

## Busy week ahead in the Eurozone

The dollar struggled somewhat last week, not helped by Trump related headlines and some scepticism over US tax reform. The euro adopted a firmer tone, aided by data which showed that growth in the currency bloc remained strong. Meanwhile, there was muted sterling reaction to a busy week of UK data releases.

Overnight, though, the euro has given back some of its gains, as markets react to the news that German government coalition talks have collapsed. This means that EUR/USD is trading back below \$1.18, near \$1.175. The EUR/GBP pair has moved below the 89p mark. Meantime, GBP/USD is changing hands close to \$1.323.

This week, much of the focus from a data perspective will be on the Eurozone. The calendar features several key survey releases for November. This includes flash PMIs, EC consumer confidence and the German Ifo. Overall, the indices look set to indicate that Eurozone growth has maintained a strong pace. This may help to support the euro. Although, given the weekend's developments, the currency may remain sensitive to German political newsflow.

In the UK, we get the second reading of Q3 GDP (no revision on 0.4% q/q expected), which includes a first look at the expenditure breakdown of growth. Markets will be looking for further indications of the impact Brexit uncertainty is having on the economy. Thus, there may be some sterling sensitivity to the data. Chancellor Hammond will present the UK Budget on Wednesday. He is likely to continue to prioritise reducing the budget deficit.

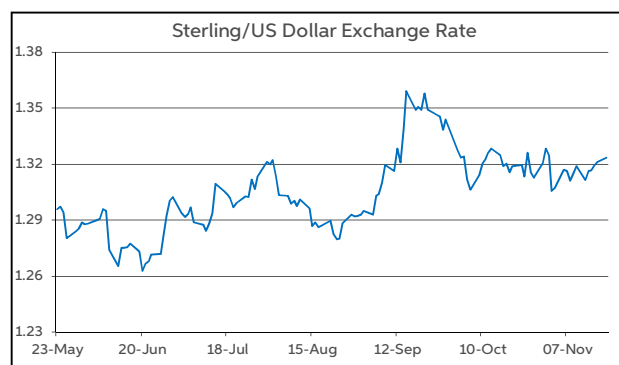
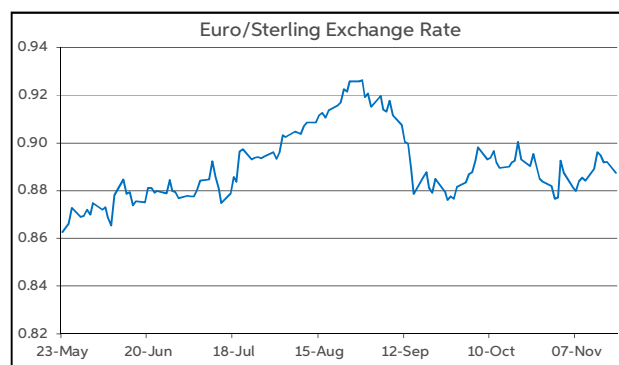
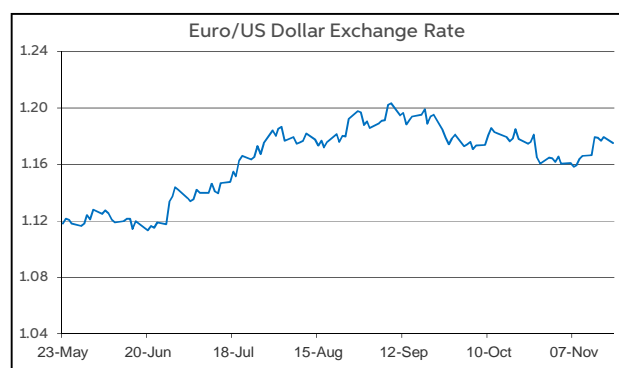
There is a relatively light schedule in a shortened US week, with Thanksgiving on Thursday. The November flash PMIs are the main release. The dollar could remain sensitive to US political newsflow, though, in the coming days.

**Dara Turnbull, Economist, AIB**

Today's Opening Rates			
		% Change	
		Day *	End 2016
EUR/USD	1.1748	-0.46	11.75
EUR/GBP	0.8876	-0.48	4.20
GBP/USD	1.3231	0.03	7.26
GBP/EUR	1.126	0.48	-4.03
USD/JPY	112.03	-0.48	-4.14
EUR/JPY	131.61	-0.96	6.88

\* 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	1.125	1.29	1.44	1.91	1.87	2.09
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	23358.24	-0.43	+18.19	
S&P 500	2578.85	-0.26	+15.19	
FTSE 100	7380.68	-0.08	+3.33	
DJ Stoxx 50	3547.46	-0.49	+7.81	
ISEQ	6896.27	+0.83	+5.82	
Nikkei	22261.76	-0.60	+16.47	

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

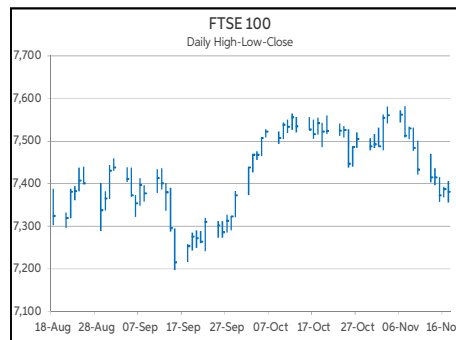
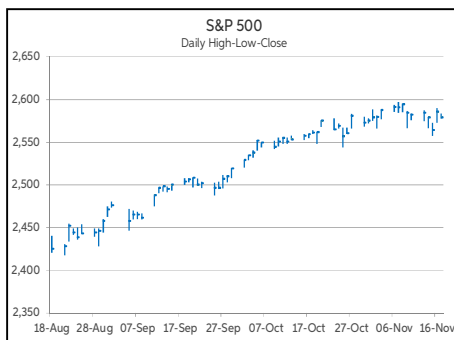
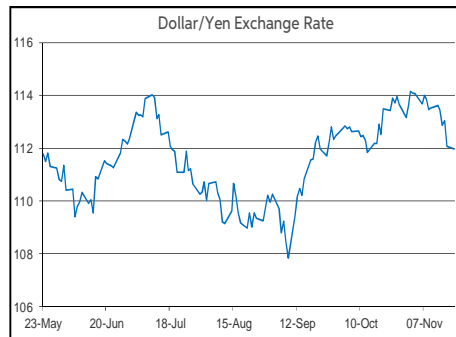
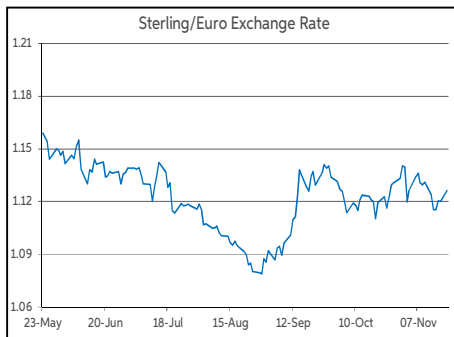
FX Spot	Karl Cooke Shane Gargan Adrian Flanagan Enda Homan	FX Options	Mark Tuite Lenny Hogan	Reuters Phone	AIB 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

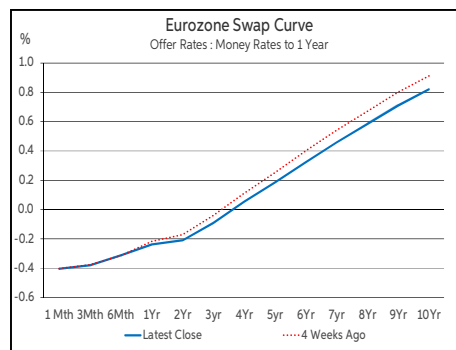
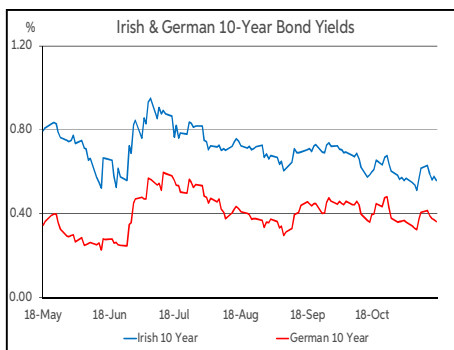
Monday 20 November 2017  
07:35 am



Euro		Sterling		Dollar	
EUR/GBP	0.8877	GBP/EUR	1.1262	USD/JPY	112.03
EUR/USD	1.1746	GBP/USD	1.3233	USD/CAD	1.2777
EUR/JPY	131.62	GBP/CAD	1.6909	USD/CHF	0.9898
EUR/SEK	9.915	GBP/NZD	1.9396	USD/CNY	6.6334
EUR/DKK	7.4409	GBP/JPY	148.25	USD/BRL	3.2573
EUR/NOK	9.6962	GBP/SEK	11.1675	USD/RUB	59.2405
EUR/CHF	1.1627	GBP/DKK	8.381	USD/INR	65.0625
EUR/AUD	1.5537	GBP/NOK	10.9224	AUD/USD	0.756
EUR/HKD	9.1754	GBP/CHF	1.3096	NZD/USD	0.682
EUR/CAD	1.501	GBP/AUD	1.75		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 16
<b>10 Year Yield %</b>				
US	2.34	-3	-4	-10
Germany	0.36	-1	-9	+17
UK	1.30	-0	-3	+7
<b>5 Year Swap %</b>				
US	2.09	-4	+1	+13
Eurozone	0.19	-4	-7	+11
UK	1.07	-1	-2	+20
<b>2 Year Swap %</b>				
US	1.86	-4	+5	+42
Eurozone	-0.21	-3	-4	-5
UK	0.82	-2	-0	+22
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	19	-1	-1	-36
Belgium	20	+0	-5	-11
France	32	-4	-9	-16
Italy	146	+0	-12	-14
Spain	118	+2	-2	+1
Portugal	159	+1	-24	-194
Greece	478	+4	-24	-190



Commodities				
	Close	% Change		
		Day	4 Weeks	End 16
Brent Oil	62.72	+2.22	+8.61	+10.38
West Texas Oil	56.57	+2.59	+9.57	+5.25
CRB - All Commodity	190.39	+1.14	+3.41	-1.10
CRB - Food	344.3	-0.32	-0.39	+1.64
Gold \$	1294.4	+1.24	+1.04	+12.34

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