

Euro firms on GDP data

There was a cautious tone to financial market sentiment yesterday. This was reflected in the performance of equities on the day. The Euro Stoxx 50 fell by 0.5%, while in the US, the S&P 500 was modestly lower (0.2%). This may partly reflect weaker oil prices, with Brent back down near \$62 a barrel.

On the currency front, the euro adopted a firmer tone yesterday. It benefitted from further strong macro data from the Eurozone economy. German GDP grew by a stronger than expected 0.8% q/q in Q3 (f'cast 0.6%). Italian GDP also surprised to the upside (+0.5% vs f'cast 0.4%), with the economy on course for its best performance in seven years. Meanwhile, Eurozone Q3 GDP was left unrevised at +0.6% q/q, with strong yearly growth of 2.5%. Elsewhere, the dollar was out of favour on the exchanges. This reflects, in part, on-going uncertainty in relation to US tax reforms.

In level terms, the firmer euro and softer dollar saw EUR/USD gain over 1% on the day. The pair opens this morning just above \$1.18. EUR/GBP has moved into the upper half of the 89-90p band. Meantime, cable (GBP/USD) is trading up around \$1.317.

There will be plenty of data releases to interest markets in the day ahead. This includes a raft of UK labour market data for Q3, including unemployment, employment and earnings. With the latter two metrics predicted to soften, the data may act as somewhat of a headwind to sterling.

Dollar-wise, US retail sales are forecast to have been flat in October, although given September's sharp hurricane aftermath inspired 1.6% jump, a surprise result cannot be ruled out. Thus, there may be some two-way risk to the US currency from the data.

Dara Turnbull, Economist, AIB

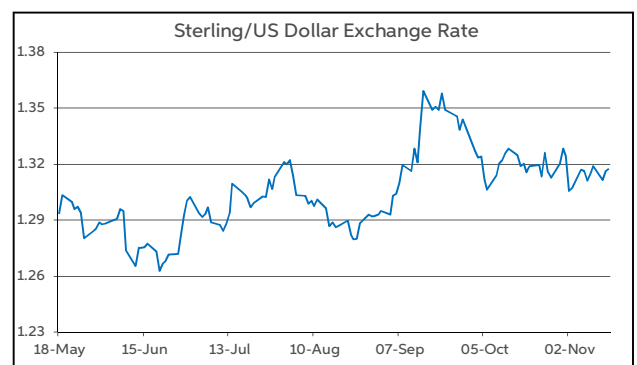
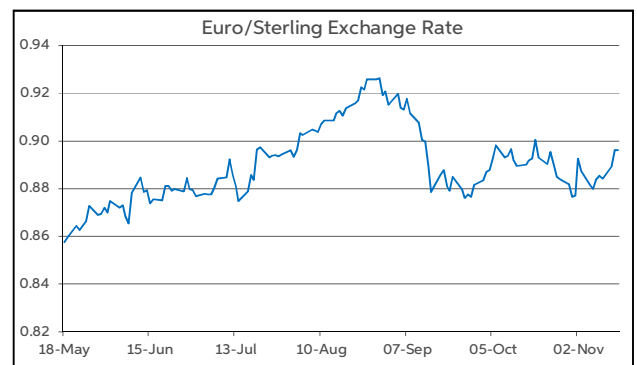
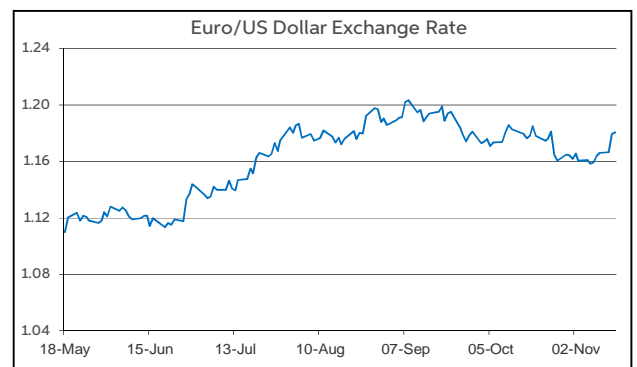
Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	1.125	1.26	1.42	1.89	1.87	2.08
EUR	0.00	-0.37	-0.33	-0.19	-0.19	0.21
GBP	0.50	0.50	0.53	0.78	0.82	1.09

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2016 to Date	
Dow Jones	23409.47	-0.13	+18.45	
S&P 500	2578.87	-0.23	+15.19	
FTSE 100	7414.42	-0.01	+3.80	
DJ Stoxx 50	3556.38	-0.51	+8.08	
ISEQ	6758.21	-0.45	+3.70	
Nikkei	22028.32	-1.57	+15.24	

Today's Opening Rates			
		% Change	
		Day *	End 2016
EUR/USD	1.1808	1.17	12.32
EUR/GBP	0.8964	0.74	5.24
GBP/USD	1.3171	0.42	6.77
GBP/EUR	1.1153	-0.74	-4.98
USD/JPY	112.93	-0.62	-3.37
EUR/JPY	133.36	0.54	8.30

* 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

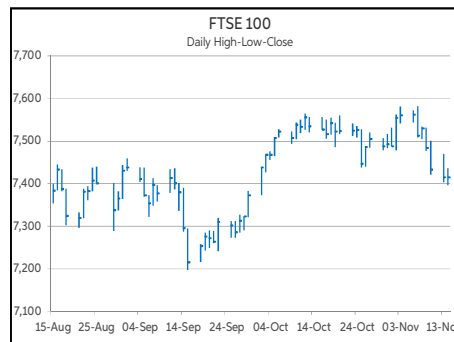
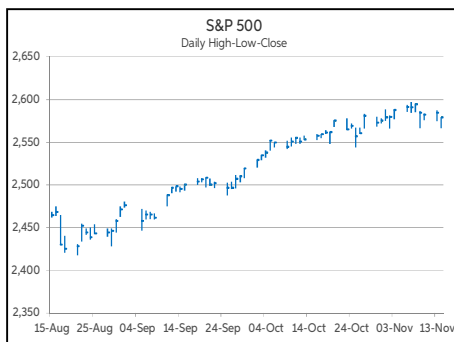
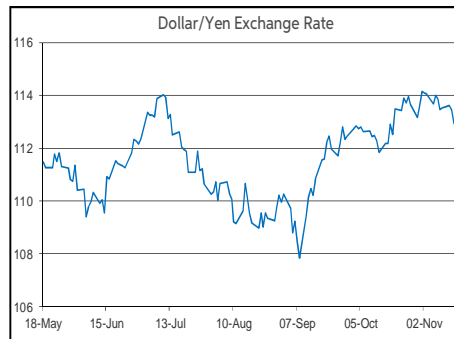
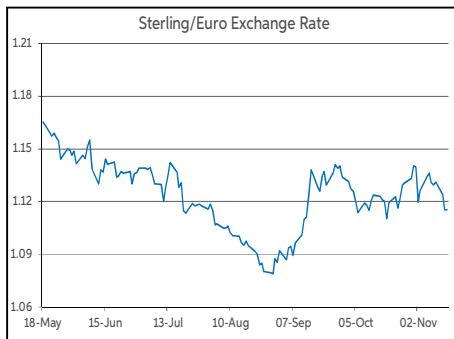
FX Spot	Karl Cooke Shane Gargan Adrian Flanagan Enda Homan	FX Options	Mark Tuite Lenny Hogan	Reuters Phone	AIB 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

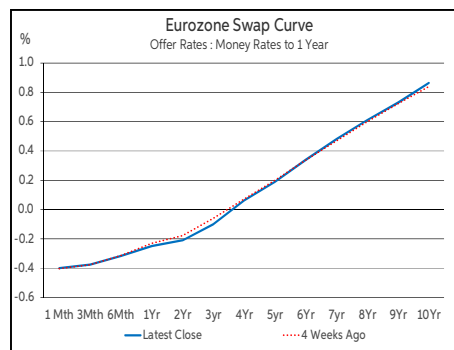
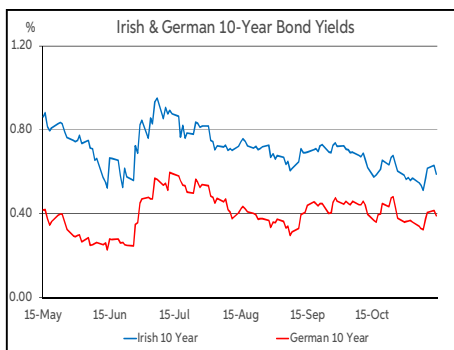
Wednesday 15 November 2017
07:31 am



Euro		Sterling		Dollar	
EUR/GBP	0.8964	GBP/EUR	1.1153	USD/JPY	112.93
EUR/USD	1.1808	GBP/USD	1.3171	USD/CAD	1.2717
EUR/JPY	133.36	GBP/CAD	1.6754	USD/CHF	0.9873
EUR/SEK	9.9102	GBP/NZD	1.9152	USD/CNY	6.6333
EUR/DKK	7.4409	GBP/JPY	148.74	USD/BRL	3.3132
EUR/NOK	9.6546	GBP/SEK	11.0497	USD/RUB	60.285
EUR/CHF	1.1662	GBP/DKK	8.3	USD/INR	65.3225
EUR/AUD	1.5572	GBP/NOK	10.7669	AUD/USD	0.758
EUR/HKD	9.2142	GBP/CHF	1.3008	NZD/USD	0.6875
EUR/CAD	1.5014	GBP/AUD	1.737		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 16
10 Year Yield %				
US	2.37	-3	+7	-7
Germany	0.39	-2	+3	+19
UK	1.31	-1	+4	+8
Ireland				
Ireland	0.59	-4	+0	-16
Belgium	0.60	-2	-2	+9
France	0.75	-2	-1	+8
Italy	1.82	-1	-17	+1
Spain	1.52	+0	-2	+15
Portugal	1.94	-2	-34	-179
Greece	5.03	+4	-35	-184
5 Year Swap %				
US	2.08	-5	+5	+12
Eurozone	0.19	-4	-1	+11
UK	1.08	-2	+4	+20
2 Year Swap %				
US	1.84	-4	+4	+40
Eurozone	-0.21	-3	-3	-5
UK	0.82	-2	-0	+22
10 Year Government Bond Spreads to Benchmark bps				
Ireland	20	-2	-3	-35
Belgium	21	+1	-6	-11
France	36	+1	-4	-12
Italy	143	+2	-20	-18
Spain	113	+2	-5	-4
Portugal	155	+1	-37	-198
Greece	464	+6	-38	-204



Commodities				
	% Change			
	Close	Day	4 Weeks	End 16
Brent Oil	62.21	-1.50	+7.48	+9.49
West Texas Oil	55.67	-1.94	+7.33	+3.57
CRB - All Commodity	189.06	-1.25	+2.61	-1.79
CRB - Food	346.64	-0.87	+0.89	+2.33
Gold \$	1280.8	+0.19	-0.37	+11.16

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