

## Dollar still edging lower

Yesterday proved to be a thoroughly uneventful day on financial markets. This reflected a lack of macro data. The fact that the main source of concern for European markets in recent days, Catalan independence, seems to have been stalled for now, also added to the subdued tone. Not surprisingly, the main European and US equity indices were broadly unchanged on the day.

Meanwhile, yesterday evening's (after close in Europe) September Fed meeting minutes provided little in the way of new information. They showed that a majority of FOMC members thought that another rate hike this year would be appropriate if "the medium term [economic] outlook remained broadly unchanged". The lack of new information meant that dollar reaction to the minutes was limited. Although, the currency has remained on the back foot against the euro and sterling over the last 24 hours.

Cable (GBP/USD) opens this morning close to \$1.325. The EUR/USD pair is changing hands in the upper half of the \$1.18-1.19 band. Meantime, EUR/GBP is trading close to 89.5p.

In the day ahead, the data/events schedule remains relatively sparse. Although, we do get Eurozone industrial production data for August. As we mentioned in yesterday's comment, a strong upside surprise is highly likely, given strong national data (f'cast +0.5%, result could be c.+2%). Such an outcome, while now largely expected, may still provide some support to the euro.

Meanwhile, a speech from ECB President Draghi this afternoon could pose some headline risk for the single currency. His comments will be analysed ahead of the October 26th Governing Council meeting, at which the Central Bank is expected to announce that it will start tapering QE early next year.

**Dara Turnbull, Economist, AIB**

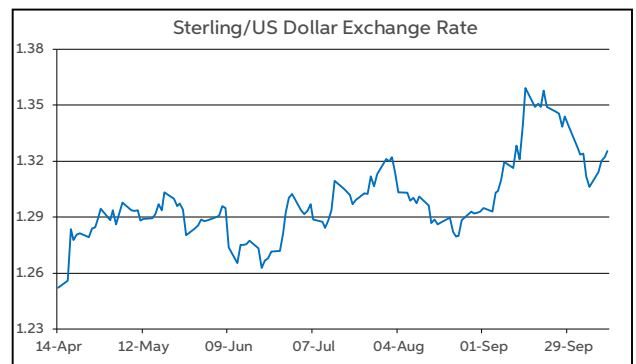
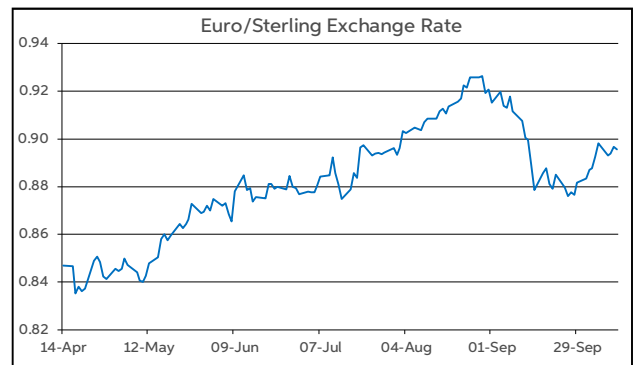
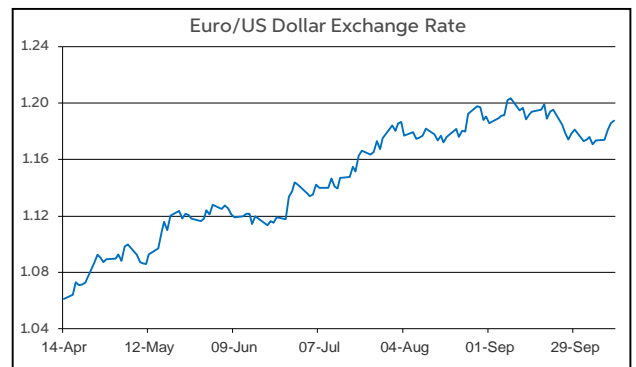
Opening Interest Rates						
Base Rate	Short Term			Long Term		
	1-Mth	3-Mth	12-Mth	2-Yr	5-Yr	
USD	1.125	1.24	1.36	1.81	1.77	2.02
EUR	0.00	-0.37	-0.33	-0.18	-0.16	0.26
GBP	0.25	0.28	0.37	0.74	0.82	1.10

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2016 to Date	
Dow Jones	22872.89	+0.18	+15.74	
S&P 500	2555.24	+0.18	+14.13	
FTSE 100	7533.81	-0.06	+5.47	
DJ Stoxx 50	3607.39	+0.24	+9.63	
ISEQ	6816.63	+0.09	+4.59	
Nikkei	20954.72	+0.35	+9.63	

Today's Opening Rates			
		% Change	
		Day *	End 2016
EUR/USD	1.1875	0.52	12.96
EUR/GBP	0.8959	0.09	5.18
GBP/USD	1.3254	0.45	7.44
GBP/EUR	1.116	-0.09	-4.92
USD/JPY	112.25	-0.19	-3.95
EUR/JPY	133.29	0.33	8.24

\* 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 12 October 2017  
07:32 am



## Euro

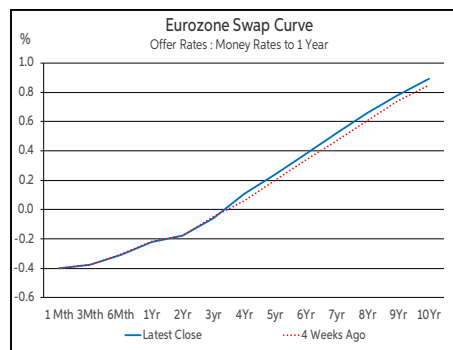
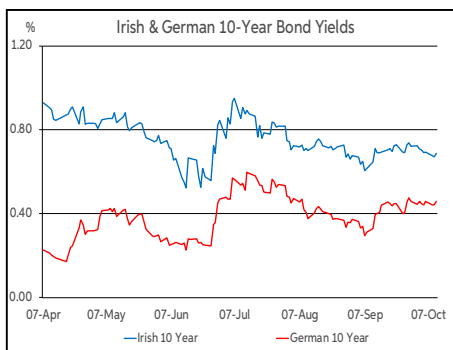
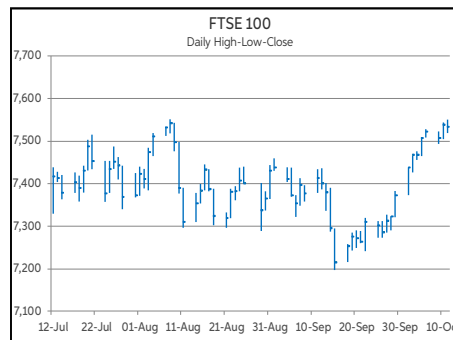
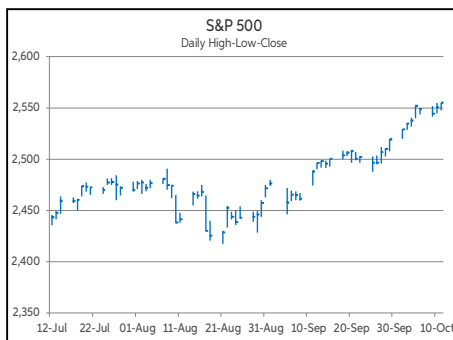
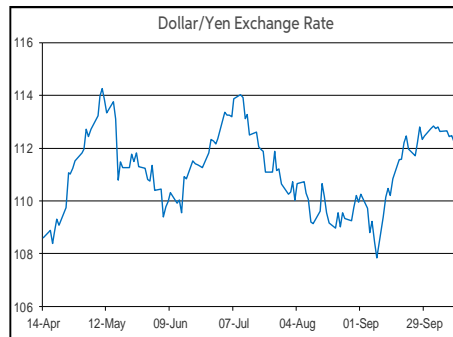
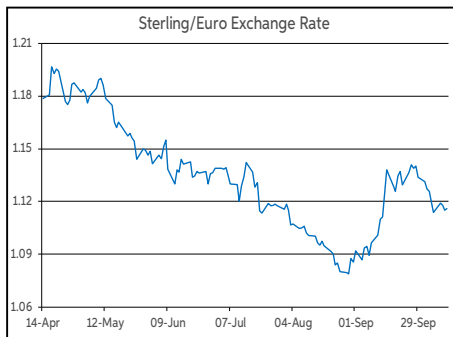
EUR/GBP	0.8959
EUR/USD	1.1875
EUR/JPY	133.29
EUR/SEK	9.5352
EUR/DKK	7.443
EUR/NOK	9.3834
EUR/CHF	1.1532
EUR/AUD	1.5177
EUR/HKD	9.2697
EUR/CAD	1.4769

## Sterling

GBP/EUR	1.116
GBP/USD	1.3254
GBP/CAD	1.6484
GBP/NZD	1.8632
GBP/JPY	148.78
GBP/SEK	10.6396
GBP/DKK	8.3057
GBP/NOK	10.4743
GBP/CHF	1.2873
GBP/AUD	1.6935

## Dollar

USD/JPY	112.25
USD/CAD	1.2435
USD/CHF	0.9711
USD/CNY	6.5875
USD/BRL	3.1711
USD/RUB	57.66
USD/INR	65.0975
AUD/USD	0.7824
NZD/USD	0.7113



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 16
<b>10 Year Yield %</b>				
US	2.35	-0	+16	-9
Germany	0.46	+2	+6	+26
UK	1.37	+1	+23	+14
<b>5 Year Swap %</b>				
US	2.00	-3	+18	+5
Eurozone	0.24	+0	+4	+16
UK	1.09	+1	+19	+21
<b>2 Year Swap %</b>				
US	1.75	-2	+17	+31
Eurozone	-0.18	-2	-0	-2
UK	0.81	+0	+17	+21
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	23	-0	-6	-32
Belgium	27	+0	-2	-4
France	42	-1	+13	-6
Italy	169	-5	-0	+8
Spain	119	-5	+2	+2
Portugal	185	-8	-54	-168
Greece	502	-2	+13	-165

Commodities				
	Close	% Change		
		Day	4 Weeks	End 16
Brent Oil	56.94	+0.58	+3.23	+0.21
West Texas Oil	51.3	+0.73	+4.06	-4.56
CRB - All Commodity	183.50	+0.16	+0.34	-4.68
CRB - Food	336.81	+1.70	+1.02	-0.57
Gold \$	1291.9	+0.28	-2.40	+12.12

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