

Daily commentary

Thursday, 19 April 2018

Key news

- Lower than expected UK inflation data

Markets overview

Good morning

Sterling lost ground yesterday giving up hard earned gains acquired in the last few days, following inflation numbers below expectation. The headline rate fell to 2.5% in March, down from 2.7% in February as the effect of currency rate inflation caused by Sterling weakness after the Brexit vote falls out of the figures. Weak inflation numbers in the Eurozone are also contributing to a weaker UK figure. This coupled with low wage growth has contributed to a change of sentiment on future UK interest rate increases. Whilst most economists polled by Bloomberg still expect an interest rate rise in May, there is a view that this will be the only change in 2018, and probably the only change prior to conclusion of the Brexit negotiations. In fact if retail sales numbers disappoint today, the assumption of a May increase may be called into question.

Elsewhere in Europe, German Chancellor Angela Merkel and French President Emmanuel Macron will hold talks on EU reforms and also discuss ongoing trade conflicts with the US, in advance of each meeting with President Trump next week

Have a good day - George

Market movers today:

- UK Retail Sales
- EU Reform talks

Market rates

CCY pair	Market rate at opening
GBP/USD	1.4199
GBP/EUR	1.1472
EUR/USD	1.2377
EUR/GBP	0.8717
GBP/AUD	1.8207
GBP/CAD	1.7924
GBP/CHF	1.3753
GBP/DKK	8.5437
GBP/HKD	11.1438
GBP/JPY	152.4740
GBP/NOK	11.0287
GBP/NZD	1.9388
GBP/SEK	11.9312
USD/CNY	6.2682

LIBOR (last business day setting)

GBP 1 month	0.5389
GBP 3 month	0.7832
GBP 6 month	0.8938

Commodities and Stock Markets

Crude oil (\$/barrel)	73.81
Gold (\$/oz)	1353.34
FTSE 100	7317.34
Dow Jones	24748.07
Nikkei 225	22191.18
Hang Seng	30620.85
German DAX	12590.83

Source : Bloomberg

Danske Bank Markets in Northern Ireland

Today's Major Data Releases (source: Bloomberg)

Time	Region	Event		Expectation
09.30 a.m.	UK	Retail Sales	m/m	Mar -0.6%
09.30 a.m.	UK	Retail Sales	y/y	Mar 1.9%
09.30 a.m.	UK	public Sector Net Borrowing		Mar -0.6%
09.00 a.m.	EC	ECB Current Account		Feb 37.6b

Contact List

Markets Team		
Maureen Brown	+44 (0) 28 90891111	mau@danskebank.co.uk
George McMaster	+44 (0) 28 90891100	gem@danskebank.co.uk
Heather Harman	+44 (0) 28 90891111	hhar@danskebank.co.uk
Andrew Lam	+44 (0) 28 90891111	anlam@danskebank.co.uk
Aran Shawcross	+44 (0) 28 90891111	psha@danskebank.co.uk
Caroline King	+44 (0) 28 90891111	caki@danskebank.co.uk
Joanne Casey	+44 (0) 28 90891111	joka@danskebank.co.uk
Head of Markets		
Brian Telford	+44 (0) 28 90891111	brte@danskebank.co.uk

Telephone calls with Danske Bank may be recorded

Danske Bank Markets
PO Box 183
1st Floor
Donegall Square West
Belfast
BT1 6JS

Markets E Mail:
markets@danskebank.co.uk

Markets Fax Number:
+44 (0) 28 9004 9701

web-site:
www.danskebank.co.uk

Business hours:
Monday - Friday
8.00 : 17.00

SWIFT address:
DABAGB2B

Issued by Northern Bank Limited trading as Danske Bank (the "Bank" or "We").

So far as the law or regulation allow, We disclaim any warranty or representation as to the accuracy or reliability of the information and statements in this commentary. We will not be liable for any loss or damage suffered from relying on this commentary. This commentary does not purport to contain all relevant information. Recipients should not rely on its contents but should make their own assessment and seek professional advice relevant to their circumstances. We may have proprietary positions in the products described in this commentary. This commentary is for information purposes only, is not intended as an offer or solicitation, nor is it the intention of the Bank to create legal relations on the basis of the information contained in it. No part of this commentary may be reproduced without our prior permission.

Danske Bank is a trading name of Northern Bank Limited which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Registered in Northern Ireland (registered number R568). Registered Office: Donegall Square West Belfast BT1 6JS. Northern Bank Limited is a member of the Danske Bank Group.