

## Sterling edging higher; Fed in focus today

Financial markets retained their overall subdued tone yesterday, despite another busy schedule of macro data releases. This suggests that investors were waiting on the sidelines ahead of key events later in the week (e.g. this evening's Fed meeting outcome and tomorrow's BoE meeting).

Data-wise, the first reading of Eurozone Q3 GDP surprised to the upside, showing strong quarterly growth of 0.6% (f'cast 0.5%). The Eurozone unemployment rate also moved below 9% unexpectedly, falling to its lowest level since January 2009. Although, the positive data were tempered by the fact that Eurozone HICP inflation slowed to 1.4% in October, with core at just 1.1%. The day's other main release, the US Employment Costs Index for Q3, showed that wage inflation had risen to 2.5% from 2.3%.

Although, there was no significant impact on the main currency pairs from the data. Sterling did continue to edge higher yesterday, though, perhaps reflecting some positioning ahead of the BoE meeting. Cable (GBP/USD) opens this morning up near \$1.33, while EUR/GBP is changing hands around 87.5p. Meantime, the EUR/USD pair is broadly unchanged, trading close to \$1.165.

Today, the focus for markets will be on the aforementioned Fed meeting outcome (after close in Europe). Markets do not expect any changes to interest rates. However, the Fed's most recent projections point to another hike at its last meeting of the year in December.

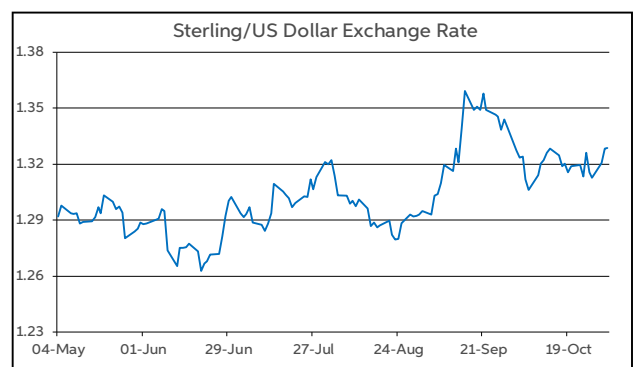
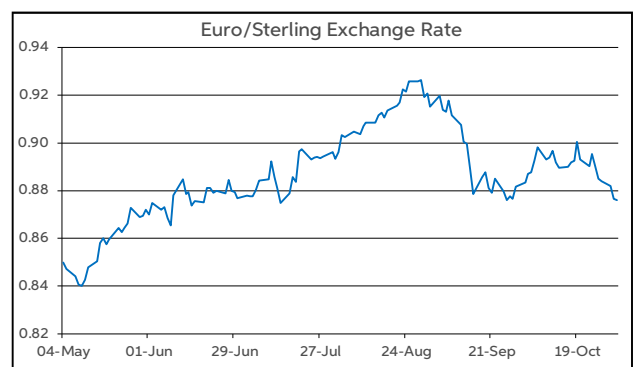
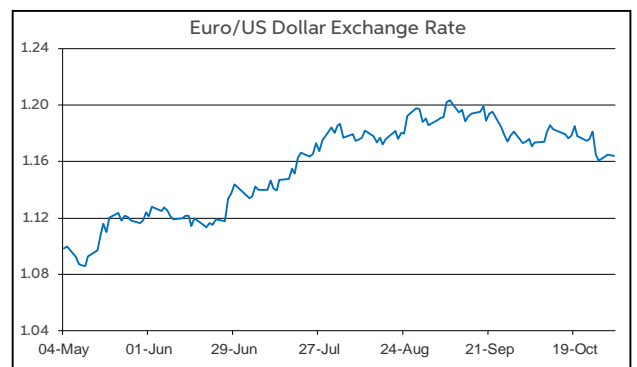
Thus, the meeting statement will be closely analysed for further signs that the FOMC will hike rates next month. Assuming that the statement indicates that such a move is still likely, then it could help to provide some support to the dollar.

**Dara Turnbull, Economist, AIB**

Today's Opening Rates			
		% Change	
		Day *	End 2016
EUR/USD	1.1644	0.07	10.76
EUR/GBP	0.8762	-0.50	2.86
GBP/USD	1.3289	0.62	7.73
GBP/EUR	1.1409	0.50	-2.78
USD/JPY	113.87	0.65	-2.57
EUR/JPY	132.63	0.74	7.71

\* 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	1.125	1.24	1.38	1.85	1.84	2.08
EUR	0.00	-0.37	-0.33	-0.19	-0.19	0.21
GBP	0.25	0.40	0.44	0.77	0.85	1.11

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2016 to Date	
Dow Jones	23377.24	+0.12	+18.29	
S&P 500	2575.26	+0.09	+15.03	
FTSE 100	7493.08	+0.07	+4.90	
DJ Stoxx 50	3673.95	+0.32	+11.65	
ISEQ	6972.73	+0.88	+6.99	
Nikkei	22420.08	+1.86	+17.29	

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

FX Spot	Karl Cooke Shane Gargan Adrian Flanagan Enda Homan	FX Options	Mark Tuite Lenny Hogan	Reuters Phone	AIB 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

Wednesday 01 November 2017  
07:29 am



## Euro

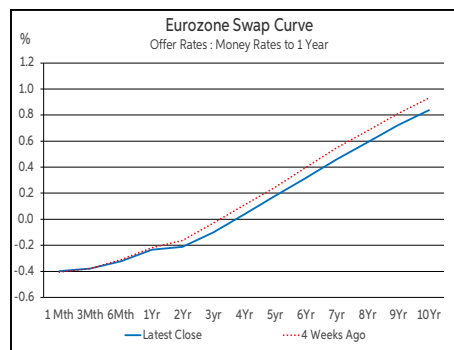
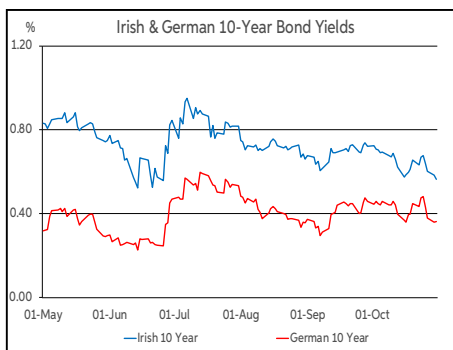
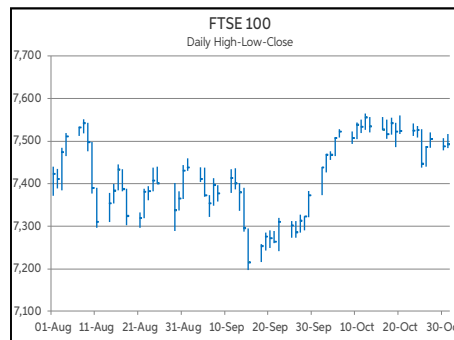
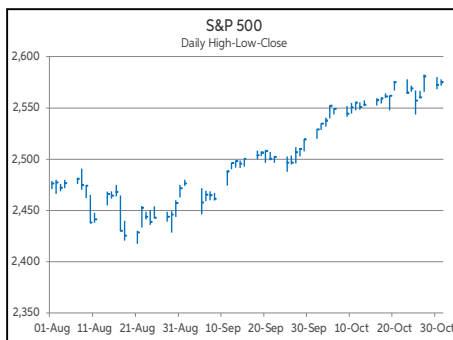
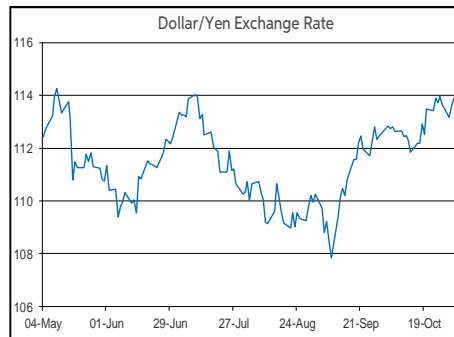
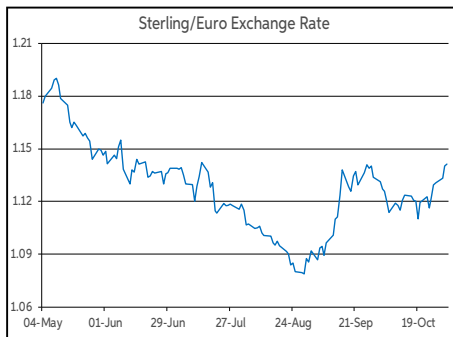
EUR/GBP	0.8761
EUR/USD	1.1645
EUR/JPY	132.63
EUR/SEK	9.746
EUR/DKK	7.4409
EUR/NOK	9.5116
EUR/CHF	1.1628
EUR/AUD	1.5172
EUR/HKD	9.0836
EUR/CAD	1.5015

## Sterling

GBP/EUR	1.1411
GBP/USD	1.3289
GBP/CAD	1.7135
GBP/NZD	1.9203
GBP/JPY	151.32
GBP/SEK	11.1221
GBP/DKK	8.4904
GBP/NOK	10.8558
GBP/CHF	1.3266
GBP/AUD	1.731

## Dollar

USD/JPY	113.87
USD/CAD	1.2891
USD/CHF	0.9984
USD/CNY	6.616
USD/BRL	3.2709
USD/RUB	58.15
USD/INR	64.5375
AUD/USD	0.7674
NZD/USD	0.692



	Close	Change bps		
		Day	4 Weeks	End 16
<b>10 Year Yield %</b>				
US	2.38	+1	+5	-7
Germany	0.36	+0	-10	+16
UK	1.33	+0	-2	+10
<b>5 Year Swap %</b>				
US	2.06	+1	+7	+11
Eurozone	0.18	-2	-7	+10
UK	1.10	+0	+1	+22
<b>2 Year Swap %</b>				
US	1.79	-1	+5	+35
Eurozone	-0.21	-2	-5	-5
UK	0.84	+0	+3	+24
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	20	-2	-4	-35
Belgium	23	-1	-3	-8
France	39	-1	+11	-9
Italy	145	-3	-31	-16
Spain	109	-3	-16	-8
Portugal	168	-2	-24	-185
Greece	503	-18	-1	-165

	Close	% Change		
		Day	4 Weeks	End 16
Brent Oil	61.37	+0.77	+9.59	+8.01
West Texas Oil	54.36	+0.46	+7.77	+1.13
CRB - All Commodity	187.56	+0.01	+3.68	-2.57
CRB - Food	344.61	-1.64	+3.63	+1.73
Gold \$	1272.0	-0.37	+0.00	+10.39

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