

Uneventful 24 hours on the currency front

Investor sentiment remained in cautious mode yesterday. The ongoing uncertainty surrounding US tax reforms, as well as further falls in oil prices, weighed on risk appetite. The restrained tone was evident on equity markets. The Euro Stoxx 50 finished the European session with a modest 0.3% fall. Meantime, at the closing bell on Wall Street last night, the S&P 500 was flat on the day.

Data-wise, there was a busy flow of releases yesterday. In the UK, we got a raft of labour market updates with a mixed picture being painted by the data. Employment unexpectedly fell in Q3 (by -14k), while headline wage growth remained muted at 2.2% y/y in the quarter (2.1% in Q2). On the plus side, the unemployment rate held at its 42-year low of 4.3%. In the US, retail sales rose unexpectedly in October, registering a 0.2% monthly increase (vs. 0% f'cast). Meanwhile, core CPI inflation for October printed slightly ahead of expectations with a 1.8% reading.

From a currency perspective, the packed data calendar did not have any lasting impact on the main pairs. While sterling briefly traded lower in the immediate aftermath of the labour market data, reflected in EUR/GBP testing up at 90p, the pair subsequently edged back to near where it started the day, close to 89.5p. Likewise, the EUR/USD cross had a short-lived spell up at \$1.185 before trading back down towards the \$1.18 mark. Elsewhere, cable has continued to trade within the \$1.31-1.32 band over the past 24 hours.

Ahead today, the macro calendar has a quieter agenda. The main highlights being UK retail sales (Oct) and US industrial production (Oct). A speech by BoE Governor Carney provides some event risk for sterling. Overall though, today's diary may not have much directional impact/influence on the main FX pairs.

John Fahey, Senior Economist, AIB

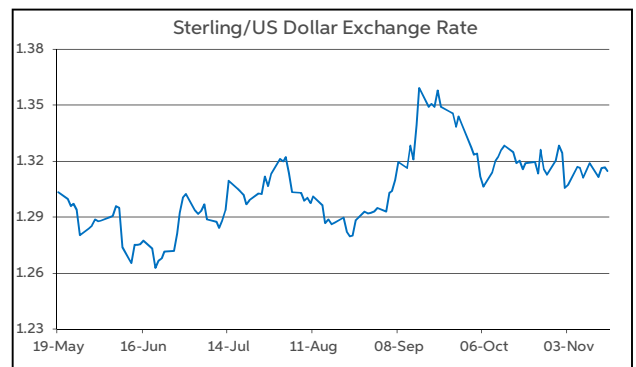
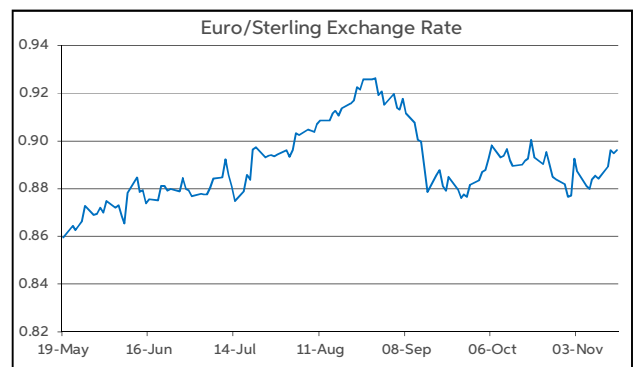
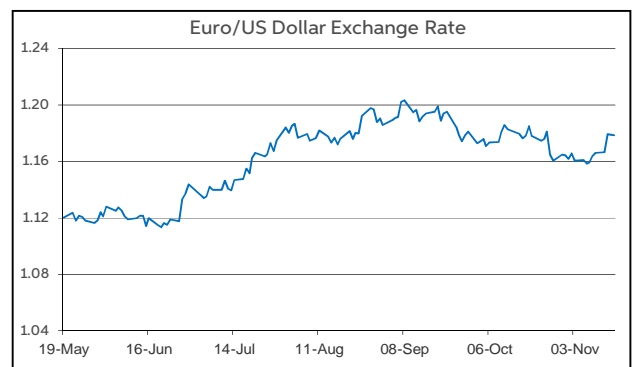
Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	1.125	1.27	1.42	1.89	1.86	2.09
EUR	0.00	-0.37	-0.33	-0.19	-0.18	0.21
GBP	0.50	0.50	0.53	0.78	0.83	1.07

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2016 to Date	
Dow Jones	23409.47	+0.00	+18.45	
S&P 500	2578.87	+0.00	+15.19	
FTSE 100	7372.61	-0.56	+3.22	
DJ Stoxx 50	3545.72	-0.30	+7.76	
ISEQ	6724.27	-0.50	+3.18	
Nikkei	22351.12	+1.47	+16.93	

Today's Opening Rates			
		% Change	
		Day *	End 2016
EUR/USD	1.1783	-0.03	12.08
EUR/GBP	0.8961	-0.10	5.20
GBP/USD	1.3148	0.08	6.58
GBP/EUR	1.1155	0.10	-4.94
USD/JPY	113.17	0.00	-3.17
EUR/JPY	133.38	-0.01	8.32

* 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

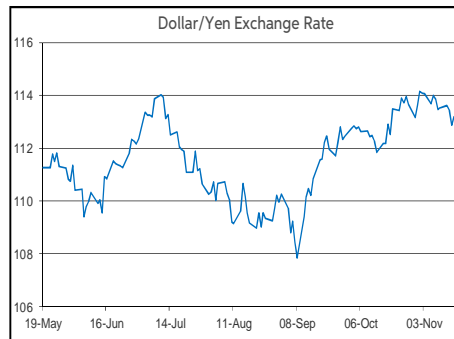
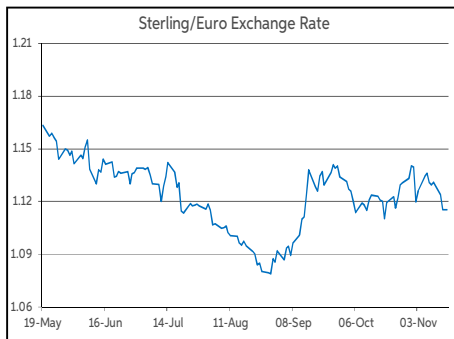
FX Spot	Karl Cooke Shane Gargan Adrian Flanagan Enda Homan	FX Options	Mark Tuite Lenny Hogan	Reuters Phone	AIB 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

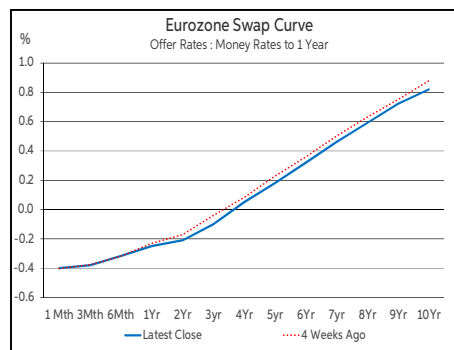
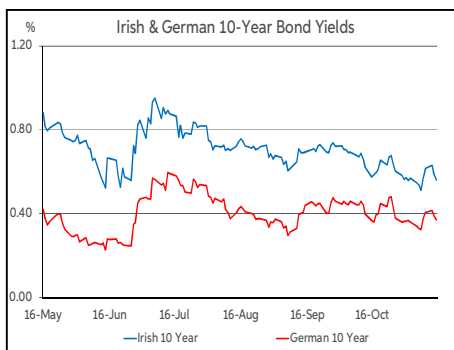
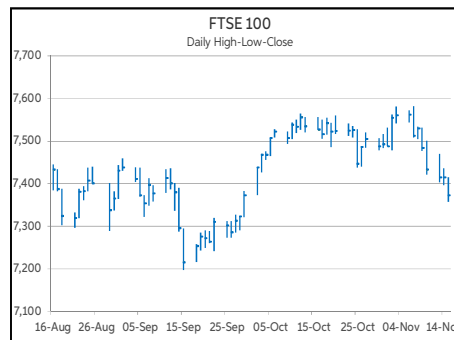
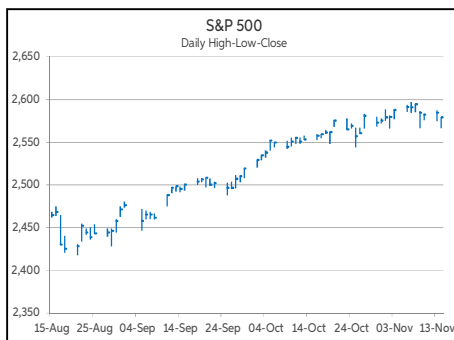
Thursday 16 November 2017
07:29 am



Euro		Sterling		Dollar	
EUR/GBP	0.8961	GBP/EUR	1.1155	USD/JPY	113.17
EUR/USD	1.1783	GBP/USD	1.3148	USD/CAD	1.2771
EUR/JPY	133.38	GBP/CAD	1.6795	USD/CHF	0.99
EUR/SEK	9.9285	GBP/NZD	1.9183	USD/CNY	6.6333
EUR/DKK	7.4425	GBP/JPY	148.8	USD/BRL	3.3132
EUR/NOK	9.7011	GBP/SEK	11.0775	USD/RUB	60.0405
EUR/CHF	1.1667	GBP/DKK	8.3016	USD/INR	65.315
EUR/AUD	1.5531	GBP/NOK	10.8239	AUD/USD	0.7587
EUR/HKD	9.2007	GBP/CHF	1.3018	NZD/USD	0.6852
EUR/CAD	1.5054	GBP/AUD	1.7323		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 16
10 Year Yield %				
US	2.37	-3	+3	-7
Germany	0.37	-2	-2	+17
UK	1.29	-3	-3	+5
5 Year Swap %				
US	2.06	-6	+0	+11
Eurozone	0.18	-4	-5	+10
UK	1.06	-3	-2	+18
2 Year Swap %				
US	1.84	-4	+4	+40
Eurozone	-0.21	-3	-4	-5
UK	0.81	-2	-2	+21
10 Year Government Bond Spreads to Benchmark bps				
Ireland	19	-1	-1	-36
Belgium	21	+0	-5	-10
France	36	+0	-4	-11
Italy	146	+3	-18	-15
Spain	116	+4	-6	-1
Portugal	158	+3	-34	-195
Greece	466	+6	-39	-202



Commodities				
	Close	% Change		
		Day	4 Weeks	End 16
Brent Oil	62.21	-1.50	+6.98	+9.49
West Texas Oil	55.67	-1.94	+6.95	+3.57
CRB - All Commodity	189.06	-1.25	+2.75	-1.79
CRB - Food	346.64	-0.87	+0.80	+2.33
Gold \$	1279.1	-0.13	-0.19	+11.01

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