

More upbeat tone to markets

There was a more upbeat tone to investor sentiment yesterday. This was evidenced by the Euro Stoxx 50 rising by 0.5%, its first increase in seven days. The equity index is down 3.5% since the start of last week. In the US, the S&P 500 recorded a 0.8% increase. Meantime, oil prices declined further (Brent near \$61 a barrel).

There were no major surprises from the yesterday's macro data releases. UK retail sales data for October were slightly better than expected (+0.3% vs f'cast +0.1%). Although, they did show year-on-year sales growth turn negative. In the US, industrial production grew more strongly than had been expected in October (0.9%; f'cast 0.5%), due to a strong rise in manufacturing, which could be due to a post-storm season 'rebound'.

Overall though, the macro data had little impact on the main FX pairs. The euro did struggle somewhat yesterday, though, giving back some of its gains from earlier in the week. Elsewhere, the dollar has adopted a softer tone overnight with headlines concerning the Trump Administration weighing somewhat on the dollar.

Cable (GBP/USD) opens this morning up near \$1.325, while EUR/GBP has moved back down to the 89p mark. Meantime, EUR/USD is broadly unchanged, trading close to the \$1.18 level.

In the day ahead, there is a very sparse data calendar on both sides of the Atlantic. Indeed, US housing starts figures for October are the only release of note. A policy speech from ECB President Draghi this morning may be of some interest to euro watchers. Overall though, given the lack of major data/events, we could see the main FX pairs continue to trade with narrow ranges as we head into the weekend.

Dara Turnbull, Economist, AIB

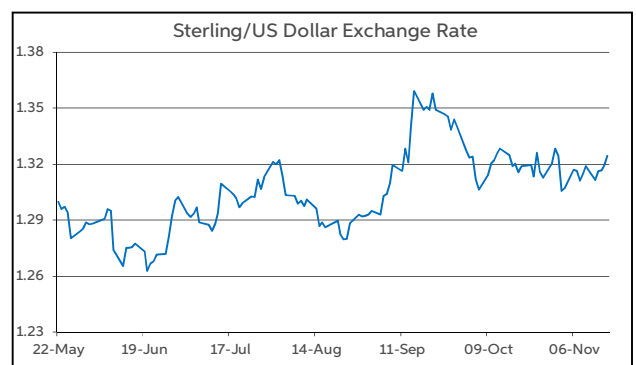
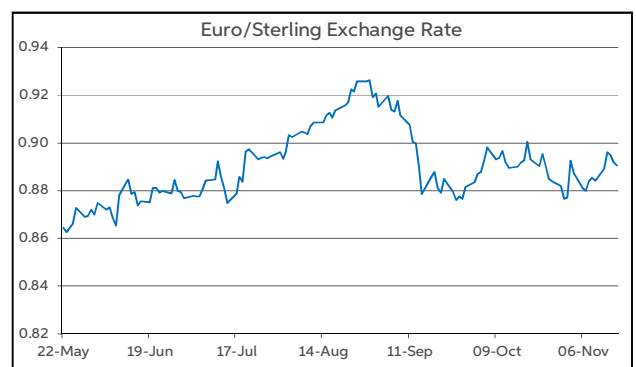
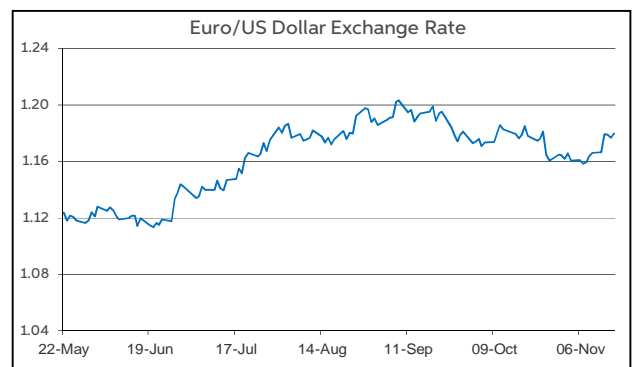
Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	1.125	1.28	1.44	1.90	1.89	2.12
EUR	0.00	-0.37	-0.33	-0.19	-0.18	0.21
GBP	0.50	0.49	0.53	0.78	0.84	1.09

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2016 to Date	
Dow Jones	23458.36	+0.80	+18.70	
S&P 500	2585.64	+0.82	+15.49	
FTSE 100	7386.94	+0.19	+3.42	
DJ Stoxx 50	3564.8	+0.54	+8.34	
ISEQ	6839.53	+1.71	+4.95	
Nikkei	22396.8	+0.20	+17.17	

Today's Opening Rates			
		% Change	
		Day *	End 2016
EUR/USD	1.1797	0.15	12.21
EUR/GBP	0.8908	-0.37	4.58
GBP/USD	1.3239	0.53	7.32
GBP/EUR	1.1221	0.37	-4.38
USD/JPY	112.6	-0.42	-3.65
EUR/JPY	132.82	-0.28	7.86

* 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

Friday 17 November 2017
07:30 am



Euro

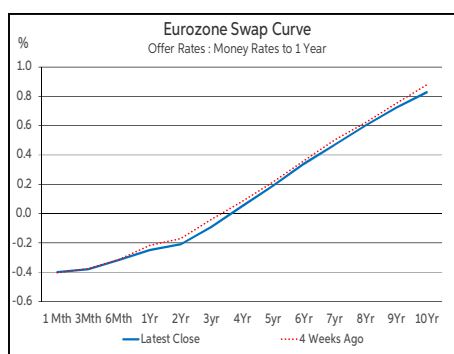
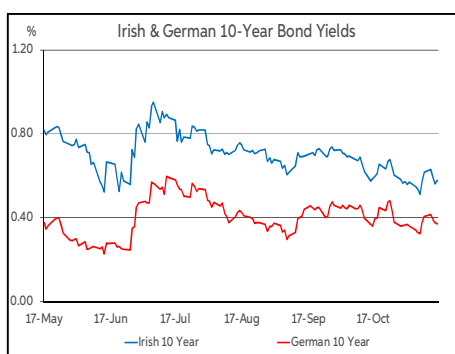
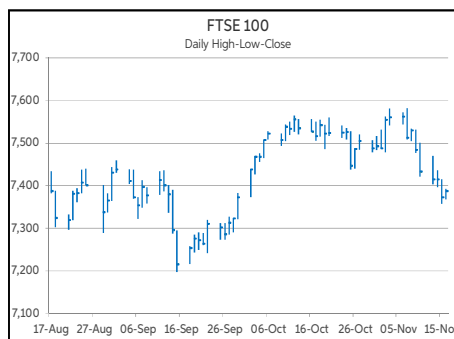
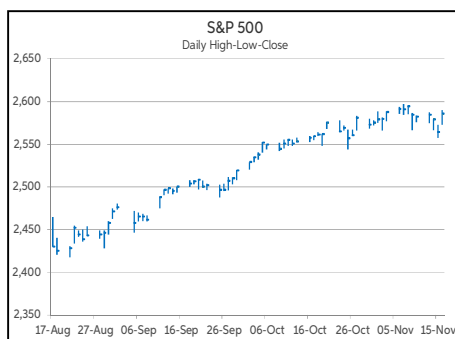
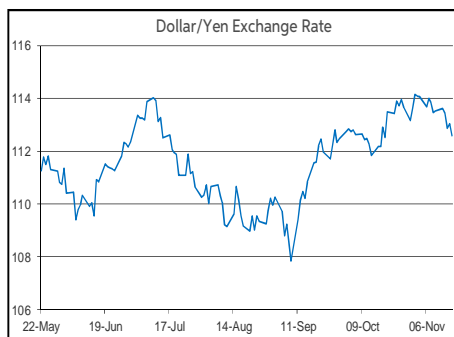
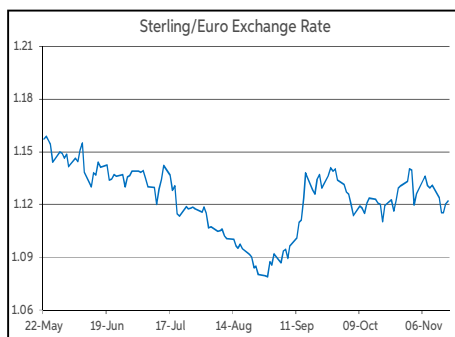
EUR/GBP	0.891
EUR/USD	1.1795
EUR/JPY	132.81
EUR/SEK	9.9045
EUR/DKK	7.4416
EUR/NOK	9.6807
EUR/CHF	1.1708
EUR/AUD	1.5602
EUR/HKD	9.213
EUR/CAD	1.5038

Sterling

GBP/EUR	1.1223
GBP/USD	1.3239
GBP/CAD	1.6877
GBP/NZD	1.9387
GBP/JPY	149.04
GBP/SEK	11.1111
GBP/DKK	8.3502
GBP/NOK	10.8658
GBP/CHF	1.3141
GBP/AUD	1.751

Dollar

USD/JPY	112.58
USD/CAD	1.2748
USD/CHF	0.9924
USD/CNY	6.6316
USD/BRL	3.2739
USD/RUB	59.6785
USD/INR	64.905
AUD/USD	0.756
NZD/USD	0.6826



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 16
10 Year Yield %				
US	2.37	+5	+6	-7
Germany	0.37	-1	-3	+17
UK	1.30	+2	+3	+7
5 Year Swap %				
US	2.11	+4	+9	+16
Eurozone	0.19	-2	-3	+11
UK	1.08	+2	+4	+20
2 Year Swap %				
US	1.85	-1	+7	+41
Eurozone	-0.21	-3	-4	-5
UK	0.83	+1	+3	+23
10 Year Government Bond Spreads to Benchmark bps				
Ireland	21	+2	-1	-34
Belgium	20	-0	-6	-11
France	35	-0	-4	-12
Italy	146	+1	-16	-15
Spain	116	-0	-7	-2
Portugal	158	+0	-30	-195
Greece	474	+8	-36	-194

Commodities				
	Close	% Change		
		Day	4 Weeks	End 16
Brent Oil	61.36	-0.82	+7.22	+7.99
West Texas Oil	55.14	-0.25	+7.51	+2.59
CRB - All Commodity	188.25	-0.21	+2.27	-2.22
CRB - Food	344.62	-1.43	-0.07	+1.73
Gold \$	1278.5	-0.05	-0.90	+10.96

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