

## Good news day for sterling

The action on currency markets yesterday saw sterling adopt a firmer tone. The currency was supported by both Brexit and macro newsflow. In terms of Brexit, it was being reported (which was later confirmed) that a special UK cabinet meeting was to be convened today to discuss a draft Brexit agreement that has been reached between the UK and EU. Data-wise, UK labour market updates for Q3 also provided a supportive backdrop for the currency. Underlying wage growth beat expectations and in the process increased at its fastest pace since 2008.

Elsewhere, there was a very quiet US macro agenda, meaning there was little to provide direction to the dollar. Meanwhile, the euro has edged higher against the dollar over the last 24 hours. This is despite no easing in tensions between the Italian government and the EU (Italy resubmitted its budget plans with no major changes). So as trading gets underway this morning, the firmer sterling tone is reflected in EUR/GBP opening below the 87p threshold and GBP/USD up near \$1.30. EUR/USD has regained some ground within the \$1.12-1.13 band.

Today, there is a relatively busy data schedule (incl. UK and US CPI, Eurozone employment, industrial production). Unless the data spring major surprises, their influence on the respective currencies may be limited. A speech by Fed Chair Powell poses some event risk for the dollar. For sterling, Brexit will be very much front and centre today. While it was always likely that the UK and EU would reach an agreement, the key issue/challenge remains UK domestic politics. PM May needs to get the deal through her cabinet, her party and then parliament. The first hurdle is up today, with the special cabinet meeting (scheduled for 2pm). Therefore, sterling is likely to remain ultra sensitive to Brexit developments today.

**John Fahey, Senior Economist, AIB**

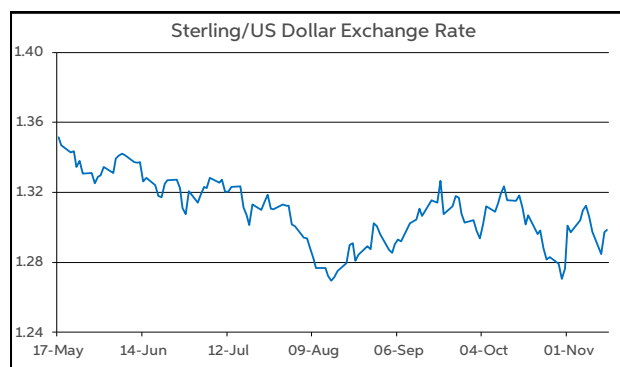
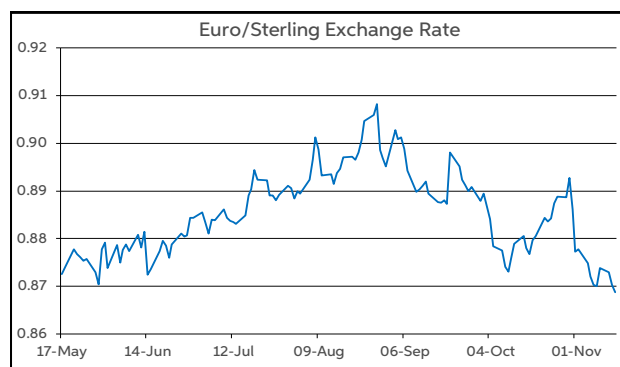
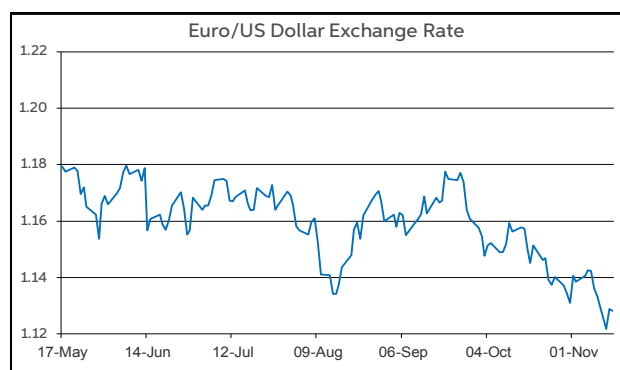
Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	2.125	2.31	2.62	3.13	3.06	3.11
EUR	0.00	-0.37	-0.32	-0.15	-0.11	0.35
GBP	0.75	0.73	0.88	1.15	1.22	1.47

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2017 to Date	
Dow Jones	25286.49	-0.40	+2.29	
S&P 500	2722.18	-0.15	+1.82	
FTSE 100	7053.76	+0.01	-8.25	
DJ Stoxx 50	3224.82	+0.96	-7.97	
ISEQ	6138.05	+0.19	-12.79	
Nikkei	21846.48	+0.16	-4.03	

Today's Opening Rates			
		% Change	
		Day *	End 2017
EUR/USD	1.1286	0.41	-5.92
EUR/GBP	0.8686	-0.49	-2.22
GBP/USD	1.2993	0.93	-3.84
GBP/EUR	1.1509	0.50	2.27
USD/JPY	113.86	-0.10	1.06
EUR/JPY	128.53	0.34	-4.92

\* 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

FX Spot	Karl Cooke Shane Gargan 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 14 November 2018  
07:22 am



## Euro

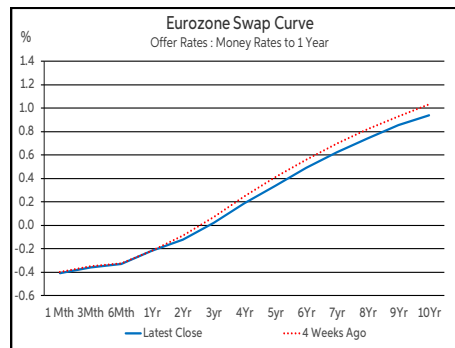
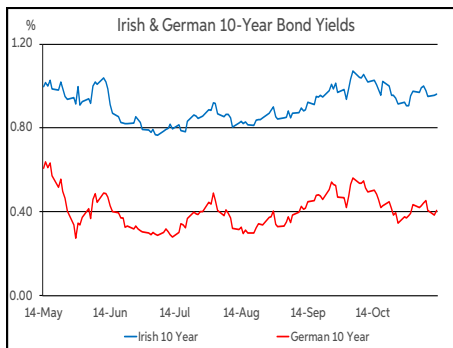
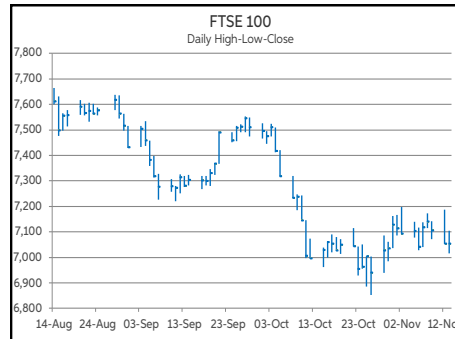
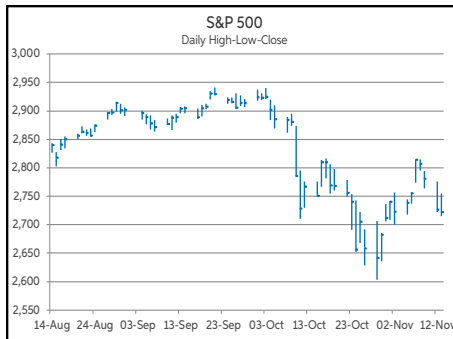
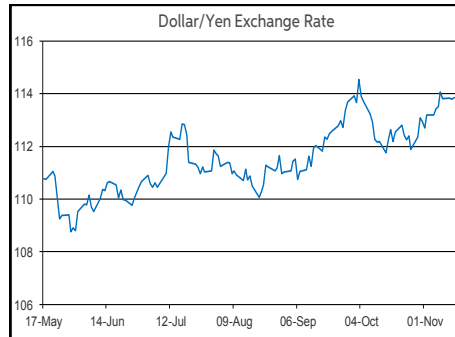
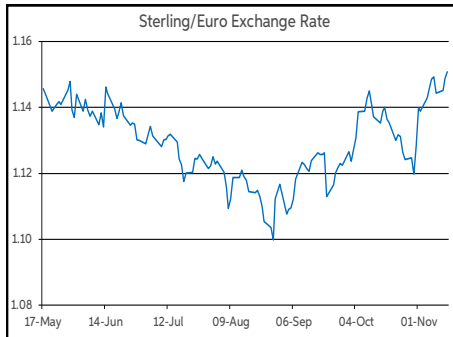
EUR/GBP	0.8686
EUR/USD	1.1286
EUR/JPY	128.53
EUR/SEK	10.2243
EUR/DKK	7.4617
EUR/NOK	9.5868
EUR/CHF	1.1366
EUR/AUD	1.5643
EUR/HKD	8.8395
EUR/CAD	1.4944

## Sterling

GBP/EUR	1.1509
GBP/USD	1.2993
GBP/CAD	1.7198
GBP/NZD	1.9155
GBP/JPY	147.94
GBP/SEK	11.7713
GBP/DKK	8.5896
GBP/NOK	11.0367
GBP/CHF	1.3082
GBP/AUD	1.8008

## Dollar

USD/JPY	113.86
USD/CAD	1.3239
USD/CHF	1.0067
USD/CNY	6.9488
USD/BRL	3.8031
USD/RUB	68.025
USD/INR	72.125
AUD/USD	0.7214
NZD/USD	0.678



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 17
<b>10 Year Yield %</b>				
US	3.14	-4	-2	+74
Germany	0.41	+2	-8	-1
UK	1.52	+8	-9	+33
Ireland	0.96	+0	-4	N/A
Belgium	0.83	+1	-4	+22
France	0.77	+1	-7	-0
Italy	3.43	+1	-1	+144
Spain	1.59	+2	-4	+5
Portugal	1.93	+0	+0	+4
Greece	4.41	+4	+17	+36
<b>5 Year Swap %</b>				
US	3.10	-7	-4	+85
Eurozone	0.34	-2	-7	+2
UK	1.45	+3	-2	+42
<b>2 Year Swap %</b>				
US	3.05	-6	-0	+97
Eurozone	-0.12	-1	-3	+2
UK	1.20	+1	+3	+40
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	56	-2	+4	N/A
Belgium	42	-1	+4	+23
France	37	-1	+1	+1
Italy	303	-1	+7	+145
Spain	119	-0	+4	+7
Portugal	153	-2	+8	+5
Greece	400	+1	+25	+38

Commodities				
	Close	% Change		
		Day	4 Weeks	End 17
Brent Oil	65.47	-6.63	-19.58	-2.09
West Texas Oil	55.63	-7.05	-22.66	-7.99
CRB - All Commodity	184.54	-1.84	-7.60	-4.81
CRB - Food	330.18	-2.23	-2.78	-1.74
Gold \$	1202.7	+0.17	-1.80	-7.67

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