

Bumper data diary this week

Sterling starts this morning under some downward pressure. This comes amid renewed concerns over Brexit after weekend reports indicated opposition at both European and domestic levels to UK PM May's latest proposals. Elsewhere on the currency front, the dollar continues to hold the upper hand on the exchanges. The currency is supported by on-going strong macro data and a central bank that is hiking rates. In level terms, sterling weakness is reflected in EUR/GBP trading back up into the upper half of the 87-88p band, after having spent much of last week pinned down at 87p. The combination of a softer sterling/firmer dollar sees GBP/USD start this morning back below \$1.29. Meanwhile, the dollar remains in the ascendancy against the euro, with EUR/USD falling to its lowest level in 2018, below the \$1.13 threshold.

For the week ahead, with all the main central bank meetings out of the way until December, a lot of attention will shift back to the data. In this regard, there are some important releases. In the UK, a raft of labour market data (incl. unemployment, employment, wages) for Q3, retail sales and inflation (both Oct) feature. Given the hawkish BoE, further signs of labour market tightness (evident in improving wage growth) could provide some positive news to sterling. However, at the same time, the currency remains very sensitive to Brexit related developments/headlines.

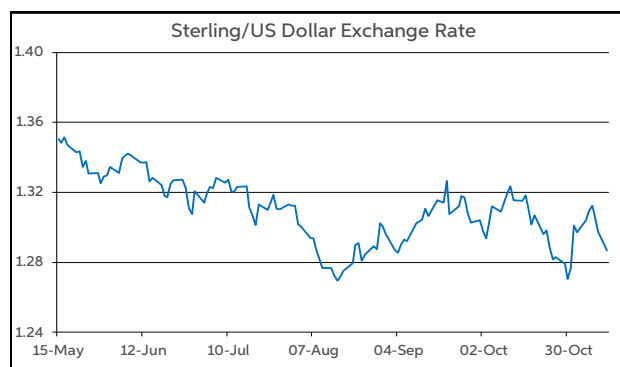
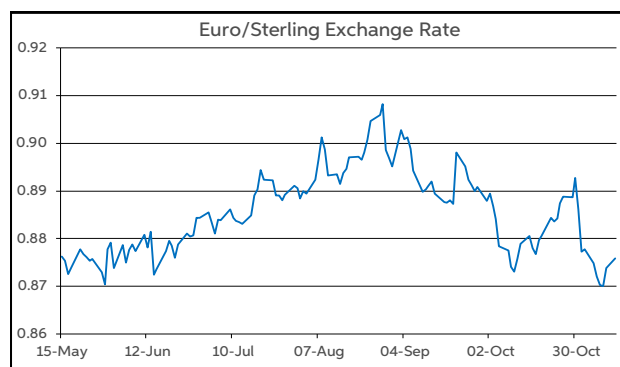
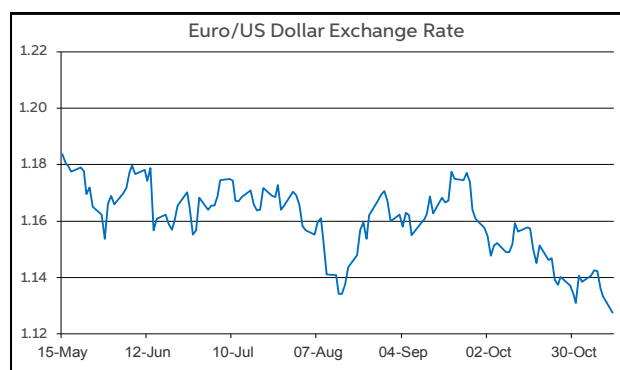
For the dollar, the data highlights are CPI inflation, retail sales and industrial production (all Oct). Consensus forecasts are for generally encouraging results. This may help the currency to maintain its current position of strength. Meantime, the Eurozone diary includes employment (Q3) industrial production (Sept) and German GDP (Q3). However, with Italy facing a deadline of Tuesday to submit new Budget proposals to the EU, political tensions could be a greater source of influence/volatility for the euro this week.

John Fahey, Senior Economist, AIB

Today's Opening Rates			
		% Change	
		Day *	End 2017
EUR/USD	1.1274	-0.67	-6.02
EUR/GBP	0.876	0.75	-1.38
GBP/USD	1.2867	-1.37	-4.77
GBP/EUR	1.141	-0.74	1.40
USD/JPY	114.18	0.24	1.34
EUR/JPY	128.73	-0.42	-4.77

* 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	2.125	2.31	2.62	3.14	3.11	3.17
EUR	0.00	-0.37	-0.32	-0.15	-0.11	0.37
GBP	0.75	0.73	0.87	1.16	1.23	1.45

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2017 to Date	
Dow Jones	25989.3	-0.77	+5.14	
S&P 500	2781.01	-0.92	+4.02	
FTSE 100	7105.34	-0.49	-7.58	
DJ Stoxx 50	3229.49	-0.25	-7.83	
ISEQ	6172.13	-0.49	-12.31	
Nikkei	22269.88	+0.09	-2.17	

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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

Opening Levels

Monday 12 November 2018
07:22 am



Euro

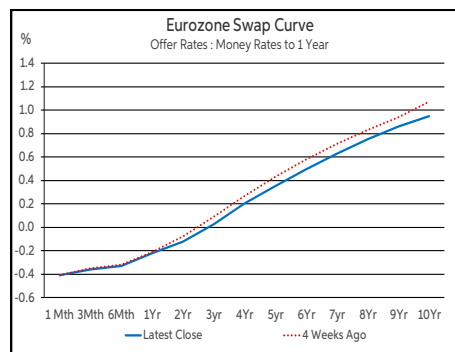
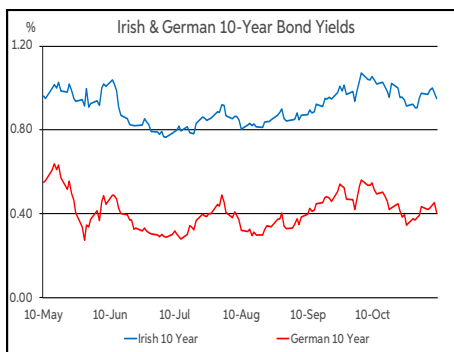
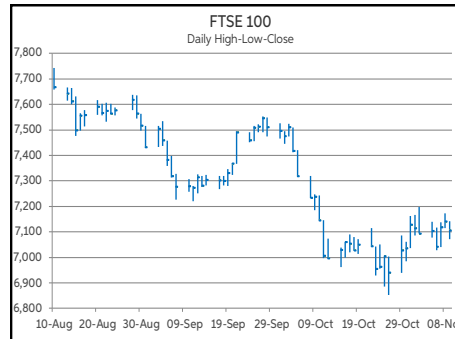
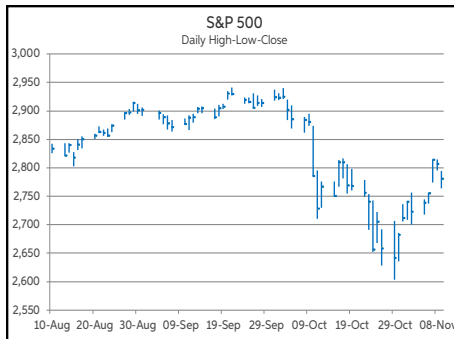
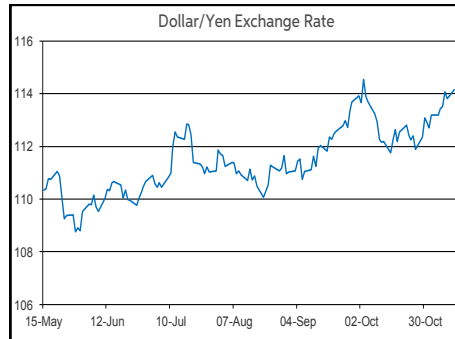
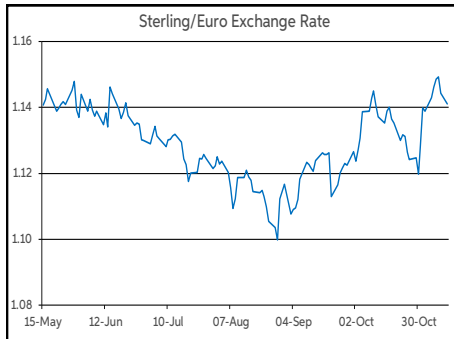
EUR/GBP	0.876
EUR/USD	1.1274
EUR/JPY	128.73
EUR/SEK	10.2772
EUR/DKK	7.4583
EUR/NOK	9.5375
EUR/CHF	1.1376
EUR/AUD	1.5652
EUR/HKD	8.8296
EUR/CAD	1.4884

Sterling

GBP/EUR	1.141
GBP/USD	1.2867
GBP/CAD	1.6989
GBP/NZD	1.9141
GBP/JPY	146.92
GBP/SEK	11.7271
GBP/DKK	8.5115
GBP/NOK	10.8856
GBP/CHF	1.2985
GBP/AUD	1.7865

Dollar

USD/JPY	114.18
USD/CAD	1.3202
USD/CHF	1.009
USD/CNY	6.9613
USD/BRL	3.7334
USD/RUB	67.404
USD/INR	72.9875
AUD/USD	0.7202
NZD/USD	0.6719



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 17
10 Year Yield %				
US	3.18	-5	+2	+78
Germany	0.41	-5	-9	-1
UK	1.50	-6	-13	+32
Ireland	0.95	-3	-7	N/A
Belgium	0.82	-3	-3	+21
France	0.78	-4	-9	+0
Italy	3.38	+1	-16	+139
Spain	1.59	-1	-7	+4
Portugal	1.92	+0	-10	+3
Greece	4.32	+4	-3	+28
5 Year Swap %				
US	3.14	-8	+1	+89
Eurozone	0.35	-3	-8	+4
UK	1.45	-7	-4	+41
2 Year Swap %				
US	3.08	-6	+5	+100
Eurozone	-0.12	-2	-4	+2
UK	1.21	-3	+3	+41
10 Year Government Bond Spreads to Benchmark bps				
Ireland	54	+2	+2	N/A
Belgium	41	+2	+6	+22
France	37	+1	-0	+2
Italy	298	+6	-7	+140
Spain	118	+4	+2	+6
Portugal	151	+5	-1	+4
Greece	392	+8	+6	+29

Commodities				
	Close	% Change		
		Day	4 Weeks	End 17
Brent Oil	70.18	-0.67	-12.74	+4.95
West Texas Oil	60.19	-0.86	-15.71	-0.45
CRB - All Commodity	188.45	-0.66	-4.79	-2.79
CRB - Food	332.61	-2.38	-1.45	-1.02
Gold \$	1210.0	-1.11	-0.69	-7.11

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