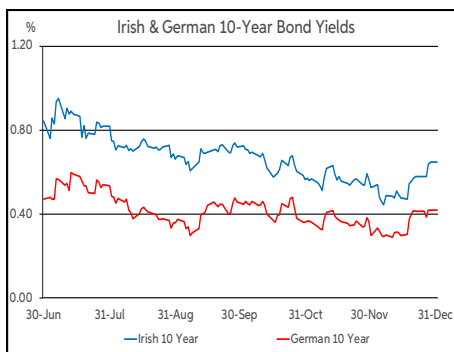
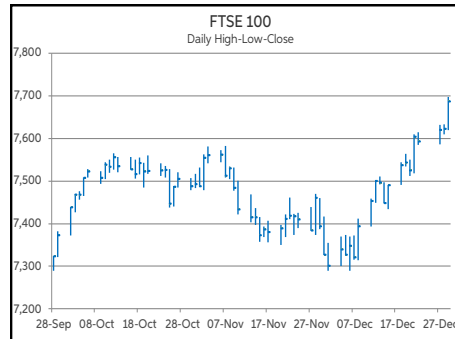
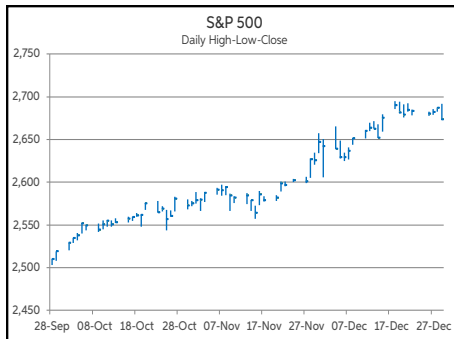
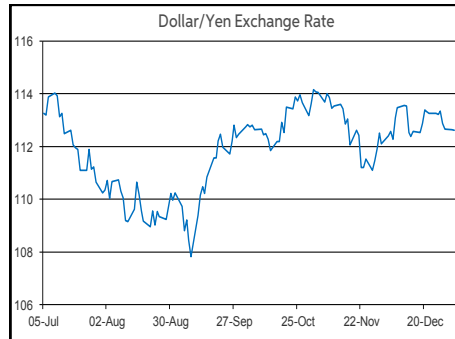
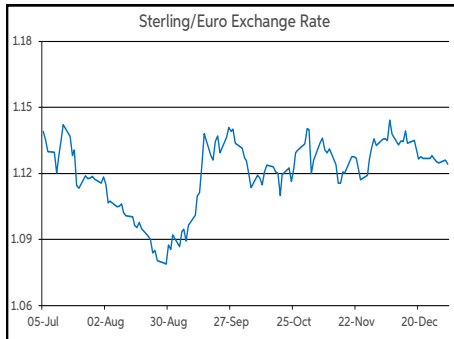
EUR/GBP	0.8888
EUR/USD	1.2037
EUR/JPY	135.55
EUR/SEK	9.8308
EUR/DKK	7.4435
EUR/NOK	9.8026
EUR/CHF	1.1713
EUR/AUD	1.5367
EUR/HKD	9.4063
EUR/CAD	1.5079

## Sterling

GBP/EUR	1.1242
GBP/USD	1.3539
GBP/CAD	1.6962
GBP/NZD	1.9016
GBP/JPY	152.46
GBP/SEK	11.0526
GBP/DKK	8.3722
GBP/NOK	11.026
GBP/CHF	1.3175
GBP/AUD	1.7282

## Dollar

USD/JPY	112.61
USD/CAD	1.2528
USD/CHF	0.973
USD/CNY	6.4963
USD/BRL	3.3121
USD/RUB	57.395
USD/INR	63.665
AUD/USD	0.783
NZD/USD	0.7118



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 17
<b>10 Year Yield %</b>				
US	2.40	-3	+3	+0
Germany	0.42	+0	+9	+0
UK	1.18	-1	-10	+0
<b>Ireland</b>				
Ireland	0.65	+1	+11	+0
Belgium	0.62	+0	+10	+0
France	0.76	-2	+12	-2
Italy	1.99	+6	+29	+0
Spain	1.54	+5	+14	+0
Portugal	1.89	+4	+1	+0
Greece	4.04	+3	-122	+0
<b>5 Year Swap %</b>				
US	2.21	-4	+2	-4
Eurozone	0.31	-0	+10	-0
UK	1.03	-1	-10	-1
<b>2 Year Swap %</b>				
US	2.06	-3	+7	-3
Eurozone	-0.16	-1	+3	-1
UK	0.78	-2	-8	-2
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	23	+1	+2	+0
Belgium	20	+0	+1	+0
France	34	-2	+4	-2
Italy	157	+5	+20	+0
Spain	112	+4	+6	+0
Portugal	147	+3	-7	+0
Greece	362	+3	-131	+0

Commodities				
	Close	% Change		
		Day	4 Weeks	End 17
Brent Oil	66.87	+0.22	+7.08	+0.00
West Texas Oil	60.46	+0.00	+5.18	+0.00
CRB - All Commodity	193.86	+0.43	+2.74	+0.00
CRB - Food	336.04	+0.00	-2.87	+0.00
Gold \$	1302.6	+0.60	+2.06	+0.00

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