

## Dollar slightly firmer

There was a generally lacklustre tone on financial markets as the week got underway yesterday. This likely reflects the quiet data/events schedule over the last 24 hours. Not surprisingly then, the main equity indices were broadly unchanged yesterday on both sides of the Atlantic.

The tone on currency markets was similarly subdued, with the main FX pairs confined to narrow ranges for most of the day. Although, the dollar has made some gains in overnight trading. The currency was aided by a joint statement from President Trump and Senate Leader McConnell that they wanted a tax bill passed through congress "by the end of the year".

In level terms, EUR/USD has slipped to around the mid-point of the \$1.17-1.18 band. Cable (GBP/USD) is changing hands in the lower half of the \$1.32-1.33 range. Meantime, the EUR/GBP pair is unchanged compared to 24 hours previous, trading just below 89p.

Turning to the day ahead, there will be plenty to interest sterling watchers. UK CPI inflation is forecast to have picked up to 3% in September. This is the peak of the BoE's most recent forecasts. A pick-up in price pressures today would likely reinforce the MPC's line that rates could be hiked sooner rather than later, helping to provide some support to sterling. However, BoE Governor Carney is due before the Treasury Select Committee today, which poses some headline risk for the UK currency.

The US calendar features the main data release of the week there, industrial production for September. A relatively modest 0.3% increase is anticipated. This suggests that growth in the sector could be broadly flat in Q3, following on from Q2's strong 1.2% rise. Overall, dollar reaction to the data could be relatively muted.

**Dara Turnbull, Economist, AIB**

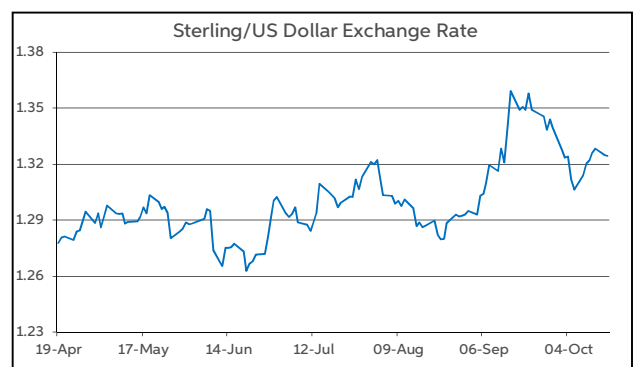
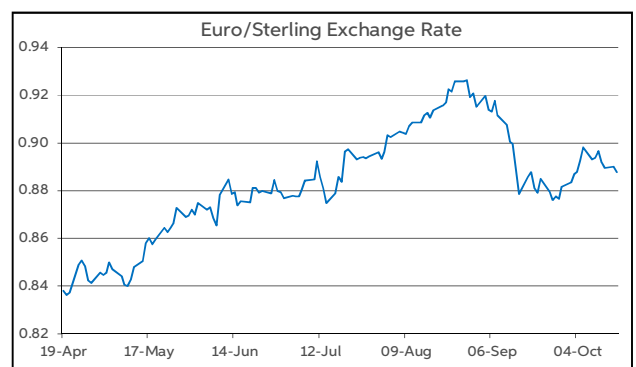
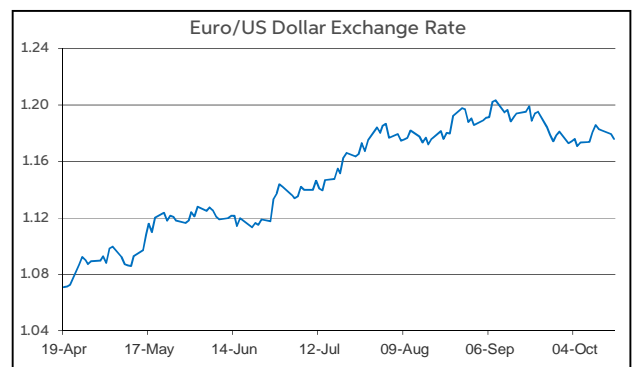
Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	1.125	1.24	1.35	1.81	1.81	2.04
EUR	0.00	-0.37	-0.33	-0.18	-0.18	0.20
GBP	0.25	0.30	0.38	0.75	0.85	1.09

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2016 to Date	
Dow Jones	22956.96	+0.37	+16.16	
S&P 500	2557.64	+0.18	+14.24	
FTSE 100	7526.97	-0.11	+5.38	
DJ Stoxx 50	3606.27	+0.05	+9.60	
ISEQ	6813.52	-0.35	+4.55	
Nikkei	21336.12	+0.38	+11.62	

Today's Opening Rates			
		% Change	
		Day *	End 2016
EUR/USD	1.1761	-0.41	11.87
EUR/GBP	0.8879	-0.05	4.24
GBP/USD	1.3244	-0.36	7.36
GBP/EUR	1.1258	0.05	-4.07
USD/JPY	112.17	0.21	-4.02
EUR/JPY	131.94	-0.17	7.15

\* 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

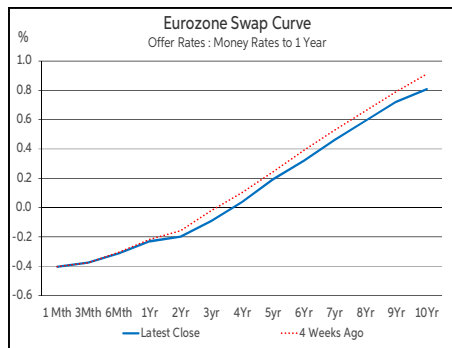
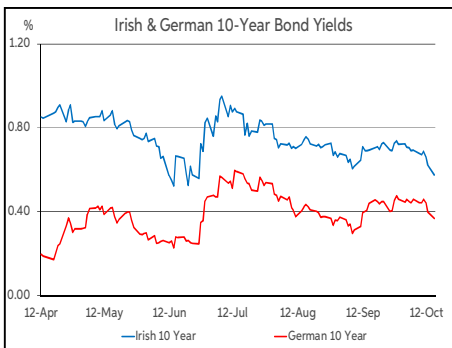
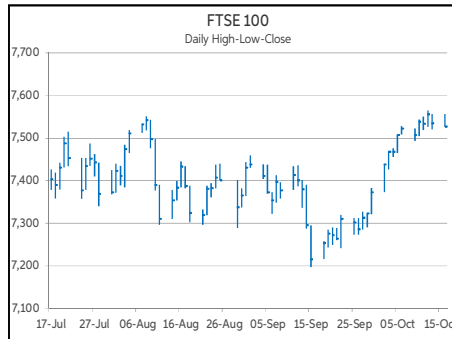
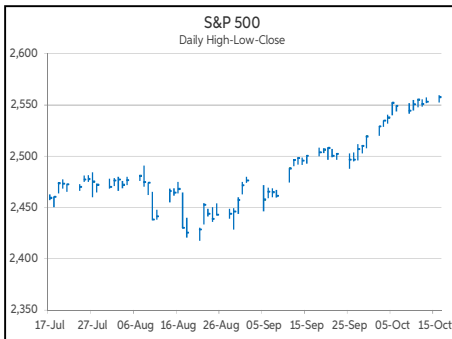
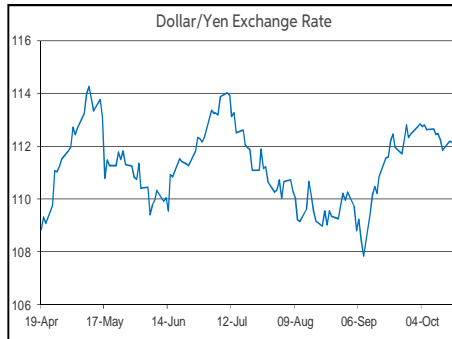
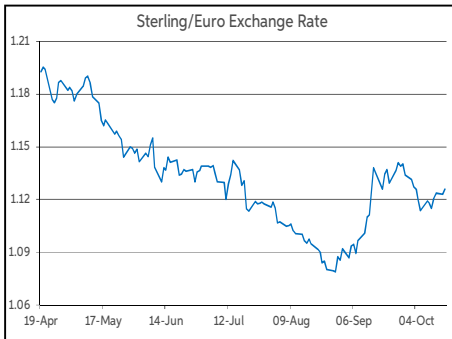
FX Spot	Karl Cooke Shane Gargan Adrian Flanagan Enda Homan	FX Options	Mark Tuite Lenny Hogan	Reuters Phone	AIB 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

Tuesday 17 October 2017  
07:30 am



Euro		Sterling		Dollar	
EUR/GBP	0.8878	GBP/EUR	1.1259	USD/JPY	112.18
EUR/USD	1.176	GBP/USD	1.3245	USD/CAD	1.2544
EUR/JPY	131.94	GBP/CAD	1.6612	USD/CHF	0.9785
EUR/SEK	9.5645	GBP/NZD	1.849	USD/CNY	6.6135
EUR/DKK	7.4434	GBP/JPY	148.58	USD/BRL	3.1717
EUR/NOK	9.3248	GBP/SEK	10.7673	USD/RUB	57.3461
EUR/CHF	1.1507	GBP/DKK	8.381	USD/INR	64.945
EUR/AUD	1.5006	GBP/NOK	10.5022	AUD/USD	0.7835
EUR/HKD	9.1816	GBP/CHF	1.2957	NZD/USD	0.7161
EUR/CAD	1.4752	GBP/AUD	1.6894		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 16
<b>10 Year Yield %</b>				
US	2.30	+3	+7	-14
Germany	0.37	-3	-9	+17
UK	1.33	-3	+4	+10
Ireland	0.58	-5	-13	-17
Belgium	0.64	-3	-9	+13
France	0.78	-3	+5	+11
Italy	2.03	-4	-9	+22
Spain	1.56	-3	-1	+19
Portugal	2.29	+2	-11	-144
Greece	5.41	-4	+14	-146
<b>5 Year Swap %</b>				
US	2.00	+2	+11	+5
Eurozone	0.19	-3	-5	+12
UK	1.08	-2	+2	+20
<b>2 Year Swap %</b>				
US	1.77	+1	+12	+33
Eurozone	-0.20	-3	-4	-4
UK	0.83	-1	+5	+23
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	21	-2	-4	-34
Belgium	27	-0	-0	-4
France	41	-0	+14	-6
Italy	166	-1	-1	+5
Spain	119	-0	+8	+2
Portugal	192	+5	-2	-161
Greece	505	-1	+23	-163

Commodities				
	Close	% Change		
		Day	4 Weeks	End 16
Brent Oil	57.82	+1.14	+4.22	+1.76
West Texas Oil	51.86	+0.84	+3.97	-3.52
CRB - All Commodity	184.62	-0.11	+0.48	-4.10
CRB - Food	341.62	+0.39	+3.53	+0.85
Gold \$	1295.5	-0.75	-1.00	+12.43

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