

Dollar edging lower

There was a somewhat mixed tone to financial market sentiment yesterday. On-going uncertainty with regard to Catalonia weighed on Eurozone equity indices (Euro Stoxx 50 down 0.3%). In the US, the S&P 500 was slightly up at the close on Wall Street.

On the data front, the main UK release of the week, August industrial production, rose modestly, as expected. The goods trade deficit increased unexpectedly to its highest level on record, despite the sharp sterling depreciation since last years Brexit vote.

In the Eurozone, yesterday's French and Italian industrial output figures for August (in addition to earlier German and Spanish figures) suggested that tomorrow's Eurozone aggregate production figures may show a very strong monthly rise of close to 2%. This is far above the market forecast 0.5% rise, and augers well for GDP growth in the currency bloc in Q3.

Overall though, yesterday's data releases had limited lasting impact on the main currency pairs. Although, the dollar does open this morning holding a modestly softer tone. Cable (GBP/USD) has managed to edge back up to \$1.32, while EUR/USD is trading just above the \$1.18 level. The USD/JPY pair has edged down to around ¥112.4. Meantime, EUR/GBP is changing hands around the mid-point of the 89-90p range.

In the day ahead, the September Fed minutes are the only release of a sparse calendar. They pose some headline risk for the dollar, as markets look for indications of the Fed's resolve in relation to its hawkish outlook for interest rates. Although, given that the meeting was followed by a press conference from Fed Chair Yellen, the minutes may not contain much new information.

Dara Turnbull, Economist, AIB

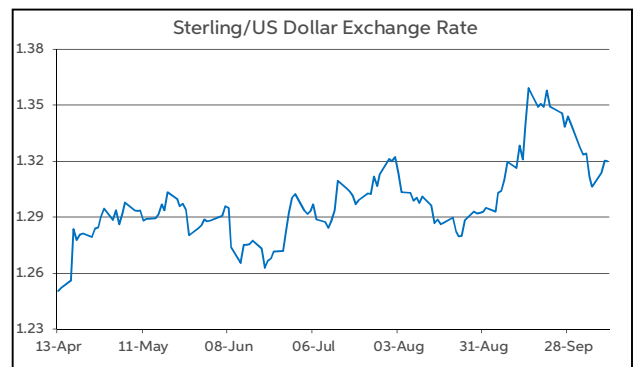
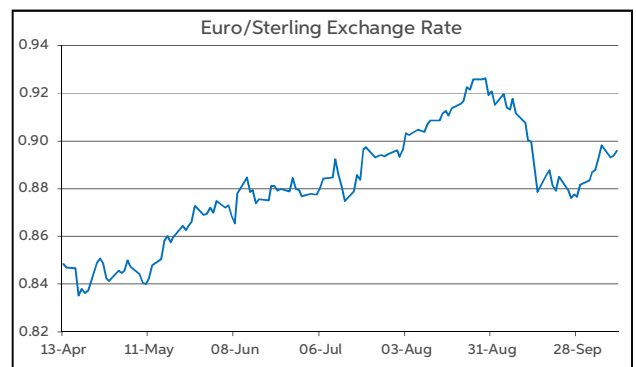
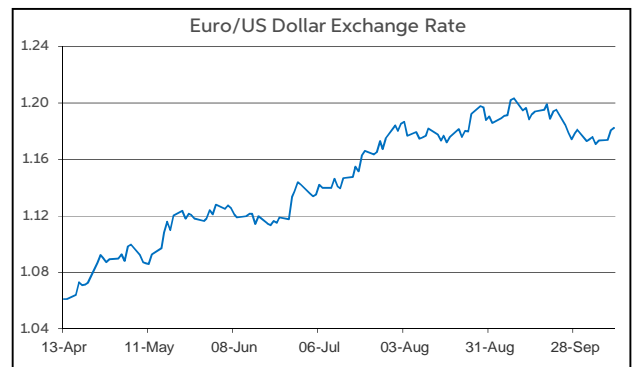
Opening Interest Rates						
Base Rate	Short Term			Long Term		
	1-Mth	3-Mth	12-Mth	2-Yr	5-Yr	
USD	1.125	1.24	1.36	1.81	1.79	2.04
EUR	0.00	-0.37	-0.33	-0.18	-0.16	0.27
GBP	0.25	0.28	0.36	0.74	0.82	1.08

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2016 to Date	
Dow Jones	22830.68	+0.31	+15.52	
S&P 500	2550.64	+0.23	+13.93	
FTSE 100	7538.27	+0.40	+5.54	
DJ Stoxx 50	3598.79	-0.32	+9.37	
ISEQ	6810.28	-0.11	+4.50	
Nikkei	20881.27	+0.28	+9.24	

Today's Opening Rates			
		% Change	
		Day *	End 2016
EUR/USD	1.1824	0.47	12.47
EUR/GBP	0.8958	0.22	5.17
GBP/USD	1.3198	0.25	6.99
GBP/EUR	1.116	-0.22	-4.91
USD/JPY	112.37	-0.24	-3.85
EUR/JPY	132.87	0.21	7.90

* 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

Wednesday 11 October 2017
07:35 am



Euro

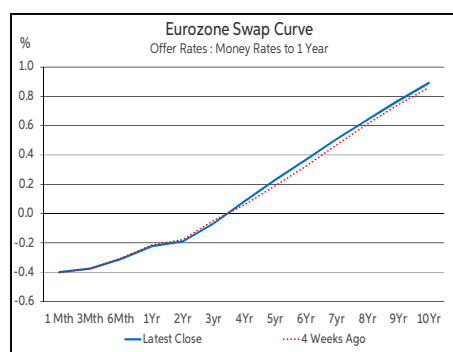
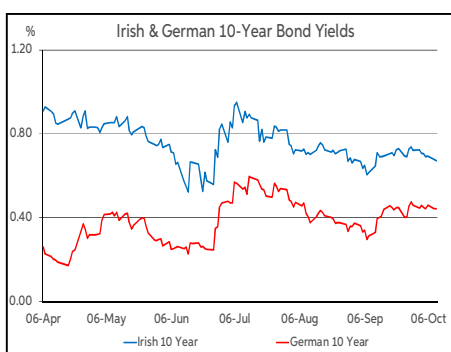
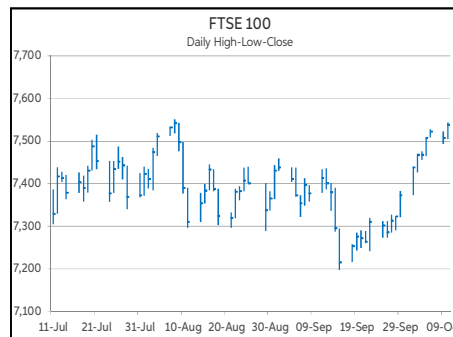
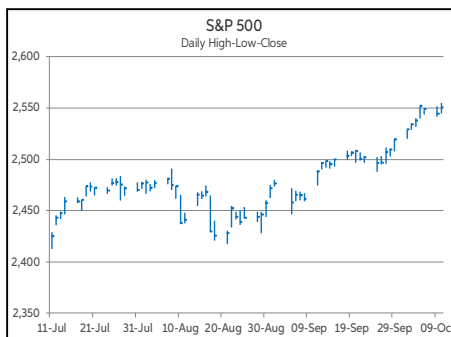
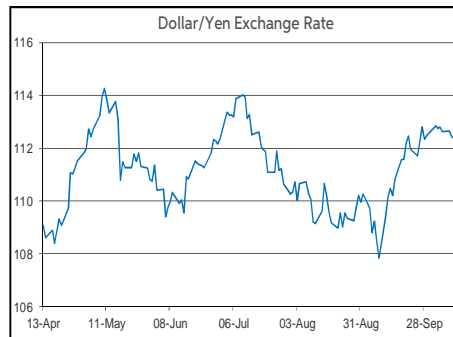
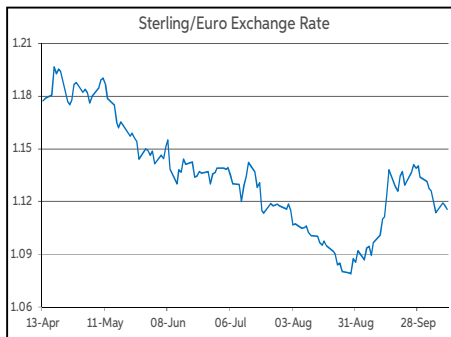
EUR/GBP	0.8958
EUR/USD	1.1823
EUR/JPY	132.87
EUR/SEK	9.5286
EUR/DKK	7.4427
EUR/NOK	9.382
EUR/CHF	1.1528
EUR/AUD	1.5181
EUR/HKD	9.2259
EUR/CAD	1.4787

Sterling

GBP/EUR	1.1158
GBP/USD	1.3196
GBP/CAD	1.6504
GBP/NZD	1.8649
GBP/JPY	148.28
GBP/SEK	10.6297
GBP/DKK	8.3059
GBP/NOK	10.4721
GBP/CHF	1.2869
GBP/AUD	1.694

Dollar

USD/JPY	112.37
USD/CAD	1.25
USD/CHF	0.975
USD/CNY	6.5777
USD/BRL	3.1791
USD/RUB	57.8674
USD/INR	65.26
AUD/USD	0.7788
NZD/USD	0.7075



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 16
10 Year Yield %				
US	2.35	-1	+19	-9
Germany	0.44	+0	+5	+24
UK	1.36	+1	+22	+13
5 Year Swap %				
US	2.02	-4	+20	+6
Eurozone	0.23	-2	+4	+15
UK	1.07	+0	+18	+19
2 Year Swap %				
US	1.76	-2	+20	+31
Eurozone	-0.19	-3	-1	-3
UK	0.80	+0	+15	+20
10 Year Government Bond Spreads to Benchmark bps				
Ireland	23	-1	-9	-32
Belgium	27	+1	-2	-4
France	42	-1	+13	-5
Italy	174	+1	+6	+13
Spain	124	+2	+5	+7
Portugal	193	-1	-49	-160
Greece	504	-2	+11	-164

Commodities				
	Close	% Change		
		Day	4 Weeks	End 16
Brent Oil	56.61	+1.47	+4.31	-0.37
West Texas Oil	50.93	+2.72	+5.64	-5.25
CRB - All Commodity	183.20	+1.24	+0.98	-4.84
CRB - Food	335.11	+1.28	+0.04	-1.07
Gold \$	1288.2	+0.31	-3.31	+11.80

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