

## Euro and sterling lose further ground to the dollar

Over the last 24 hours, both sterling and the euro have continued to edge lower against the dollar. From a sterling viewpoint, the main focus yesterday was on the EU summit. There was little in the way of new insight into how the current difficulties in the Brexit talks can be sorted. However, the tone was optimistic, with both sides stating that a deal can be reached. This, combined with talk of a possible extension to the proposed transition period, meant that sterling only came under some mild downward pressure.

Data-wise, the main release yesterday was also UK centred, with retail sales for September published. Headline sales surprised to the downside of expectations, falling by 0.8% in the month (f'cast for -0.4%). The disappointing data did not provoke much reaction from sterling though.

Meanwhile, for the euro, the concerns over the Italian government's budget and possible escalation of tension with the European Commission continue to provide a somewhat unhelpful backdrop. Italian bond yields came under further pressure, with the ten year up over 15bps on the day, to near 3.7%.

Overall then, as trading gets underway this morning both sterling and the euro have lost some additional ground to the dollar. This is reflected in EUR/USD opening around the midpoint of the \$1.14-1.15 range and GBP/USD pinned down near to the \$1.30 level. Elsewhere, EUR/GBP continues to change hands just below 88p.

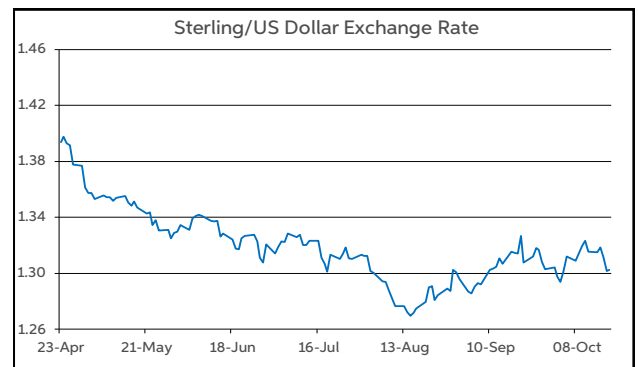
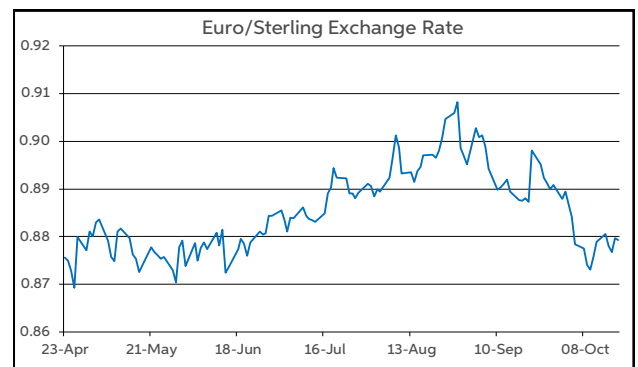
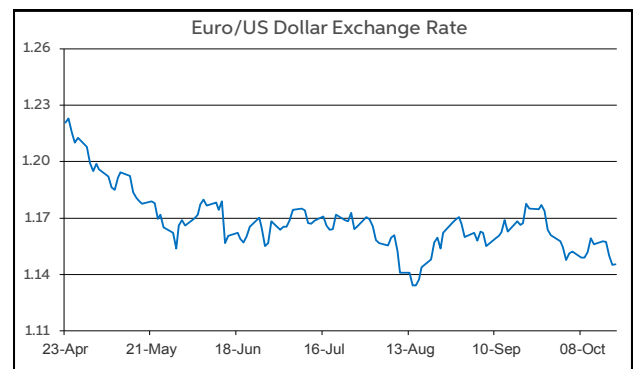
Ahead today, the week comes to a close with another unexciting data schedule. A speech by BoE Governor Mark Carney poses some event risk for sterling. From an overall currency perspective, given the quiet macro diary, the main pairs could trade in narrow ranges near their current levels heading into the weekend.

**John Fahey, Senior Economist, AIB**

Today's Opening Rates			
		% Change	
		Day *	End 2017
EUR/USD	1.1453	-0.40	-4.53
EUR/GBP	0.8793	0.17	-1.01
GBP/USD	1.3023	-0.56	-3.62
GBP/EUR	1.1367	-0.17	1.02
USD/JPY	112.48	-0.03	-0.17
EUR/JPY	128.85	-0.40	-4.68

\* v Previous Day's European Open

See Next Page for More Rates ▶▶▶



Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	2.125	2.28	2.47	3.00	3.10	3.20
EUR	0.00	-0.37	-0.32	-0.16	-0.11	0.38
GBP	0.75	0.73	0.80	1.08	1.15	1.43

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2017 to Date	
Dow Jones	25379.45	-1.27	+2.67	
S&P 500	2768.78	-1.44	+3.56	
FTSE 100	7026.99	-0.39	-8.60	
DJ Stoxx 50	3211.59	-0.97	-8.34	
ISEQ	6090.79	-1.57	-13.46	
Nikkei	22532.08	-0.56	-1.02	

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

Friday 19 October 2018  
07:29 am



## Euro

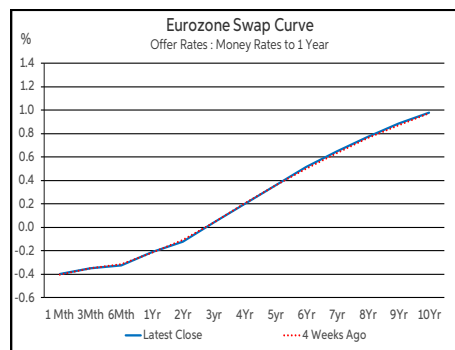
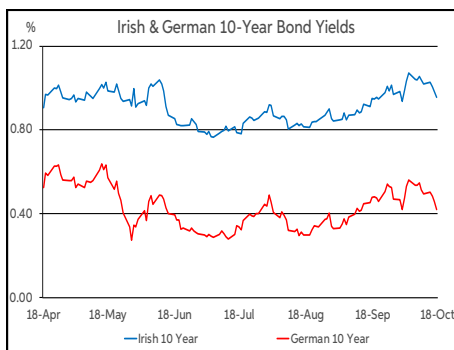
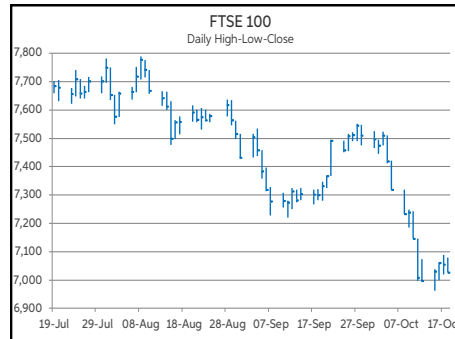
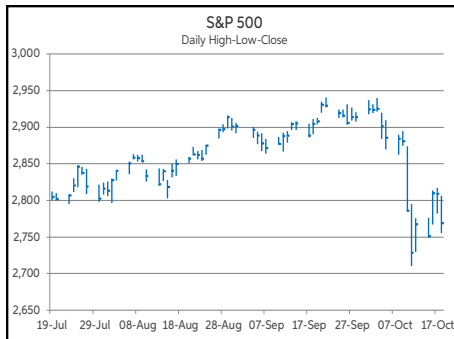
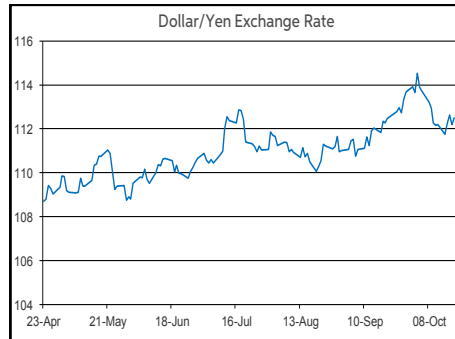
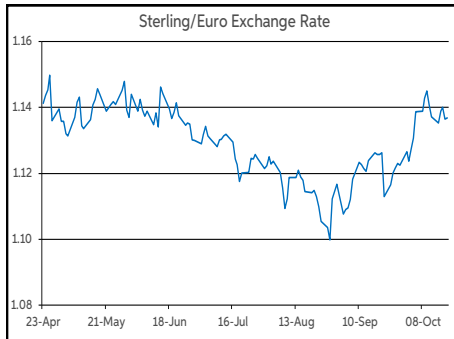
EUR/GBP	0.8793
EUR/USD	1.1453
EUR/JPY	128.85
EUR/SEK	10.3446
EUR/DKK	7.4604
EUR/NOK	9.4628
EUR/CHF	1.1418
EUR/AUD	1.6095
EUR/HKD	8.98
EUR/CAD	1.4952

## Sterling

GBP/EUR	1.1367
GBP/USD	1.3023
GBP/CAD	1.7001
GBP/NZD	1.983
GBP/JPY	146.48
GBP/SEK	11.761
GBP/DKK	8.4822
GBP/NOK	10.7607
GBP/CHF	1.2985
GBP/AUD	1.8301

## Dollar

USD/JPY	112.48
USD/CAD	1.3053
USD/CHF	0.997
USD/CNY	6.9322
USD/BRL	3.7213
USD/RUB	65.7102
USD/INR	73.4475
AUD/USD	0.7116
NZD/USD	0.6565



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 17
<b>10 Year Yield %</b>				
US	3.17	-3	+11	+77
Germany	0.42	-4	-6	+0
UK	1.55	-2	-4	+37
Ireland	0.96	-3	+0	N/A
Belgium	0.84	-0	+4	+23
France	0.82	+0	+3	+4
Italy	3.67	+16	+81	+168
Spain	1.72	+8	+22	+17
Portugal	2.01	+8	+13	+12
Greece	4.40	+14	+37	+36
<b>5 Year Swap %</b>				
US	3.15	-1	+9	+91
Eurozone	0.36	-3	+0	+4
UK	1.43	-3	-3	+39
<b>2 Year Swap %</b>				
US	3.07	+1	+8	+99
Eurozone	-0.12	-2	-1	+2
UK	1.14	-2	-2	+34
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	54	+1	+6	N/A
Belgium	42	+4	+10	+23
France	40	+4	+9	+4
Italy	325	+20	+86	+168
Spain	130	+12	+28	+17
Portugal	159	+12	+19	+12
Greece	398	+18	+43	+36

Commodities				
	Close	% Change		
		Day	4 Weeks	End 17
Brent Oil	79.29	-0.95	+0.75	+18.57
West Texas Oil	68.63	-1.44	-3.02	+13.51
CRB - All Commodity	196.63	-1.14	+2.04	+1.43
CRB - Food	334.6	-3.49	+0.44	-0.43
Gold \$	1226.5	+0.28	+1.50	-5.85

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