

## Focus on UK data today

There was a relatively subdued tone on financial markets as the week got under way yesterday. This likely reflects the relatively light data/events schedule over the past 24 hours, as well as the partial US market closure (Columbus Day holiday). As a result, the main equity indices were broadly unchanged on the day in both Europe and the US.

On the currency front, sterling managed to edge further off its lows from the end of last week. An upward revision to UK labour cost growth for Q2 (2.4% from 1.6%) provided some benefit to the currency, as did some easing in political uncertainty in the UK.

Meanwhile, German industrial production surprised strongly to the upside in August (+2.6% vs f'cast +0.7%). However, euro reaction to the data was muted. Hawkish comments from the ECB's Lautenschläger (begin QE tapering "at the beginning of next year") did benefit the euro, though. For the dollar, the holiday in the US meant there were no data releases there for markets to digest.

In level terms, cable (GBP/USD) has edged up into the upper half of the \$1.31-1.32 band. The EUR/USD pair has moved to up near \$1.178. Meantime, EUR/GBP is broadly unchanged on the day, opening this morning around the mid-point of the 89-90p range.

Turning to the day ahead, we get the main UK data releases of the week. This includes industrial production figures for August. Output has been weak recently and it is expected to only record a very modest 0.2% increase. The UK's large goods trade deficit also remains a concern for the economy, with no major improvement anticipated in August. Thus, the data may be unhelpful for sterling today. There are no major releases in either the Eurozone or US. Although, it is Budget 2018 day in Ireland (due at 1pm).

**Dara Turnbull, Economist, AIB**

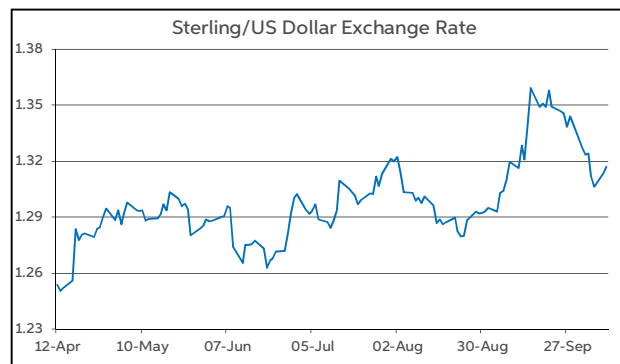
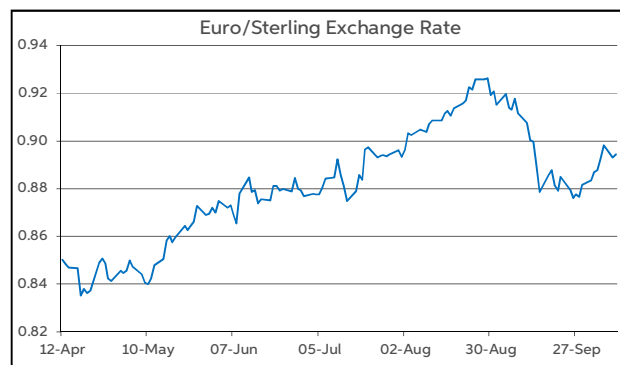
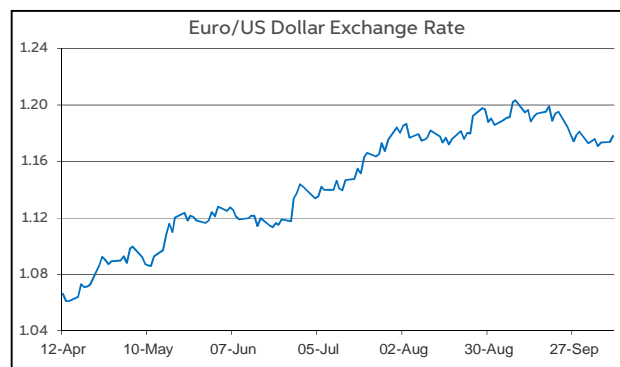
Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	1.125	1.24	1.36	1.81	1.77	2.03
EUR	0.00	-0.37	-0.33	-0.17	-0.17	0.24
GBP	0.25	0.28	0.35	0.74	0.80	1.07

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2016 to Date	
Dow Jones	22761.07	-0.06	+15.17	
S&P 500	2544.73	-0.18	+13.66	
FTSE 100	7507.89	-0.20	+5.11	
DJ Stoxx 50	3610.5	+0.20	+9.72	
ISEQ	6817.57	-0.61	+4.61	
Nikkei	20823.51	+0.64	+8.94	

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

Today's Opening Rates			
		% Change	
		Day *	End 2016
EUR/USD	1.1779	0.37	12.04
EUR/GBP	0.8944	-0.17	5.00
GBP/USD	1.3168	0.55	6.74
GBP/EUR	1.1175	0.17	-4.76
USD/JPY	112.61	0.04	-3.65
EUR/JPY	132.66	0.42	7.73
* 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 10 October 2017  
07:29 am



## Euro

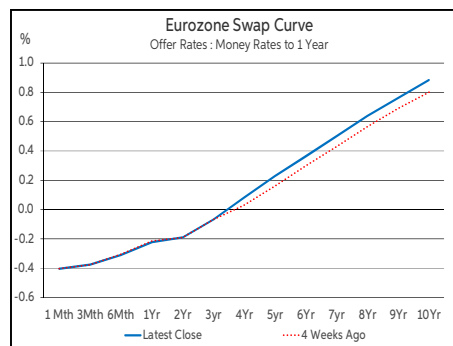
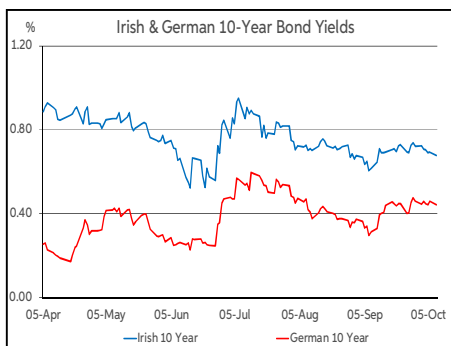
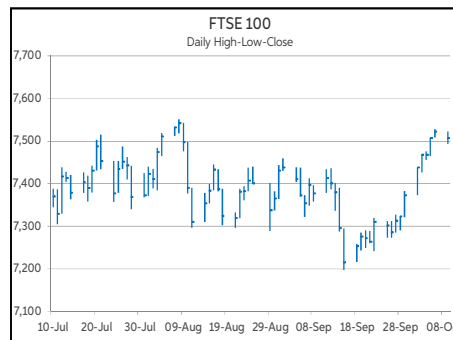
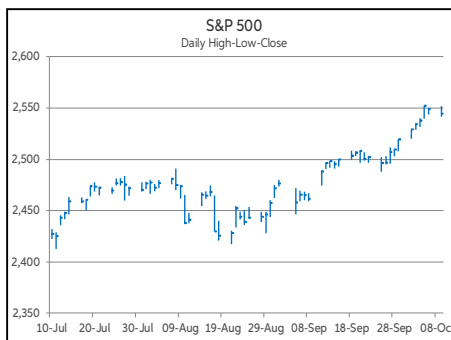
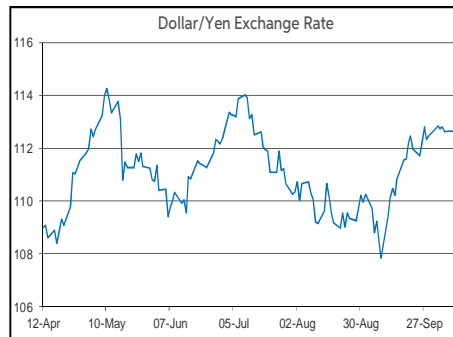
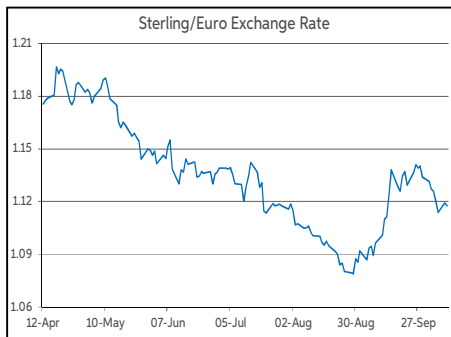
EUR/GBP	0.8944
EUR/USD	1.1779
EUR/JPY	132.66
EUR/SEK	9.5381
EUR/DKK	7.4426
EUR/NOK	9.4004
EUR/CHF	1.1522
EUR/AUD	1.512
EUR/HKD	9.1925
EUR/CAD	1.4742

## Sterling

GBP/EUR	1.1175
GBP/USD	1.3168
GBP/CAD	1.6479
GBP/NZD	1.8622
GBP/JPY	148.28
GBP/SEK	10.6568
GBP/DKK	8.3178
GBP/NOK	10.5091
GBP/CHF	1.2878
GBP/AUD	1.6902

## Dollar

USD/JPY	112.61
USD/CAD	1.2516
USD/CHF	0.9779
USD/CNY	6.592
USD/BRL	3.1882
USD/RUB	58.0878
USD/INR	65.28
AUD/USD	0.7789
NZD/USD	0.7067



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 16
<b>10 Year Yield %</b>				
US	2.36	+1	+23	-9
Germany	0.44	-2	+11	+24
UK	1.35	-1	+31	+12
Ireland	0.68	-2	+3	-7
Belgium	0.71	-1	+7	+20
France	0.87	+14	+24	+20
Italy	2.17	-3	+14	+36
Spain	1.66	+5	+10	+29
Portugal	2.38	-3	-40	-135
Greece	5.50	+0	+17	-137
<b>5 Year Swap %</b>				
US	2.02	-2	+24	+6
Eurozone	0.23	-4	+7	+15
UK	1.06	-1	+25	+19
<b>2 Year Swap %</b>				
US	1.75	-3	+20	+31
Eurozone	-0.19	-4	+0	-3
UK	0.79	+0	+21	+19
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	24	+0	-8	-31
Belgium	27	+1	-5	-5
France	43	+15	+13	-5
Italy	173	-2	+3	+12
Spain	122	+7	-1	+5
Portugal	194	-1	-51	-159
Greece	506	+2	+6	-162

Commodities				
	% Change			
	Close	Day	4 Weeks	End 16
Brent Oil	55.79	+0.31	+3.62	-1.81
West Texas Oil	49.58	+0.49	+3.16	-7.76
CRB - All Commodity	180.96	+0.00	-0.39	-6.00
CRB - Food	333.84	-1.21	-0.67	-1.45
Gold \$	1284.3	+0.59	-3.27	+11.46

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