

Slightly softer tone to dollar

Currency markets spent most of yesterday in pause mode. This was in the main due to participants awaiting the overnight midterm election results from the US. There was also a very sparse data schedule on both sides of the Atlantic. Meanwhile, the UK cabinet meeting, where Brexit was a key topic of discussion, passed off without much incident from a sterling perspective.

Turning to overnight events, the aforementioned US congressional elections were in line with consensus expectations. The Republicans have retained control of the Senate and the Democrats have won a majority of seats in the House of Representatives.

From a dollar perspective, the currency has experienced some volatility and modest downward pressure through the night as the market assimilated the incoming election results. As trading gets underway this morning, the dollar is holding a slightly softer tone compared to 24 hours earlier.

This is reflected in EUR/USD edging up towards the midpoint of the \$1.14-1.15 band and cable (GBP/USD) regaining the \$1.31 level. Elsewhere, EUR/GBP starts today's European trading session little changed compared to yesterday's open. The pair continues to change hands in a very tight range just above 87p.

Turning to the day ahead, the market will continue to digest the results and fallout from the midterm elections (including potential for political gridlock in Washington), meaning the dollar main remain vulnerable to some volatility. In terms of the macro diary, there is very little on the schedule that will be of any interest/directional impact to currency markets.

John Fahey, Senior Economist, AIB

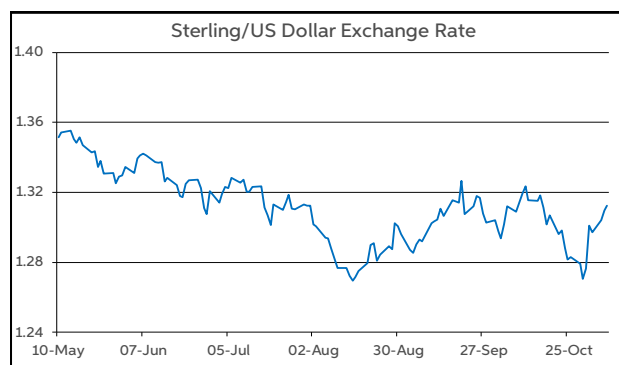
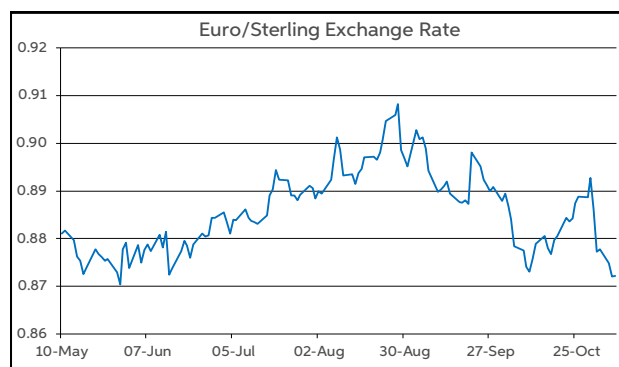
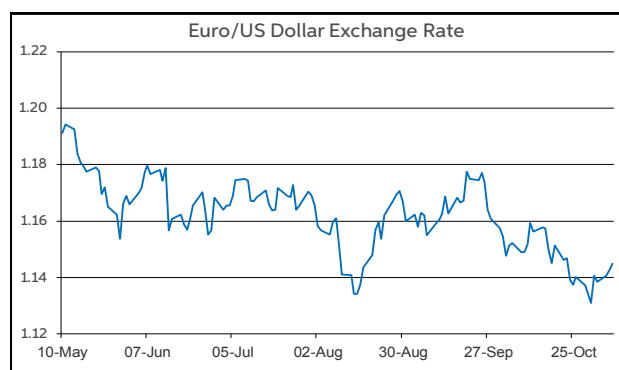
Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	2.125	2.32	2.59	3.12	3.09	3.17
EUR	0.00	-0.37	-0.32	-0.15	-0.12	0.36
GBP	0.75	0.73	0.85	1.12	1.20	1.47

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2017 to Date	
Dow Jones	25635.01	+0.68	+3.70	
S&P 500	2755.45	+0.63	+3.06	
FTSE 100	7040.68	-0.89	-8.42	
DJ Stoxx 50	3207.42	-0.31	-8.46	
ISEQ	6136.33	-0.89	-12.81	
Nikkei	22085.8	-0.28	-2.98	

Today's Opening Rates			
		% Change	
		Day *	End 2017
EUR/USD	1.1452	0.43	-4.53
EUR/GBP	0.8723	-0.14	-1.80
GBP/USD	1.3125	0.55	-2.86
GBP/EUR	1.146	0.14	1.83
USD/JPY	113.11	-0.19	0.39
EUR/JPY	129.53	0.22	-4.18

* 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

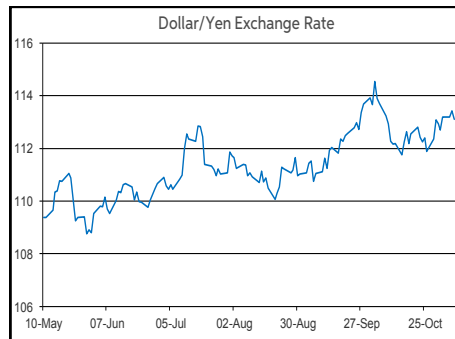
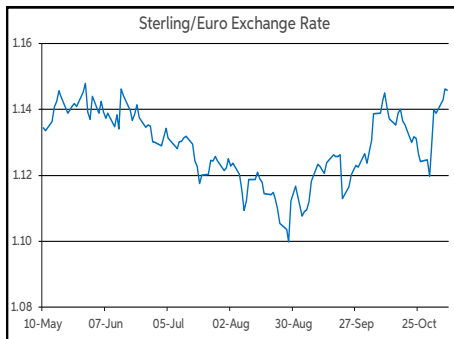
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite Lenny Hogan	Reuters Phone	AIB 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

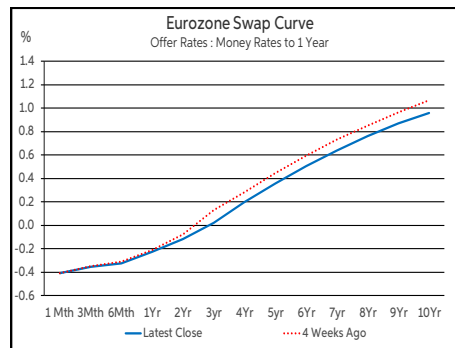
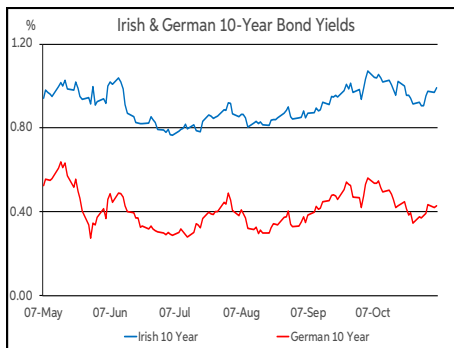
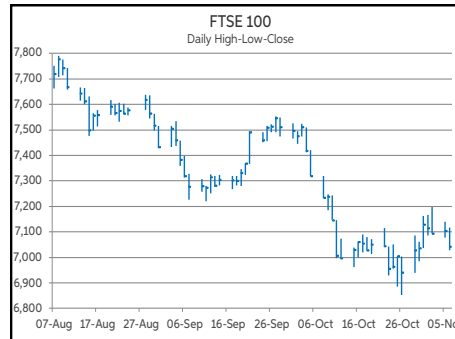
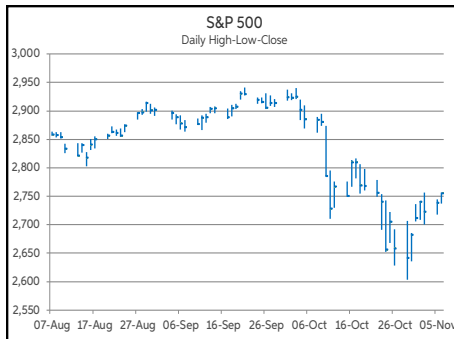
Wednesday 07 November 2018
07:26 am



Euro		Sterling		Dollar	
EUR/GBP	0.8723	GBP/EUR	1.146	USD/JPY	113.11
EUR/USD	1.1452	GBP/USD	1.3125	USD/CAD	1.3126
EUR/JPY	129.53	GBP/CAD	1.723	USD/CHF	1.0005
EUR/SEK	10.3341	GBP/NZD	1.9425	USD/CNY	6.9306
EUR/DKK	7.4589	GBP/JPY	148.46	USD/BRL	3.7614
EUR/NOK	9.5521	GBP/SEK	11.8413	USD/RUB	66.1489
EUR/CHF	1.1458	GBP/DKK	8.5475	USD/INR	72.55
EUR/AUD	1.5799	GBP/NOK	10.9499	AUD/USD	0.7248
EUR/HKD	8.9678	GBP/CHF	1.3132	NZD/USD	0.6754
EUR/CAD	1.5033	GBP/AUD	1.8108		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 17
10 Year Yield %				
US	3.23	+3	+3	+83
Germany	0.43	+1	-11	+1
UK	1.53	+4	-16	+35
Ireland	0.99	+2	-5	N/A
Belgium	0.82	+1	-7	+21
France	0.79	+0	-8	+2
Italy	3.38	+7	-9	+139
Spain	1.56	+1	-3	+1
Portugal	1.89	+2	-6	-0
Greece	4.28	+3	-28	+24
5 Year Swap %				
US	3.15	-0	-3	+91
Eurozone	0.36	-0	-9	+4
UK	1.46	+0	-10	+42
2 Year Swap %				
US	3.07	-3	+1	+99
Eurozone	-0.12	+0	-4	+2
UK	1.20	+1	-2	+40
10 Year Government Bond Spreads to Benchmark bps				
Ireland	57	+1	+6	N/A
Belgium	39	+0	+4	+20
France	36	-1	+2	+1
Italy	295	+6	+2	+138
Spain	113	+0	+7	+1
Portugal	146	+1	+5	-1
Greece	385	+2	-17	+23



Commodities				
	Close	% Change		
		Day	4 Weeks	End 17
Brent Oil	72.13	-1.42	-15.14	+7.87
West Texas Oil	62.16	-1.52	-17.06	+2.81
CRB - All Commodity	191.21	-0.71	-4.57	-1.37
CRB - Food	338.74	+0.18	+0.15	+0.80
Gold \$	1227.2	-0.37	+3.12	-5.79

This publication is for information purposes and is not an invitation to deal. The information is believed to be reliable but is not guaranteed. Any expressions of opinions are subject to change without notice. This publication is not to be reproduced in whole or in part without prior permission. In the Republic of Ireland it is distributed by Allied Irish Banks, p.l.c. In the UK it is distributed by Allied Irish Banks, p.l.c. and Allied Irish Bank (GB). In Northern Ireland it is distributed by First Trust Bank. In the United States of America it is distributed by Allied Irish Banks, p.l.c. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland. Allied Irish Bank (GB) and First Trust Bank are trade marks used under licence by AIB Group (UK) p.l.c. (a wholly owned subsidiary of Allied Irish Banks, p.l.c.), incorporated in Northern Ireland. Registered Office 92 Ann Street, Belfast BT1 3HH. Registered Number NI018800. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In the United States of America, Allied Irish Banks, p.l.c., New York Branch, is a branch licensed by the New York State Department of Financial Services. Deposits and other investment products are not FDIC insured, they are not guaranteed by any bank and they may lose value. Please note that telephone calls may be recorded in line with market practice.