

Sterling starts the month on the front foot.

Sterling had a strong start to the month yesterday. The currency managed to build on its upward momentum from the previous day. Positive headlines in relation to Brexit (unconfirmed reports regarding progress on a UK/EU financial services deal) coincided with the firmer tone to sterling. Meanwhile, a hawkish tone from the BoE's November policy meeting/Inflation report also provided a supportive backdrop. As a result, the downside surprise from the manufacturing PMI for October got minimal attention from a currency viewpoint.

Elsewhere yesterday on the datafront, the only other release of any note was in the US, with the manufacturing ISM for October out. In contrast to the recent US macro trend, the survey missed to the downside of expectations. Although, it remained at a level consistent with solid growth for the sector. The data was somewhat unhelpful to the dollar.

In level terms, the firmer tone to sterling is reflected in EUR/GBP opening this morning below the 88p mark and GBP/USD trading up at the \$1.30 level. Meanwhile, the EUR/USD pair was steadily moving higher yesterday and this has continued overnight amid reports of an easing in trade tensions between the US and China. The pair has regained the \$1.14 threshold.

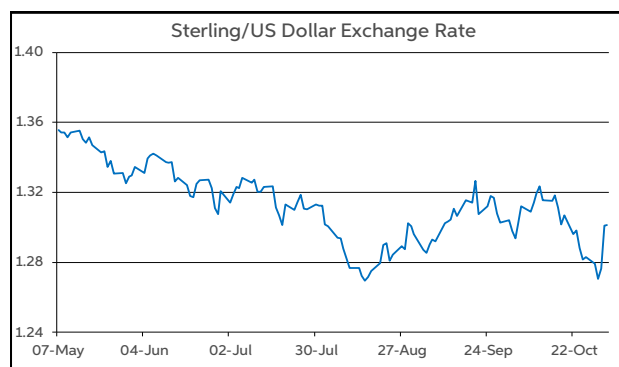
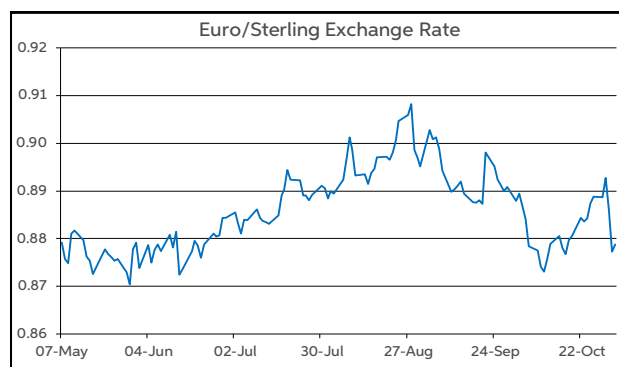
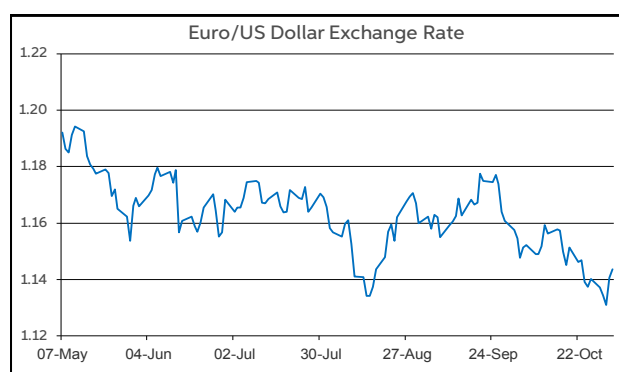
Ahead today, the focus from a data perspective will be on the US with the payrolls figures for October due along with a raft of other labour market updates (unemployment rate, earnings). Overall, the data is expected to provide further evidence that the US labour market, and in turn the economy, continues to perform strongly. Given that this is expected, unless there is some surprise results the impact on the dollar may be limited. Meantime, sterling remains reactive to Brexit related headlines.

John Fahey, Senior Economist, AIB

Today's Opening Rates			
		% Change	
		Day *	End 2017
EUR/USD	1.1435	0.84	-4.68
EUR/GBP	0.8787	-0.44	-1.08
GBP/USD	1.3011	1.28	-3.71
GBP/EUR	1.1375	0.44	1.09
USD/JPY	113	0.09	0.29
EUR/JPY	129.23	0.91	-4.40

* 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	2.58	3.10	3.08	3.13
EUR	0.00	-0.37	-0.32	-0.15	-0.10	0.38
GBP	0.75	0.73	0.83	1.09	1.16	1.40

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2017 to Date	
Dow Jones	25380.74	+1.06	+2.68	
S&P 500	2740.37	+1.06	+2.50	
FTSE 100	7114.66	-0.19	-7.45	
DJ Stoxx 50	3204.21	+0.21	-8.55	
ISEQ	6156.39	+0.14	-12.53	
Nikkei	22243.66	+2.56	-2.29	

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

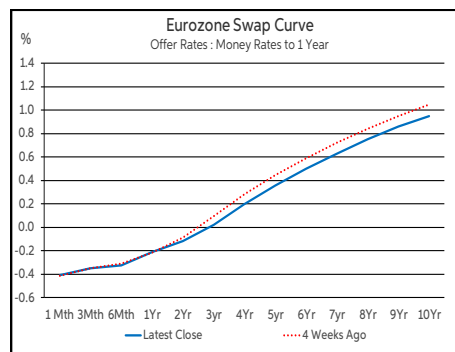
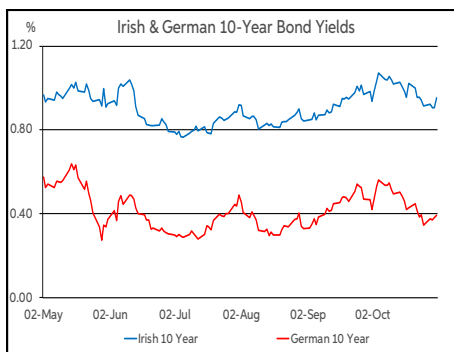
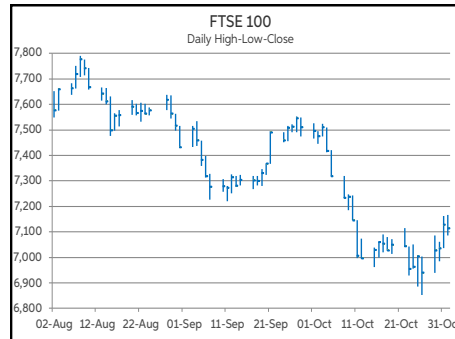
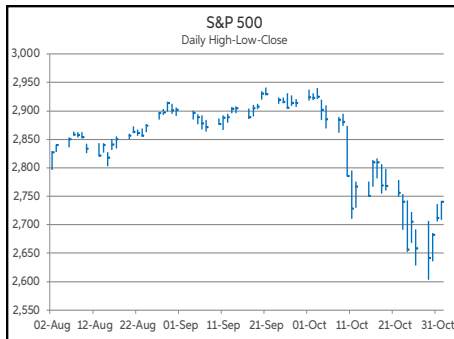
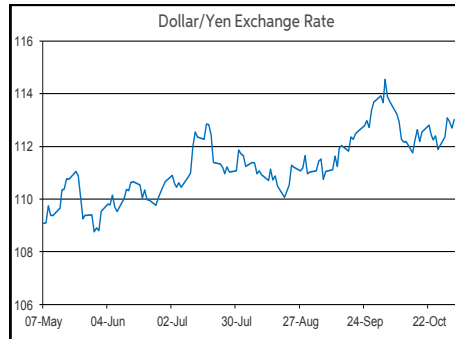
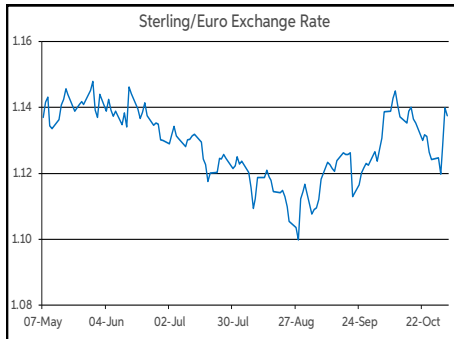
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite Lenny Hogan	Reuters Phone	AIB 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

Friday 02 November 2018
07:20 am



Euro		Sterling		Dollar	
EUR/GBP	0.8787	GBP/EUR	1.1375	USD/JPY	113
EUR/USD	1.1435	GBP/USD	1.3011	USD/CAD	1.3057
EUR/JPY	129.23	GBP/CAD	1.699	USD/CHF	1.0009
EUR/SEK	10.2975	GBP/NZD	1.9498	USD/CNY	6.89
EUR/DKK	7.4598	GBP/JPY	147.04	USD/BRL	3.6966
EUR/NOK	9.5083	GBP/SEK	11.7114	USD/RUB	65.5361
EUR/CHF	1.1448	GBP/DKK	8.4874	USD/INR	72.6575
EUR/AUD	1.5795	GBP/NOK	10.8184	AUD/USD	0.724
EUR/HKD	8.9606	GBP/CHF	1.3022	NZD/USD	0.667
EUR/CAD	1.4932	GBP/AUD	1.7967		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 17
10 Year Yield %				
US	3.13	-2	-5	+73
Germany	0.39	+1	-14	-3
UK	1.44	+1	-23	+26
Ireland	0.95	+5	-8	N/A
Belgium	0.78	+2	-11	+17
France	0.75	+1	-11	-2
Italy	3.36	-4	+4	+137
Spain	1.53	+1	-2	-1
Portugal	1.86	+1	-4	-3
Greece	4.18	-2	-26	+13
5 Year Swap %				
US	3.09	-1	-6	+85
Eurozone	0.35	-0	-9	+4
UK	1.39	+0	-12	+36
2 Year Swap %				
US	3.02	-2	+0	+94
Eurozone	-0.12	-1	-3	+2
UK	1.15	+2	-3	+35
10 Year Government Bond Spreads to Benchmark bps				
Ireland	56	+4	+6	N/A
Belgium	39	+1	+3	+19
France	36	-1	+3	+0
Italy	297	-5	+18	+140
Spain	114	-1	+12	+2
Portugal	147	+0	+10	-0
Greece	378	-3	-12	+16

Commodities				
	Close	% Change		
		Day	4 Weeks	End 17
Brent Oil	72.89	-3.42	-13.82	+9.00
West Texas Oil	63.67	-2.51	-14.47	+5.31
CRB - All Commodity	191.64	+0.35	-3.59	-1.15
CRB - Food	338.67	+2.27	+0.21	+0.78
Gold \$	1233.7	+1.54	+2.80	-5.29

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