

No major moves in main FX pairs

After last week's flurry of activity on financial markets, this week got off to a more muted start yesterday. There was a generally cautious tone to risk appetite. At the close last night on Wall Street, the S&P 500 was down 0.6% on the day. At the same time, bond markets also saw fairly limited action.

One reason behind the lacklustre action was the very sparse data calendar. The main highlight from the schedule was US retail sales for September. The headline number disappointed versus expectations. However, the underlying data was generally solid.

From a currency viewpoint, the data had no major directional impact on the dollar. Elsewhere yesterday, on the currency front, sterling came into the morning session on the back foot amid weekend reports of a deadlock in the Brexit negotiations. However, the currency has managed to hold its ground since then.

As trading gets underway this morning, the main pairs are broadly similar to yesterday's opening levels. The EUR/USD pair is changing hands in the upper half of the \$1.15-1.16 range, while GBP/USD is trading within the \$1.31-1.32 band. Meanwhile, EUR/GBP continues to operate within a very tight range near to the 88p mark.

Looking ahead to today, there is a busy diary of UK labour market data due (incl. employment, unemployment and wage growth for the three month period to August). However, sterling reaction to the data may be limited unless there are significant surprises. Instead, given recent developments and with the EU summit looming on the horizon, sterling watchers may remain more focused on and sensitive to Brexit newsflow.

John Fahey, Senior Economist, AIB

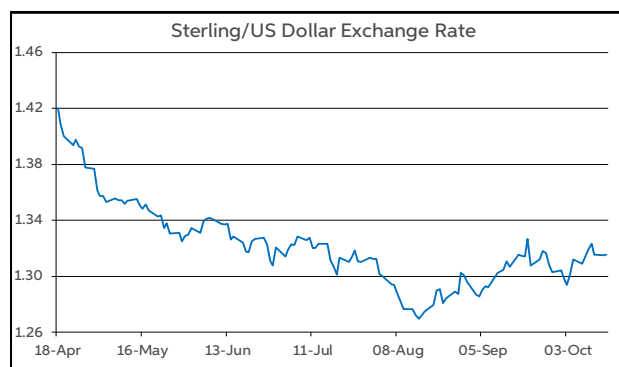
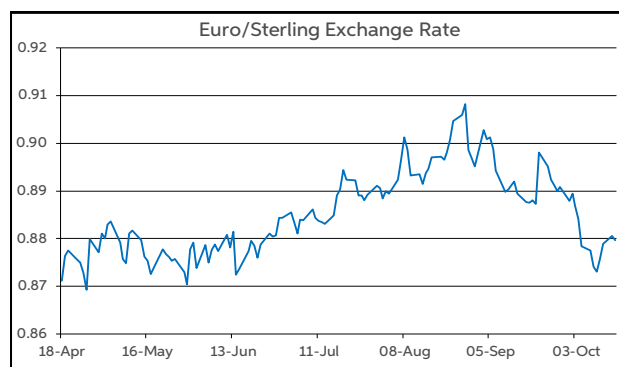
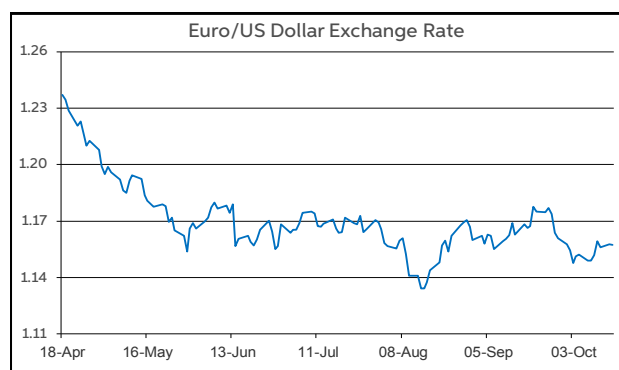
Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	2.125	2.29	2.45	2.97	3.05	3.15
EUR	0.00	-0.37	-0.32	-0.16	-0.09	0.44
GBP	0.75	0.72	0.81	1.08	1.17	1.47

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2017 to Date	
Dow Jones	25250.55	-0.35	+2.15	
S&P 500	2750.79	-0.59	+2.89	
FTSE 100	7029.22	+0.48	-8.57	
DJ Stoxx 50	3210.37	+0.50	-8.38	
ISEQ	6113.84	+0.25	-13.13	
Nikkei	22549.24	+1.25	-0.95	

Today's Opening Rates			
		% Change	
		Day *	End 2017
EUR/USD	1.1574	0.22	-3.52
EUR/GBP	0.8795	-0.12	-0.99
GBP/USD	1.3156	0.34	-2.63
GBP/EUR	1.1366	0.13	1.00
USD/JPY	112.08	0.04	-0.52
EUR/JPY	129.71	0.26	-4.05

* 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 Enda Homan	FX Options	Mark Tuite Lenny Hogan	Reuters Phone	AlBI 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

Tuesday 16 October 2018
07:31 am



Euro

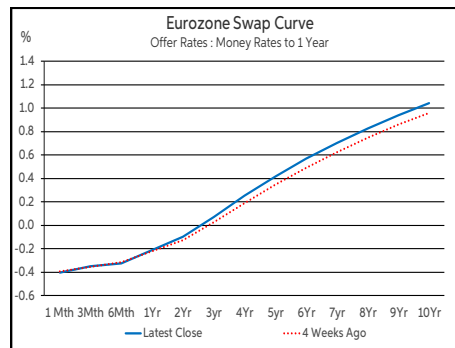
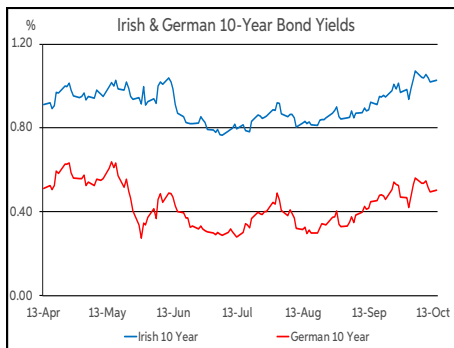
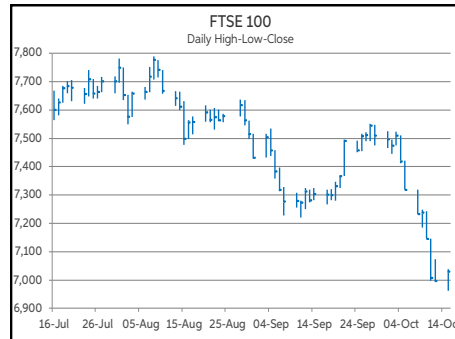
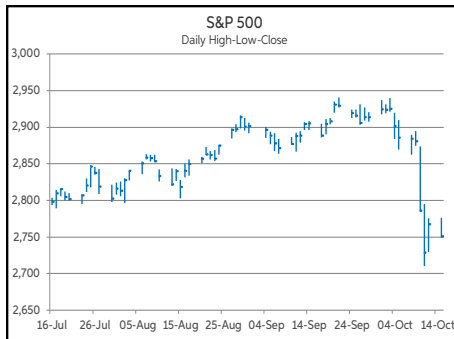
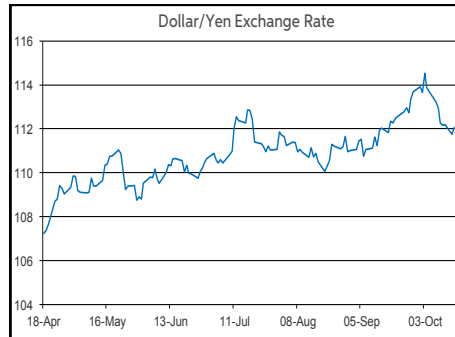
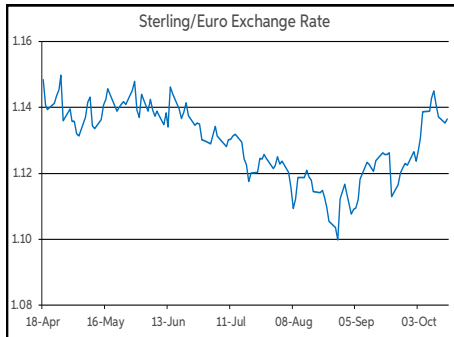
EUR/GBP	0.8795
EUR/USD	1.1574
EUR/JPY	129.71
EUR/SEK	10.3712
EUR/DKK	7.4606
EUR/NOK	9.4405
EUR/CHF	1.1446
EUR/AUD	1.6261
EUR/HKD	9.0706
EUR/CAD	1.5029

Sterling

GBP/EUR	1.1365
GBP/USD	1.3156
GBP/CAD	1.7091
GBP/NZD	2.0044
GBP/JPY	147.44
GBP/SEK	11.788
GBP/DKK	8.4792
GBP/NOK	10.7312
GBP/CHF	1.3012
GBP/AUD	1.8483

Dollar

USD/JPY	112.07
USD/CAD	1.2987
USD/CHF	0.989
USD/CNY	6.924
USD/BRL	3.7353
USD/RUB	65.532
USD/INR	73.93
AUD/USD	0.7116
NZD/USD	0.6561



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 17
10 Year Yield %				
US	3.15	-1	+16	+75
Germany	0.50	+1	+5	+8
UK	1.61	-2	+8	+43
Ireland	1.03	+1	+12	N/A
Belgium	0.88	+4	+12	+27
France	0.86	-1	+9	+8
Italy	3.53	-2	+68	+154
Spain	1.67	+1	+20	+12
Portugal	2.00	-2	+17	+10
Greece	4.34	-2	+35	+29
5 Year Swap %				
US	3.11	-1	+13	+87
Eurozone	0.42	-1	+7	+10
UK	1.46	-3	+5	+43
2 Year Swap %				
US	3.02	-2	+8	+93
Eurozone	-0.10	-2	+3	+4
UK	1.16	-2	+2	+35
10 Year Government Bond Spreads to Benchmark bps				
Ireland	53	+0	+7	N/A
Belgium	38	+3	+7	+19
France	36	-1	+4	+0
Italy	303	-2	+64	+145
Spain	116	+0	+15	+4
Portugal	150	-3	+13	+2
Greece	383	-3	+30	+21

Commodities				
	Close	% Change		
		Day	4 Weeks	End 17
Brent Oil	80.78	+0.44	+3.50	+20.80
West Texas Oil	71.84	+0.60	+4.33	+18.82
CRB - All Commodity	199.74	+0.91	+5.32	+3.03
CRB - Food	339.61	+2.12	+4.35	+1.06
Gold \$	1227.3	+0.74	+2.16	-5.78

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