

Currencies remain very range bound

There was very little movement yet again on the main FX markets yesterday, with a dearth of any market moving news or data releases. Thus, the opening levels this morning are little changed compared to 24 hours earlier, apart from a slightly weaker sterling.

The are concerns that the on-going controversies bedevilling the UK government could impact on the Brexit negotiations, which weighed somewhat on sterling yesterday. It drifted down to around the \$1.31 level against the dollar, with the euro edging up to 88.5p, but it recovered overnight. Meanwhile, EUR/USD continues to trade around the \$1.16 level.

It is remarkable how range bound the main FX rates have been recently. Sterling has been confined to an 87.5-90.0p range against the euro for the past two months, with cable (GBP/USD) moving in a \$1.305-1.33 band since the start of October. The EUR/USD rate has been in a \$1.16-1.185 range over the same period, with \$1.16 proving a strong support level for the euro recently.

Looking ahead to today and Friday, the macro diary remains very quiet, with no releases of any note from either the European or US schedules. There is also a market holiday (Veterans Day) in the US tomorrow. Therefore, it could be another couple of days of uneventful range trading on FX markets as we head into the weekend.

It is hard to see what will move the markets out of their ranges in the coming weeks. The dollar looks well supported by the prospect of further rate hikes but it is finding it hard to make much headway. Brexit remains the principal risk for sterling, with markets expecting progress on this front next month.

Oliver Mangan, Chief Economist, AIB

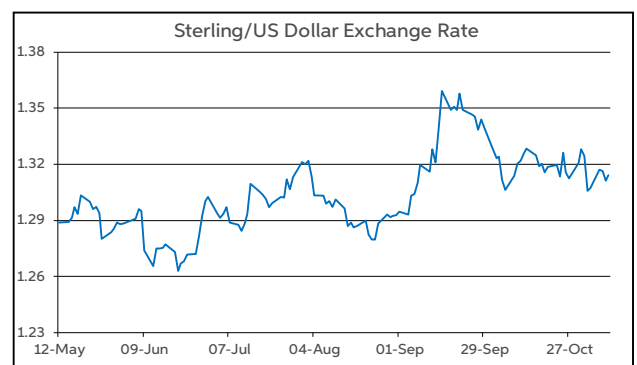
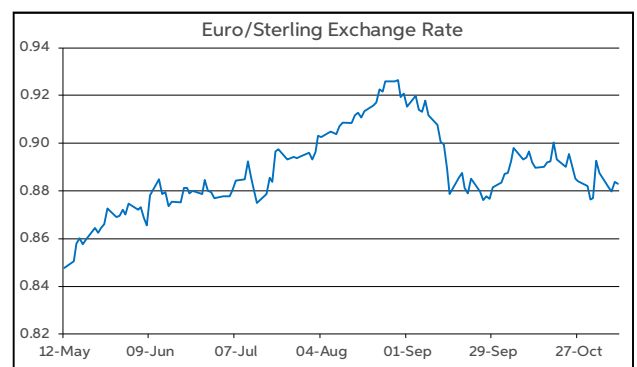
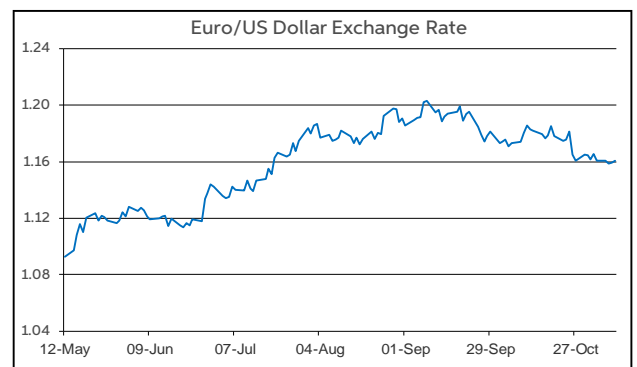
Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	1.125	1.25	1.41	1.87	1.86	2.06
EUR	0.00	-0.37	-0.33	-0.19	-0.20	0.18
GBP	0.50	0.49	0.53	0.77	0.80	1.04

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2016 to Date	
Dow Jones	23563.36	+0.03	+19.23	
S&P 500	2594.38	+0.14	+15.88	
FTSE 100	7529.72	+0.22	+5.42	
DJ Stoxx 50	3655.04	-0.10	+11.08	
ISEQ	6963.48	+0.85	+6.85	
Nikkei	22868.71	-0.20	+19.64	

Today's Opening Rates			
		% Change	
		Day *	End 2016
EUR/USD	1.1612	0.16	10.45
EUR/GBP	0.8833	0.30	3.70
GBP/USD	1.3146	-0.13	6.57
GBP/EUR	1.1318	-0.29	-3.57
USD/JPY	113.6	-0.20	-2.80
EUR/JPY	131.92	-0.05	7.13

* 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 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

Thursday 09 November 2017
07:42 am



Euro

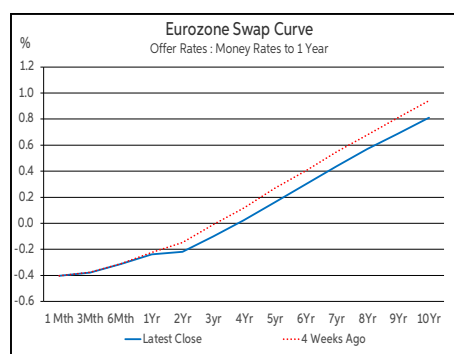
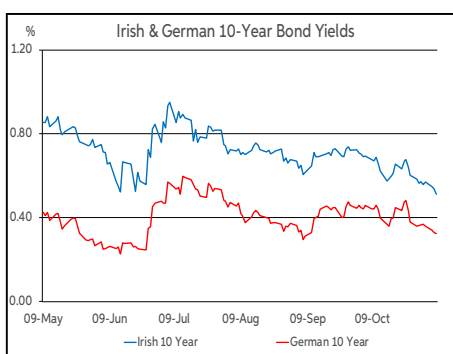
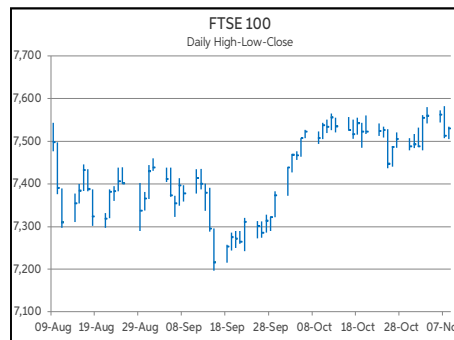
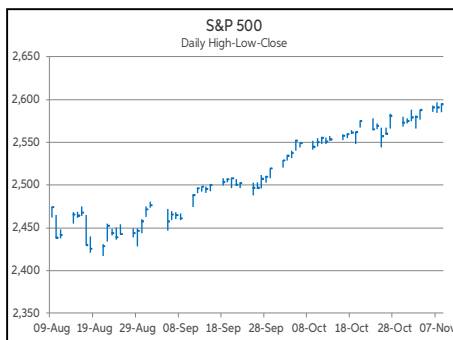
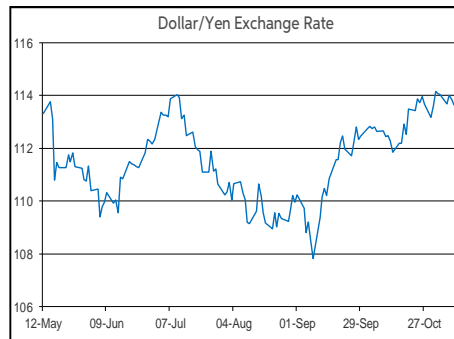
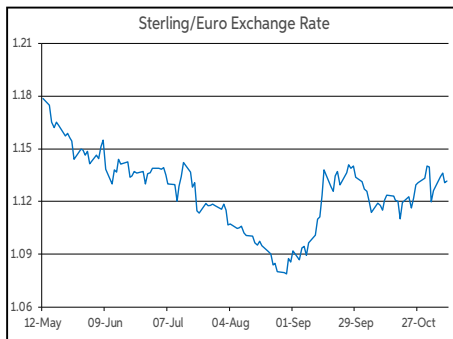
EUR/GBP	0.8831
EUR/USD	1.1612
EUR/JPY	131.93
EUR/SEK	9.7227
EUR/DKK	7.4431
EUR/NOK	9.4672
EUR/CHF	1.1591
EUR/AUD	1.5106
EUR/HKD	9.0538
EUR/CAD	1.4765

Sterling

GBP/EUR	1.1317
GBP/USD	1.3145
GBP/CAD	1.6716
GBP/NZD	1.8868
GBP/JPY	149.31
GBP/SEK	11.0032
GBP/DKK	8.4261
GBP/NOK	10.717
GBP/CHF	1.3119
GBP/AUD	1.7103

Dollar

USD/JPY	113.59
USD/CAD	1.2714
USD/CHF	0.9979
USD/CNY	6.6309
USD/BRL	3.2545
USD/RUB	59.2026
USD/INR	64.9
AUD/USD	0.7686
NZD/USD	0.6964



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 16
10 Year Yield %				
US	2.33	+2	-2	-11
Germany	0.32	-1	-14	+13
UK	1.21	-2	-16	-2
5 Year Swap %				
US	2.04	-2	+2	+9
Eurozone	0.16	-3	-11	+9
UK	1.03	-0	-7	+15
2 Year Swap %				
US	1.82	-2	+5	+37
Eurozone	-0.22	-3	-7	-6
UK	0.79	+0	-3	+19
10 Year Government Bond Spreads to Benchmark bps				
Ireland	19	-2	-4	-36
Belgium	22	+2	-5	-9
France	36	+0	-5	-11
Italy	141	+5	-28	-19
Spain	114	+8	-5	-3
Portugal	163	+7	-22	-189
Greece	469	+1	-34	-199

Commodities				
	Close	% Change		
		Day	4 Weeks	End 16
Brent Oil	63.49	-0.31	+11.50	+11.74
West Texas Oil	56.82	-0.65	+10.76	+5.71
CRB - All Commodity	191.89	+0.02	+4.58	-0.32
CRB - Food	350	+1.35	+3.92	+3.32
Gold \$	1281.7	+0.48	-0.79	+11.23

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