

Gains for equity markets, subdued FX action

There was a positive tone to investor sentiment yesterday. European equities managed to register gains on the day, despite the political uncertainty emanating from Germany. The Euro Stoxx 50 was up 0.5% as investors took solace from the strong economic backdrop in the region. This 'risk on' tone carried over onto Wall Street, where sentiment was aided in part by oil prices managing to halt their recent slide. At the closing bell last night, the three main US equity indices finished the session at record highs, with the S&P 500 up around 0.7% on the day.

It was another largely uneventful day on the FX front. This was expected as the macro schedule contained little to interest or provide direction. As a result, all the main pairs have spent the last 24 hours in very tight ranges. In level terms, the EUR/USD pair continues to change hands in a narrow range near the midpoint of the \$1.17-1.18 band. Likewise, the EUR/GBP cross remains near the 88.5p mark. Meanwhile, sterling has managed to hold onto its recent firmer tone against the dollar. GBP/USD opens this morning at \$1.325.

Looking ahead to today, the global macro agenda contains some important events. From a sterling perspective, the focus will be on the Budget. Chancellor Hammond is expected to continue to emphasise the commitment to reducing the deficit over the medium term, although some spending increases are expected in areas such as housing and health.

For the euro, the flash reading of the November EC consumer sentiment index is likely to provide another encouraging Q4 indicator for the Eurozone. On the dollar side, the Fed minutes are not expected to contain any surprises, with the market fully pricing in a rate hike in December, consistent with the Fed's guidance.

John Fahey, Senior Economist, AIB

Today's Opening Rates

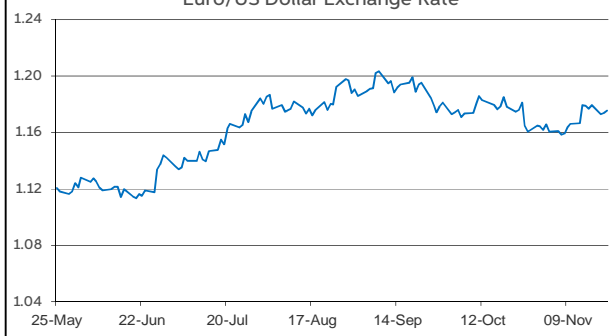
		% Change	
		Day *	End 2016
EUR/USD	1.1755	0.12	11.81
EUR/GBP	0.8872	0.10	4.16
GBP/USD	1.3249	0.02	7.40
GBP/EUR	1.1268	-0.10	-3.99
USD/JPY	112.08	-0.42	-4.10
EUR/JPY	131.78	-0.27	7.02

* v Previous Day's European Open

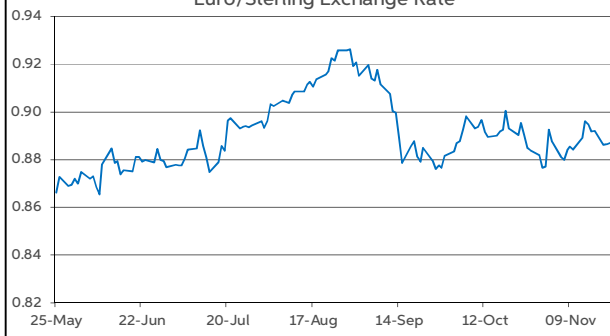
See Next Page for More Rates



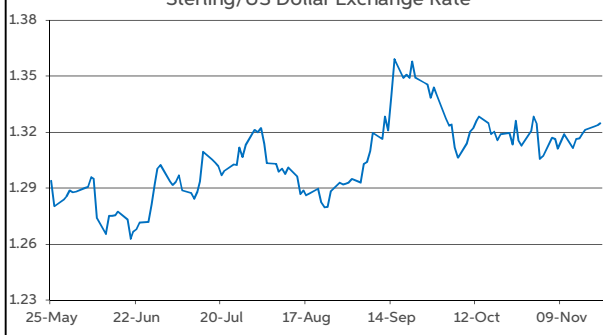
Euro/US Dollar Exchange Rate



Euro/Sterling Exchange Rate



Sterling/US Dollar Exchange Rate



Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	1.125	1.31	1.45	1.93	1.94	2.16
EUR	0.00	-0.37	-0.33	-0.19	-0.18	0.20
GBP	0.50	0.50	0.52	0.77	0.84	1.08

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2016 to Date	
Dow Jones	23590.83	+0.69	+19.37	
S&P 500	2599.03	+0.65	+16.09	
FTSE 100	7411.34	+0.30	+3.76	
DJ Stoxx 50	3579.32	+0.50	+8.78	
ISEQ	6922.38	-0.27	+6.22	
Nikkei	22523.15	+0.48	+17.83	

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

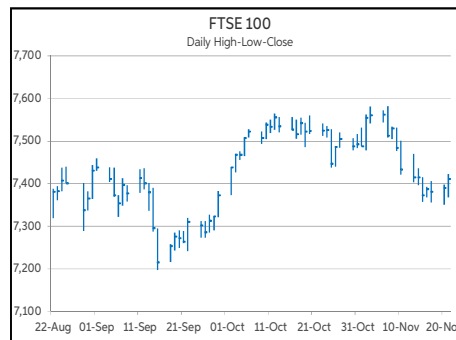
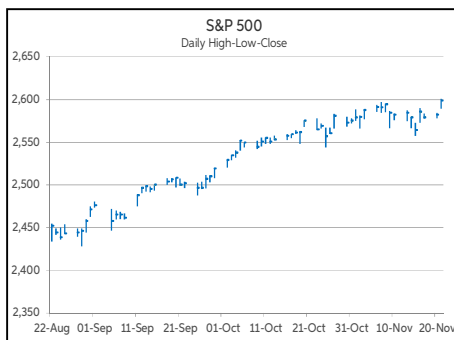
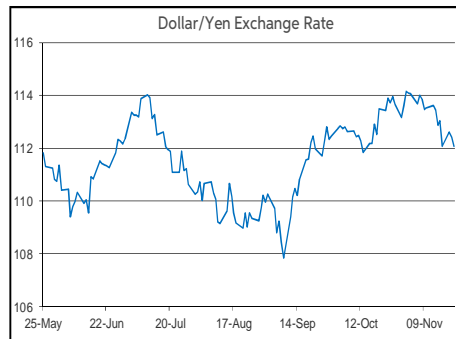
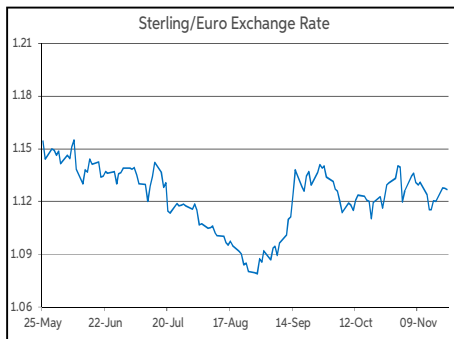
FX Spot	Karl Cooke Shane Gargan Adrian Flanagan Enda Homan	FX Options	Mark Tuite Lenny Hogan	Reuters Phone	AIB 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

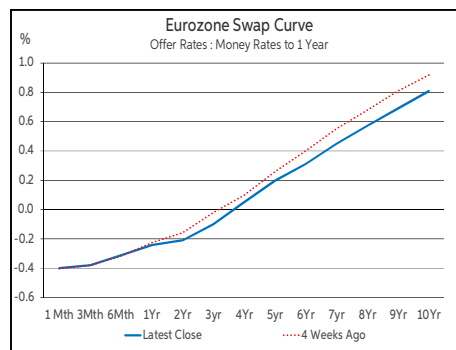
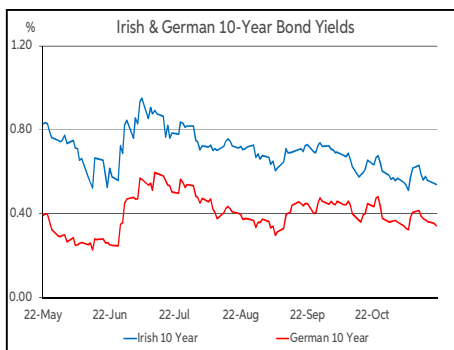
Wednesday 22 November 2017
07:30 am



Euro		Sterling		Dollar	
EUR/GBP	0.8872	GBP/EUR	1.1268	USD/JPY	112.08
EUR/USD	1.1755	GBP/USD	1.3249	USD/CAD	1.2762
EUR/JPY	131.78	GBP/CAD	1.691	USD/CHF	0.9896
EUR/SEK	9.9052	GBP/NZD	1.9379	USD/CNY	6.6192
EUR/DKK	7.4411	GBP/JPY	148.49	USD/BRL	3.2587
EUR/NOK	9.628	GBP/SEK	11.1602	USD/RUB	59.113
EUR/CHF	1.1636	GBP/DKK	8.3851	USD/INR	64.78
EUR/AUD	1.5524	GBP/NOK	10.8524	AUD/USD	0.7568
EUR/HKD	9.1815	GBP/CHF	1.3112	NZD/USD	0.6834
EUR/CAD	1.5002	GBP/AUD	1.7495		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 16
10 Year Yield %				
US	2.36	-1	-6	-9
Germany	0.34	-1	-13	+15
UK	1.27	-2	-8	+3
5 Year Swap %				
US	2.13	-2	+0	+17
Eurozone	0.20	-2	-6	+12
UK	1.07	-1	-2	+19
2 Year Swap %				
US	1.91	-2	+7	+46
Eurozone	-0.21	-3	-5	-5
UK	0.83	-2	+0	+23
10 Year Government Bond Spreads to Benchmark bps				
Ireland	19	+1	-0	-36
Belgium	21	-0	-3	-10
France	29	-4	-11	-18
Italy	143	-2	-15	-18
Spain	112	-2	-5	-5
Portugal	155	-0	-25	-198
Greece	489	+8	-9	-179



Commodities				
	Close	% Change		
		Day	4 Weeks	End 16
Brent Oil	62.57	+0.56	+7.27	+10.12
West Texas Oil	56.84	+1.12	+8.64	+5.75
CRB - All Commodity	189.83	+0.33	+2.16	-1.39
CRB - Food	342.86	+0.58	-1.12	+1.21
Gold \$	1280.6	+0.30	+0.27	+11.14

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