

## Muted FX action

The action on currency markets yesterday was muted and confined to tight ranges. This was in part due to a lack of any significant macro releases to provide direction to the main FX pairs. Indeed, the only data of any note yesterday were Eurozone retail sales (slight miss versus forecast) and UK house prices (beat expectations). Meantime, the US data calendar was even less interesting.

Elsewhere, in terms of the aftermath of the US midterm elections, the dollar had come into the morning session under some modest downward pressure. However, over the last 24 hours the currency has not experienced any sustained further downward momentum and in fact has edged slightly higher. The implications of a divided Congress did not weigh on investor sentiment (no major surprises, election outcome was in line with expectations). At the close last night, the S&P 500 was up 2% on the day.

As trading gets underway this morning on the currency front, the main pairs start at levels broadly similar to yesterday's open. After briefly testing up near to the \$1.15 level yesterday, EUR/USD is trading back down in the lower half of the \$1.14-1.15 band. Meantime, GBP/USD continues to change hands in a narrow range, just above the \$1.31 threshold. In terms of EUR/GBP, the pair remains pinned down near the 87p mark.

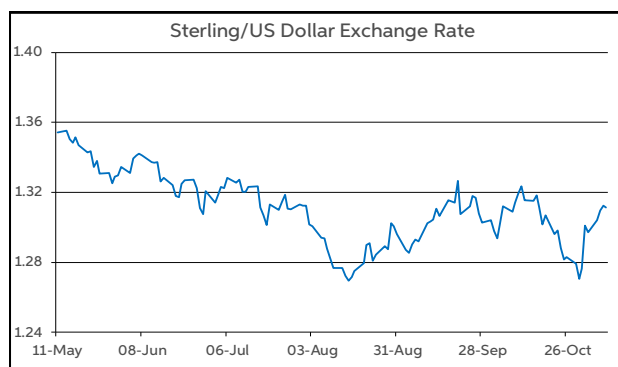
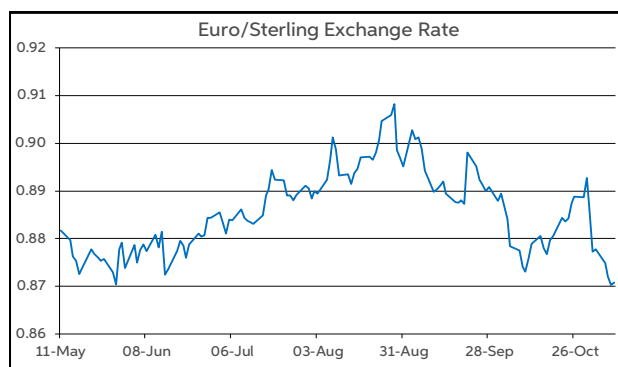
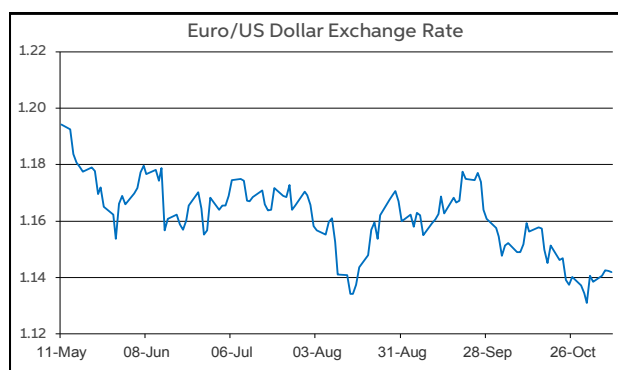
Today, the main macro event is the conclusion of the Fed meeting (after close in Europe). No changes are expected, as the Fed has guided that it will hike again in December. With only the statement due for release, the scope for dollar moving headlines are limited. This, combined with a very dull data schedule, means that currency markets could be in for another day of subdued action. Although, sterling remains sensitive to Brexit newsflow.

**John Fahey, Senior Economist, AIB**

Today's Opening Rates			
		% Change	
		Day *	End 2017
EUR/USD	1.142	-0.26	-4.80
EUR/GBP	0.8708	-0.16	-1.97
GBP/USD	1.3112	-0.11	-2.96
GBP/EUR	1.148	0.16	2.01
USD/JPY	113.69	0.49	0.91
EUR/JPY	129.84	0.22	-3.95

\* 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	2.125	2.32	2.60	3.13	3.14	3.19
EUR	0.00	-0.37	-0.32	-0.15	-0.10	0.38
GBP	0.75	0.73	0.85	1.14	1.21	1.47

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2017 to Date	
Dow Jones	26180.3	+2.13	+5.91	
S&P 500	2813.89	+2.12	+5.25	
FTSE 100	7117.28	+1.09	-7.42	
DJ Stoxx 50	3246.16	+1.21	-7.36	
ISEQ	6254.77	+1.93	-11.13	
Nikkei	22486.92	+1.82	-1.22	

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

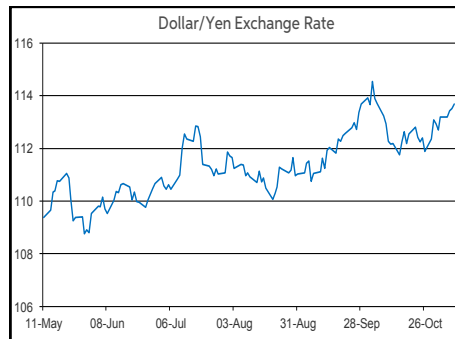
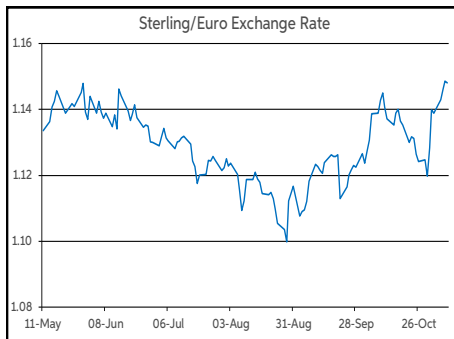
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite Lenny Hogan	Reuters Phone	AlBI 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

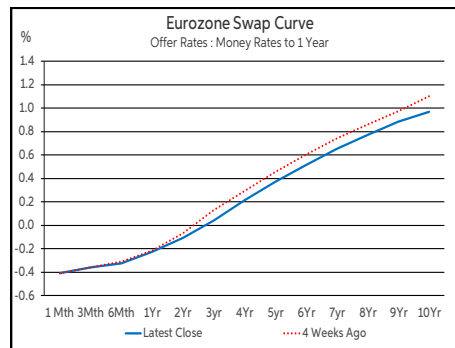
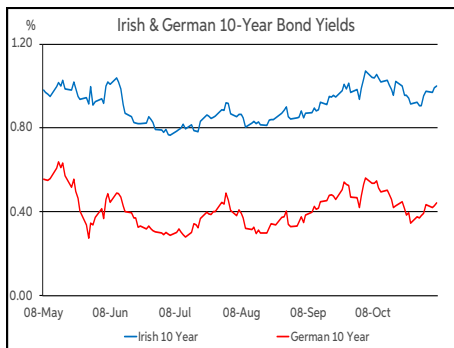
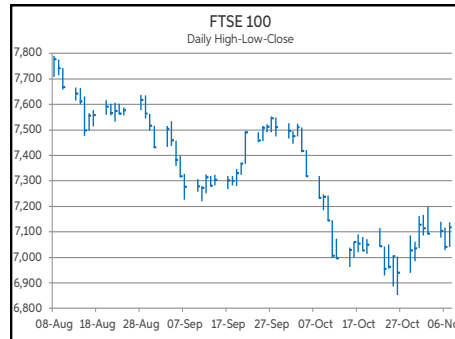
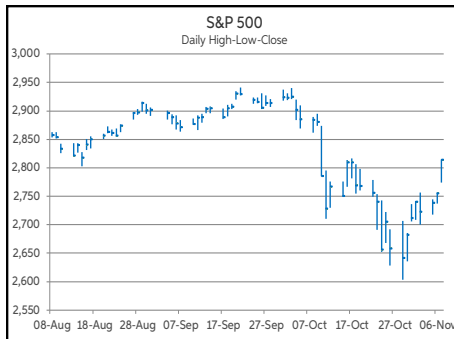
Thursday 08 November 2018  
07:23 am



Euro		Sterling		Dollar	
EUR/GBP	0.8708	GBP/EUR	1.148	USD/JPY	113.69
EUR/USD	1.142	GBP/USD	1.3112	USD/CAD	1.311
EUR/JPY	129.84	GBP/CAD	1.7191	USD/CHF	1.0023
EUR/SEK	10.299	GBP/NZD	1.9314	USD/CNY	6.9273
EUR/DKK	7.4592	GBP/JPY	149.07	USD/BRL	3.7317
EUR/NOK	9.5297	GBP/SEK	11.8238	USD/RUB	66.195
EUR/CHF	1.1447	GBP/DKK	8.565	USD/INR	72.4
EUR/AUD	1.5672	GBP/NOK	10.9446	AUD/USD	0.7284
EUR/HKD	8.9427	GBP/CHF	1.3145	NZD/USD	0.6787
EUR/CAD	1.4973	GBP/AUD	1.7992		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 17
<b>10 Year Yield %</b>				
US	3.24	+1	+6	+83
Germany	0.44	+1	-10	+2
UK	1.53	-1	-20	+34
Ireland	1.00	+1	-6	N/A
Belgium	0.84	+2	-7	+22
France	0.81	+1	-10	+3
Italy	3.30	-8	-17	+131
Spain	1.57	+1	-3	+3
Portugal	1.91	+2	-4	+1
Greece	4.26	-3	-16	+21
<b>5 Year Swap %</b>				
US	3.16	-1	+5	+92
Eurozone	0.37	+0	-9	+5
UK	1.46	-1	-11	+43
<b>2 Year Swap %</b>				
US	3.09	-2	+8	+100
Eurozone	-0.11	+0	-4	+3
UK	1.21	-0	-1	+40
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	56	-1	+5	N/A
Belgium	39	+0	+4	+20
France	36	-0	+1	+1
Italy	286	-9	-6	+129
Spain	113	+0	+7	+1
Portugal	147	+0	+7	-1
Greece	381	-4	-6	+19



Commodities				
	Close	% Change		
		Day	4 Weeks	End 17
Brent Oil	72.07	-0.08	-13.26	+7.78
West Texas Oil	61.69	-0.76	-15.70	+2.03
CRB - All Commodity	191.34	+0.07	-3.42	-1.30
CRB - Food	337.67	-1.07	+0.52	+0.49
Gold \$	1226.5	-0.05	+2.62	-5.84

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