

Sterling regains some ground

There was somewhat of a mixed tone to investor sentiment yesterday. Most of the main European equity markets finished the day either flat or slightly lower. Meantime, on Wall Street, US equities were supported in part by higher oil prices. While the S&P 500 rose only modestly on the day, it managed to close on a new record high. In overnight action, we have seen a much stronger tone to risk appetite with the Nikkei up 1.7%.

In terms of macro newsflow, there was a lack of top tier releases yesterday. The few releases that were out were from the Eurozone. The final Eurozone PMI reading for October were little altered from its flash result, remaining consistent with an economy that maintained strong momentum from the second quarter into the start of Q3. Meanwhile, the first survey reading for the region for November, the Sentix Index of investor sentiment provided further good news for the economy, surprising to the upside of market expectations.

On currency markets, the main pairs traded in relatively short ranges. Of the action that did register, sterling managed to edge higher, recovering some of the ground it lost following last week's dovish reaction by markets to the BoE November meeting.

The firmer sterling tone over the last 24 hours is reflected in EUR/GBP trading down near the 88p mark and GBP/USD regaining the \$1.31 level. Meanwhile, the EUR/USD pair has been straddling the \$1.16 level since yesterday's open.

Looking ahead to today, the global macro agenda remains on the quiet side. As a result, the main macro pairs could continue to trade in narrow ranges over the course of today.

John Fahey, Senior Economist, AIB

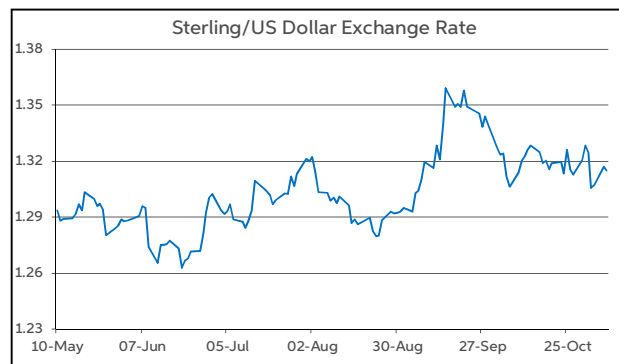
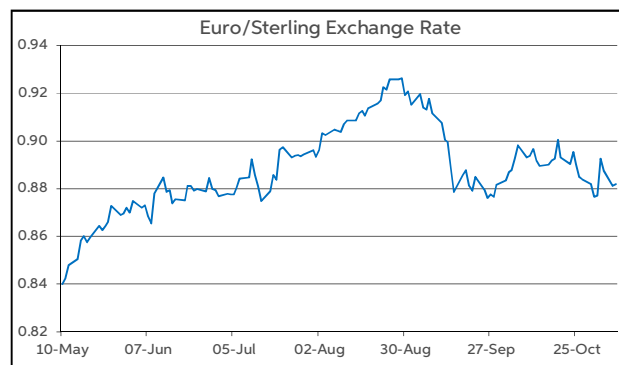
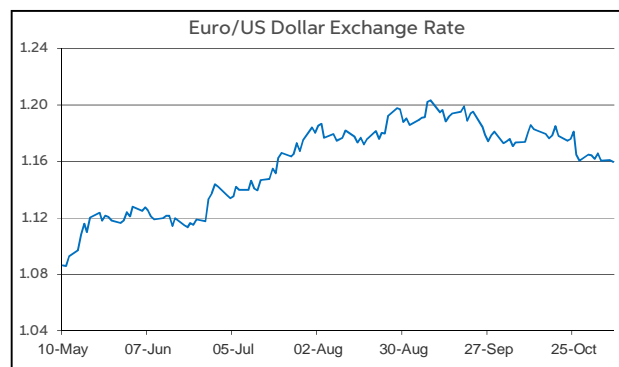
Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	1.125	1.24	1.40	1.86	1.84	2.07
EUR	0.00	-0.37	-0.33	-0.19	-0.19	0.19
GBP	0.50	0.50	0.53	0.77	0.80	1.04

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2016 to Date	
Dow Jones	23548.42	+0.04	+19.16	
S&P 500	2591.13	+0.13	+15.74	
FTSE 100	7562.28	+0.03	+5.87	
DJ Stoxx 50	3682.36	-0.21	+11.91	
ISEQ	6967.47	-0.24	+6.91	
Nikkei	22937.6	+1.73	+20.00	

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

Today's Opening Rates			
		% Change	
		Day *	End 2016
EUR/USD	1.1598	-0.10	10.32
EUR/GBP	0.8817	-0.72	3.51
GBP/USD	1.3149	0.60	6.59
GBP/EUR	1.1334	0.73	-3.39
USD/JPY	114.11	-0.11	-2.36
EUR/JPY	132.36	-0.23	7.49
* v Previous Day's European Open			
See Next Page for More Rates			▶▶▶



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

Tuesday 07 November 2017
07:01 am



Euro

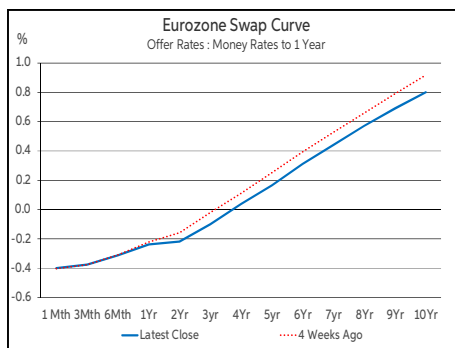
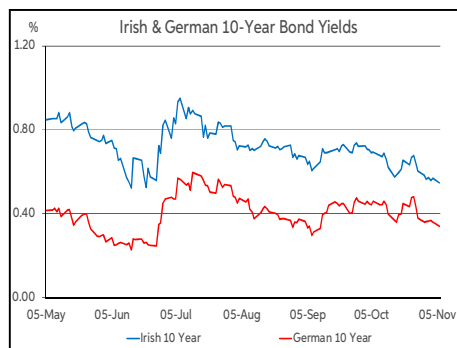
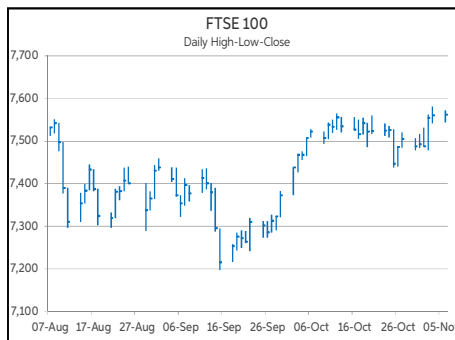
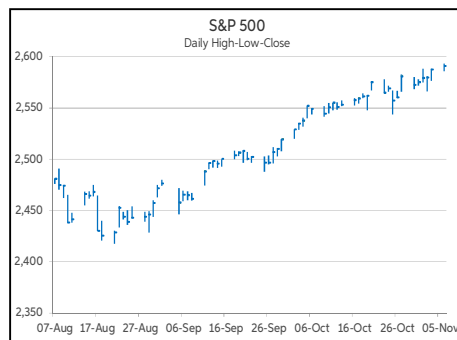
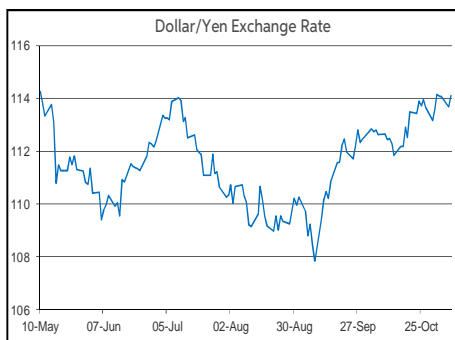
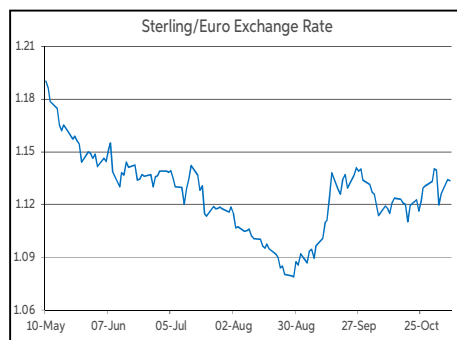
EUR/GBP	0.8817
EUR/USD	1.1598
EUR/JPY	132.36
EUR/SEK	9.7408
EUR/DKK	7.4419
EUR/NOK	9.4295
EUR/CHF	1.1587
EUR/AUD	1.5112
EUR/HKD	9.0483
EUR/CAD	1.4752

Sterling

GBP/EUR	1.1334
GBP/USD	1.3149
GBP/CAD	1.6727
GBP/NZD	1.8987
GBP/JPY	150.04
GBP/SEK	11.0451
GBP/DKK	8.4352
GBP/NOK	10.6925
GBP/CHF	1.3141
GBP/AUD	1.7135

Dollar

USD/JPY	114.11
USD/CAD	1.272
USD/CHF	0.9991
USD/CNY	6.6253
USD/BRL	3.2494
USD/RUB	58.46
USD/INR	64.81
AUD/USD	0.7671
NZD/USD	0.6924



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 16
10 Year Yield %				
US	2.32	-1	-4	-13
Germany	0.34	-2	-10	+14
UK	1.26	-1	-10	+2
Ireland	0.55	-2	-13	-20
Belgium	0.57	-3	-14	+6
France	0.72	-3	-15	+4
Italy	1.77	-2	-40	-4
Spain	1.45	-1	-21	+8
Portugal	1.99	-4	-39	-174
Greece	5.01	-2	-49	-187
5 Year Swap %				
US	2.03	-3	-3	+8
Eurozone	0.17	-5	-9	+9
UK	1.03	-1	-3	+16
2 Year Swap %				
US	1.81	-2	+3	+37
Eurozone	-0.22	-3	-6	-6
UK	0.79	-2	-1	+19
10 Year Government Bond Spreads to Benchmark bps				
Ireland	21	+0	-3	-34
Belgium	23	-1	-3	-8
France	38	-1	-5	-10
Italy	143	+1	-30	-18
Spain	111	+1	-10	-6
Portugal	165	-2	-29	-188
Greece	467	+0	-39	-201

Commodities				
	% Change			
	Close	Day	4 Weeks	End 16
Brent Oil	64.27	+3.54	+15.20	+13.11
West Texas Oil	57.34	+3.07	+15.65	+6.68
CRB - All Commodity	192.57	+1.68	+6.42	+0.03
CRB - Food	347.61	+1.18	+4.13	+2.62
Gold \$	1281.6	+0.90	-0.21	+11.23

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