

Busy week ahead for sterling

The dollar strength we saw in recent weeks ran out of momentum in recent days. Indeed, the US currency declined by c.1% on a trade weighted basis last week. The currency was not helped by mixed US inflation, cautious comments in the Fed minutes with regard to inflation and no further updates on President Trump's tax plan. Elsewhere, sterling saw some support, as UK political concerns abated somewhat (i.e. PM May's position, Brexit transition deal).

In level terms, the weaker dollar saw cable (GBP/USD) move from \$1.31 to \$1.33. The EUR/USD pair moved from around \$1.175 to \$1.185, though it opens this morning just below \$1.18. Meantime, EUR/GBP was slightly softer, slipping below the 89p level.

In the week ahead, Brexit watchers will be closely following the EU Leaders' Summit (Wed-Fri). Any signs of movement on the Brexit negotiations should be helpful for sterling. Data-wise, the UK schedule is very busy. It includes labour market data for August (employment, unemployment and earnings), as well as CPI and retail sales for September. Overall, the consensus forecasts suggest that the data schedule could provide some support to sterling, especially if an expected rise in inflation materialises.

Elsewhere, a modest rise in US industrial production is forecast for September, while the timelier October NY and Philly Fed indices look set to remain at very encouraging levels. Although, housing starts and existing home sales are anticipated to decline further in September, reflecting some hurricane impact. Thus, the data may not provide much fresh direction to the dollar this week.

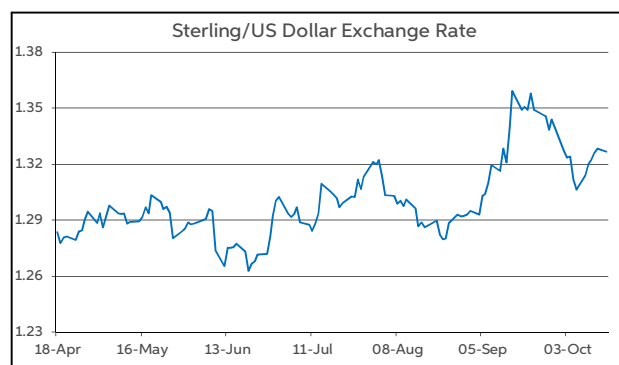
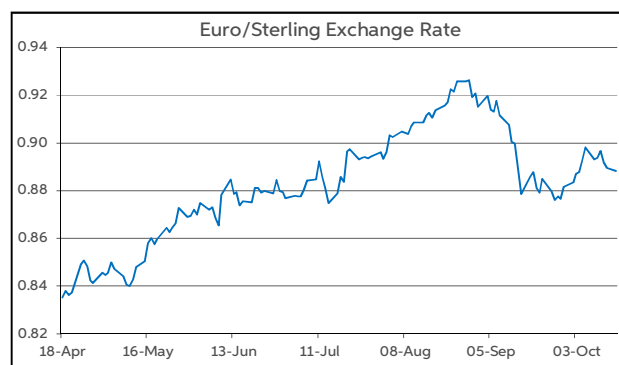
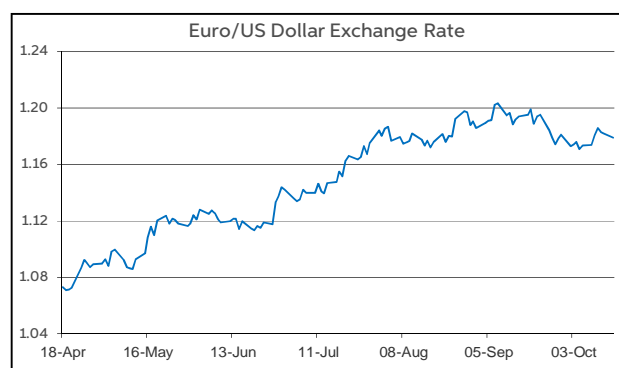
It is once again a very light week in the Eurozone. Indeed, the German ZEW index for October is the main release. Thus, the euro too may struggle for fresh direction in the coming days.

Dara Turnbull, Economist, AIB

Today's Opening Rates			
		% Change	
		Day *	End 2016
EUR/USD	1.1792	-0.44	12.17
EUR/GBP	0.8884	-0.43	4.30
GBP/USD	1.327	-0.02	7.57
GBP/EUR	1.1251	0.43	-4.12
USD/JPY	111.76	-0.36	-4.37
EUR/JPY	131.82	-0.78	7.05

* 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	1.125	1.24	1.35	1.81	1.78	1.98
EUR	0.00	-0.37	-0.33	-0.18	-0.18	0.22
GBP	0.25	0.29	0.37	0.74	0.85	1.10

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2016 to Date	
Dow Jones	22871.72	+0.13	+15.73	
S&P 500	2553.17	+0.09	+14.04	
FTSE 100	7535.44	-0.28	+5.50	
DJ Stoxx 50	3604.55	-0.03	+9.54	
ISEQ	6837.22	+0.25	+4.91	
Nikkei	21255.56	+0.47	+11.20	

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

Monday 16 October 2017
07:32 am



Euro

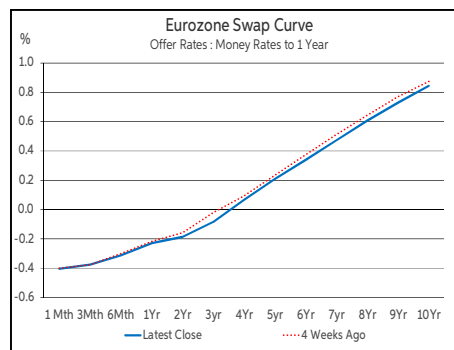
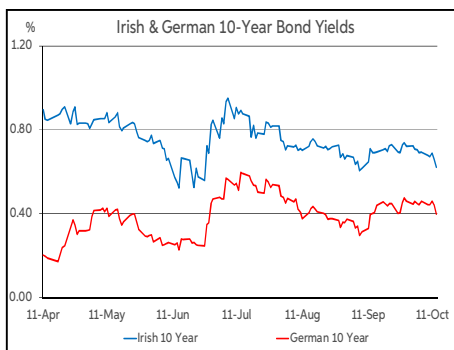
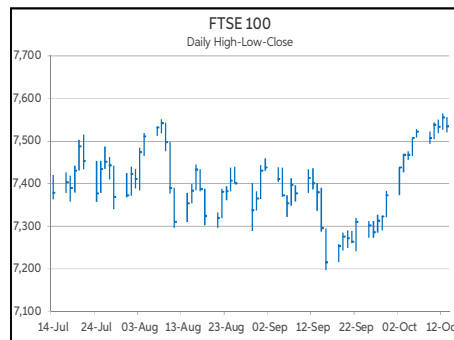
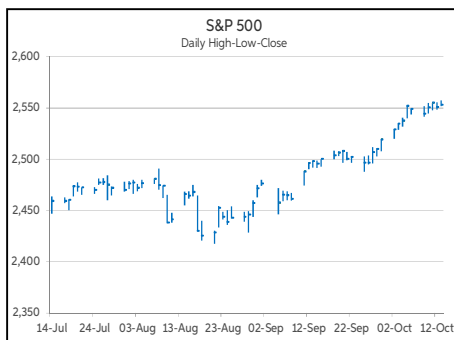
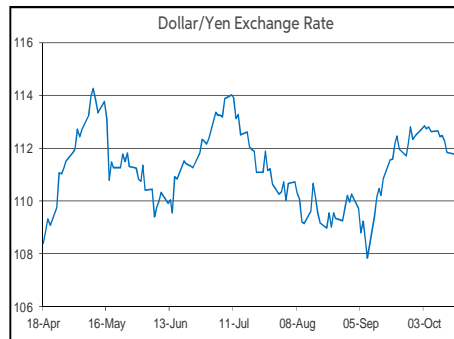
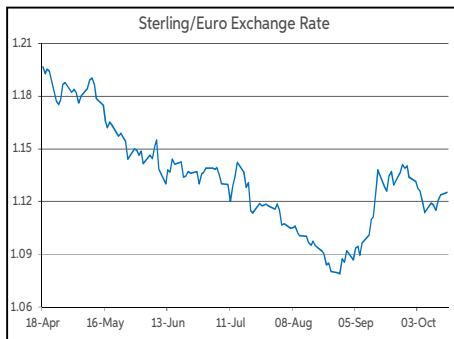
EUR/GBP	0.8886
EUR/USD	1.1791
EUR/JPY	131.82
EUR/SEK	9.5812
EUR/DKK	7.4433
EUR/NOK	9.3139
EUR/CHF	1.1509
EUR/AUD	1.4966
EUR/HKD	9.2081
EUR/CAD	1.4714

Sterling

GBP/EUR	1.1251
GBP/USD	1.327
GBP/CAD	1.6559
GBP/NZD	1.8479
GBP/JPY	148.3
GBP/SEK	10.7805
GBP/DKK	8.3756
GBP/NOK	10.4792
GBP/CHF	1.295
GBP/AUD	1.6838

Dollar

USD/JPY	111.75
USD/CAD	1.2478
USD/CHF	0.9758
USD/CNY	6.58
USD/BRL	3.1449
USD/RUB	57.2145
USD/INR	64.7575
AUD/USD	0.7878
NZD/USD	0.7181



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 16
10 Year Yield %				
US	2.27	-5	+7	-17
Germany	0.40	-5	-4	+20
UK	1.36	-1	+6	+13
Ireland				
Ireland	0.62	-4	-7	-13
Belgium	0.67	-4	-4	+16
France	0.81	-4	+10	+14
Italy	2.07	-4	-6	+26
Spain	1.59	-3	+1	+22
Portugal				
Portugal	2.27	-2	-48	-145
Greece				
Greece	5.45	-4	+17	-143
5 Year Swap %				
US	1.96	-5	+9	+1
Eurozone	0.21	-4	-3	+13
UK	1.10	-1	+3	+22
2 Year Swap %				
US	1.74	-2	+11	+30
Eurozone	-0.19	-3	-3	-3
UK	0.83	-0	+3	+23
10 Year Government Bond Spreads to Benchmark bps				
Ireland	22	+1	-3	-33
Belgium				
Belgium	27	+0	+0	-4
France	42	+1	+14	-6
Italy	167	+1	-2	+6
Spain	119	+1	+5	+2
Portugal				
Portugal	187	+2	-44	-165
Greece				
Greece	505	+1	+21	-163

Commodities				
	Close	% Change		
		Day	4 Weeks	End 16
Brent Oil	57.17	+1.64	+2.79	+0.62
West Texas Oil	51.43	+1.62	+3.07	-4.32
CRB - All Commodity	184.83	+0.85	+0.42	-3.99
CRB - Food	341.23	+3.48	+2.82	+0.73
Gold \$	1305.3	+0.89	-1.12	+13.28

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