

BoE unlikely to be a mover for sterling

As expected, the action on currency markets yesterday was subdued. Data-wise, in the past 24 hours Eurozone retail sales and German industrial production figures (both Sept.) were the only releases of note. However, the euro was unaffected by the data.

Meanwhile, a busy calendar of Fed speakers had no notable impact on the dollar. The FOMC members continued to reiterate the message from last week's meeting. Namely, US growth remains solid and the central bank's stance is data dependent.

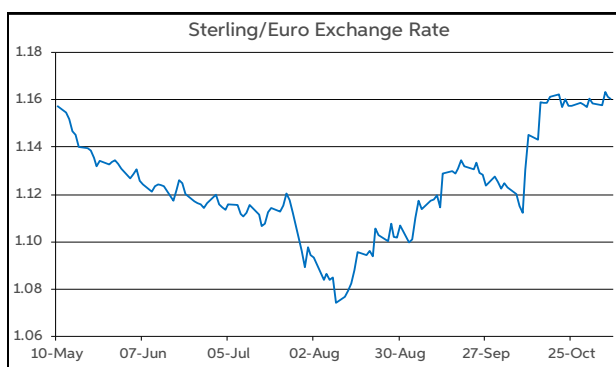
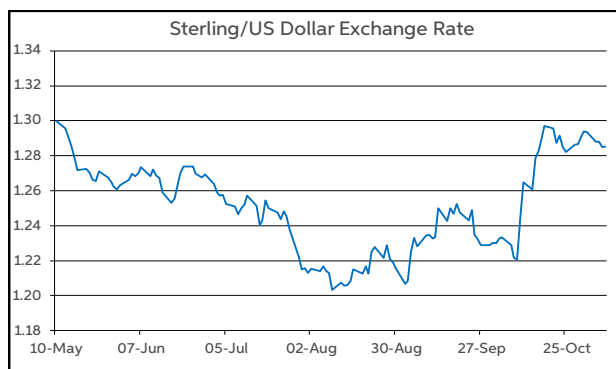
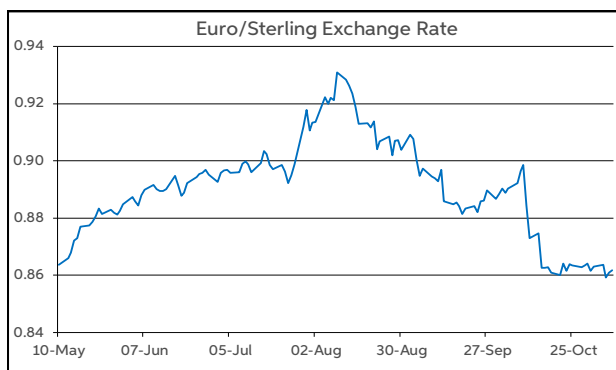
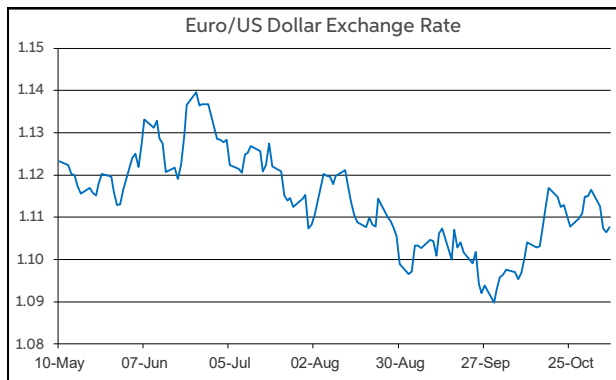
This morning Chinese officials announced that the US and China have agreed to cancel existing tariffs in different phases, but there is disagreement over the proposed timetable for doing so. The yen has come under some slight pressure since the news broke.

In level terms, the dollar has maintained its recent firmer tone. This is reflected in EUR/USD remaining below the \$1.11 level, near the \$1.105 mark. At the same time, cable (GBP/USD) is changing hands in the lower half of the \$1.28-1.29 range. Meantime, EUR/GBP continues to operate down near the 86p threshold.

Today, there is a barren look to the Eurozone and the US calendars. Markets are likely to continue to digest this morning's positive news on trade talks. As a result, this could provide a supportive backdrop for investor sentiment.

Elsewhere, the BoE will conclude its November meeting. No changes to rates are expected. The MPC has adopted a dovish tone but will likely wait to see if the upcoming UK election provides any clarity on the final Brexit outcome before acting. Therefore, the meeting could be a non-event for sterling. The November Inflation Report containing fresh BoE forecasts will also be published.

Conor Beakey, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2018
EUR/USD	1.1074	0.00	-3.44
EUR/GBP	0.8617	0.24	-4.09
GBP/USD	1.285	-0.25	0.73
GBP/EUR	1.16	-0.24	4.26
USD/JPY	108.97	-0.08	-0.54
EUR/JPY	120.69	-0.07	-3.99

* v Previous Day's European Open

See Next Page for More Rates

Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	1.875	1.76	1.90	1.98	1.66	1.63
EUR	0.00	-0.44	-0.40	-0.28	-0.33	-0.22
GBP	0.75	0.72	0.80	0.99	0.83	0.84

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

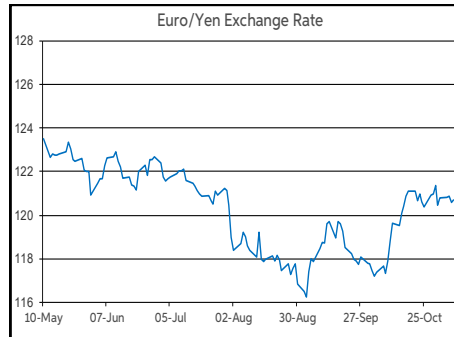
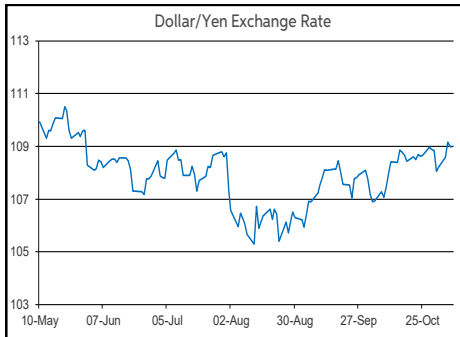
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIB 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

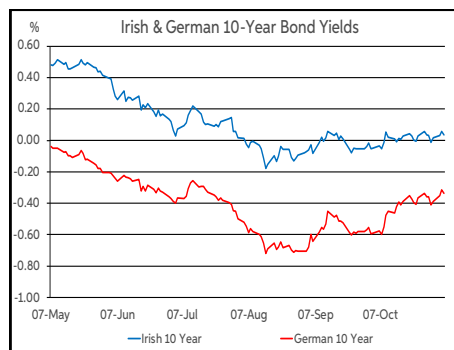
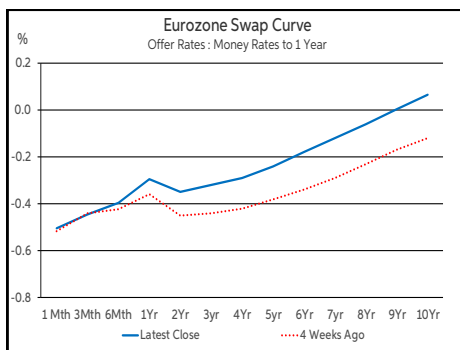
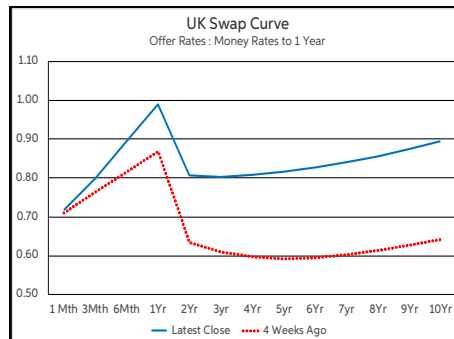
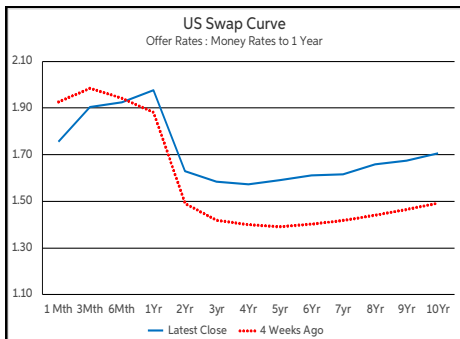
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Euro		Sterling		Dollar	
EUR/GBP	0.8617	GBP/EUR	1.16	USD/JPY	108.97
EUR/USD	1.1074	GBP/USD	1.285	USD/CAD	1.3167
EUR/JPY	120.69	GBP/CAD	1.6926	USD/CHF	0.9926
EUR/SEK	10.64	GBP/NZD	2.019	USD/CNY	6.9919
EUR/DKK	7.47	GBP/JPY	140.03	USD/BRL	4.0834
EUR/NOK	10.1257	GBP/SEK	12.3447	USD/RUB	63.69
EUR/CHF	1.0995	GBP/DKK	8.6667	USD/INR	70.95
EUR/AUD	1.6081	GBP/NOK	11.748	AUD/USD	0.6887
EUR/HKD	8.6635	GBP/CHF	1.2758	NZD/USD	0.6363
EUR/CAD	1.4588	GBP/AUD	1.8657		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 18
10 Year Yield %				
US	1.83	-3	+24	-85
Germany	-0.34	-2	+22	-57
UK	0.71	-6	+25	-56
Ireland	0.04	-2	+5	N/A
Belgium	-0.05	-2	+19	-80
France	-0.03	-2	+23	-74
Italy	1.11	+1	+16	-161
Spain	0.29	-2	+15	-113
Portugal	0.22	-1	+10	-148
Greece	1.18	-1	-22	-312
5 Year Swap %				
US	1.59	-5	+20	-97
Eurozone	-0.24	-3	+14	-47
UK	0.82	-6	+22	-50
2 Year Swap %				
US	1.63	-3	+14	-101
Eurozone	-0.35	-1	+10	-21
UK	0.81	-4	+17	-36
10 Year Government Bond Spreads to Benchmark bps				
Ireland	37	+0	-17	N/A
Belgium	29	+1	-3	-23
France	30	+1	+1	-16
Italy	145	+3	-6	-103
Spain	62	+0	-6	-55
Portugal	56	+2	-12	-91
Greece	152	+2	-43	-255



Commodities				
	% Change			
	Close	Day	4 Weeks	End 18
Brent Oil	61.74	-1.94	+5.86	+14.76
West Texas Oil	56.15	-1.56	+6.69	+24.36
Gold \$	1490.6	+0.43	-1.03	+16.19

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