

Busy data week for markets to digest

The main currency pairs have tended to trade in tight ranges over the last 24 hours. This means that both sterling and the euro remain under some pressure against the dollar. This is reflected in the fact that EUR/USD continues to change hands below the \$1.14 level and GBP/USD is straddling the \$1.28 mark. Meanwhile, EUR/GBP continues to trade in the upper half of the 88-89p band. Elsewhere, after last week's risk aversion on markets, investor sentiment was mixed yesterday. Some of the main European indices made gains. However, at the close on Wall Street last night, the S&P 500 was down around 0.7% on the day.

The remainder of this week has a busy schedule on both sides of the Atlantic. For the euro, we get one of the main data highlights today with the first reading of Q3 GDP. There is also another batch of survey indicators for October (EC sentiment indices). We saw last week that disappointing PMI data acted as a headwind to the euro, so any similar downside forecast misses this week could be unhelpful to the currency. At the same time, the currency remains sensitive to European political newsflow, including Italian tensions with the EU over its budgetary policy.

From a dollar perspective, there are some key data releases out this week. This includes payrolls, as well as the Fed's preferred measure of wages (employment cost index). Overall the figures are likely to validate the Fed's rate hike projections and therefore at the margin may offer some further support to the dollar.

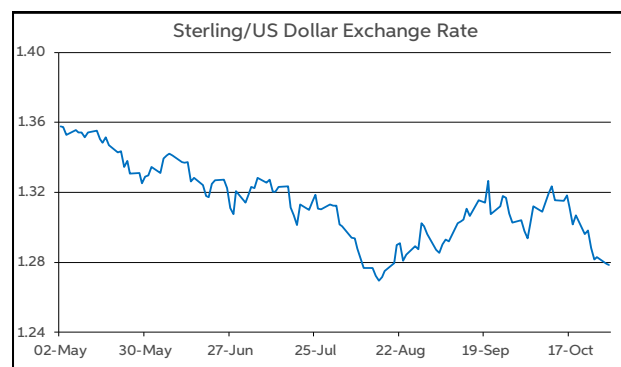
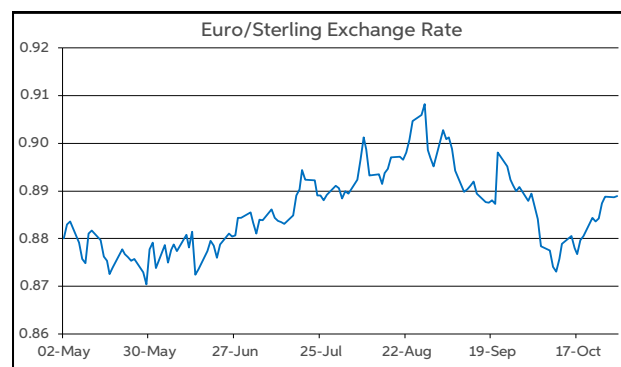
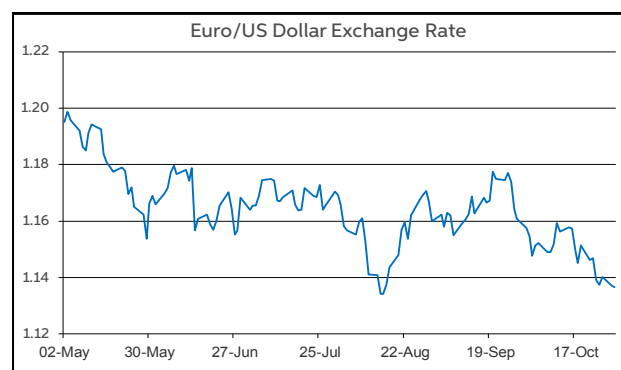
Meanwhile, for sterling, the BoE meeting is not expected to see any changes to policy, with the consensus that rates are on hold till at least Q2 2019 (given Brexit related uncertainty). However, the inflation report (incl. updated forecasts), statement and minutes will still be closely followed for insight into the BoE's current mindset.

John Fahey, Senior Economist, AIB

		% Change	
		Day *	End 2017
EUR/USD	1.1366	-0.26	-5.25
EUR/GBP	0.889	0.14	0.08
GBP/USD	1.2785	-0.37	-5.38
GBP/EUR	1.1246	-0.13	-0.08
USD/JPY	112.78	0.74	0.10
EUR/JPY	128.2	0.49	-5.16

* v Previous Day's European Open

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	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	2.125	2.30	2.53	3.06	3.02	3.08
EUR	0.00	-0.37	-0.32	-0.15	-0.10	0.36
GBP	0.75	0.73	0.81	1.05	1.09	1.33

	Latest Close	% Changes	
		on Day	End 2017 to Date
Dow Jones	24442.92	-0.99	-1.12
S&P 500	2641.25	-0.66	-1.21
FTSE 100	7026.32	+1.25	-8.60
DJ Stoxx 50	3154.93	+0.64	-9.96
ISEQ	6050.01	+1.20	-14.04
Nikkei	21457.29	+1.45	-5.74

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	AIB 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Euro

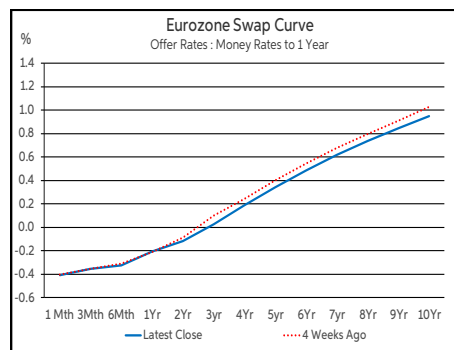
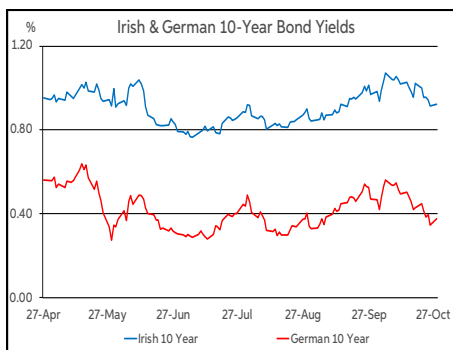
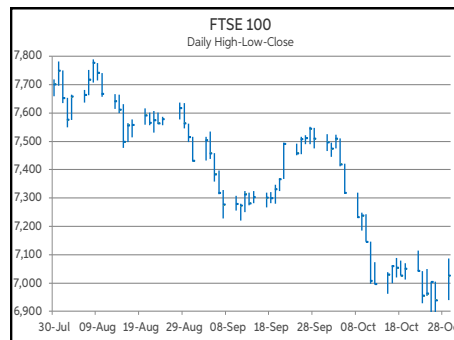
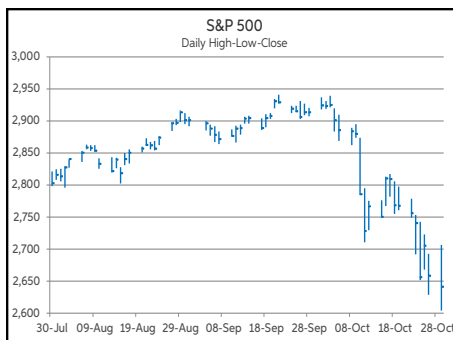
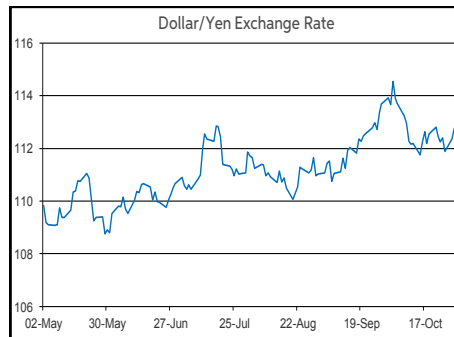
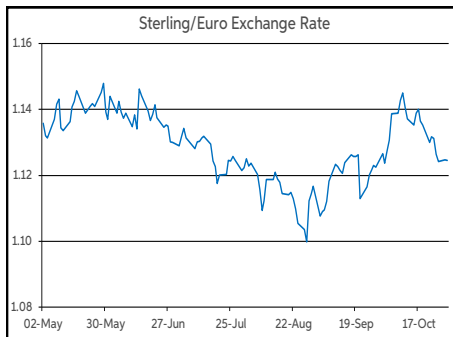
EUR/GBP	0.889
EUR/USD	1.1366
EUR/JPY	128.21
EUR/SEK	10.395
EUR/DKK	7.4618
EUR/NOK	9.5277
EUR/CHF	1.1392
EUR/AUD	1.6029
EUR/HKD	8.915
EUR/CAD	1.4907

Sterling

GBP/EUR	1.1244
GBP/USD	1.2784
GBP/CAD	1.6765
GBP/NZD	1.9523
GBP/JPY	144.18
GBP/SEK	11.6868
GBP/DKK	8.3917
GBP/NOK	10.7171
GBP/CHF	1.2811
GBP/AUD	1.8029

Dollar

USD/JPY	112.78
USD/CAD	1.3109
USD/CHF	1.002
USD/CNY	6.9649
USD/BRL	3.7172
USD/RUB	65.781
USD/INR	73.565
AUD/USD	0.709
NZD/USD	0.6548



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 17
10 Year Yield %				
US	3.09	+1	+0	+68
Germany	0.38	+3	-9	-4
UK	1.39	+1	-18	+21
Ireland	0.92	+1	-6	N/A
Belgium	0.76	+2	-8	+15
France	0.74	+1	-7	-3
Italy	3.31	-9	+3	+132
Spain	1.52	-2	+1	-2
Portugal	1.86	-4	-3	-4
Greece	4.15	-8	+0	+11
5 Year Swap %				
US	3.05	+1	-1	+81
Eurozone	0.34	-1	-6	+3
UK	1.31	-1	-15	+28
2 Year Swap %				
US	2.99	-2	+3	+91
Eurozone	-0.12	-1	-3	+2
UK	1.08	-0	-9	+28
10 Year Government Bond Spreads to Benchmark bps				
Ireland	55	-2	+3	N/A
Belgium	39	-1	+1	+19
France	37	-2	+2	+1
Italy	294	-12	+12	+136
Spain	114	-5	+10	+2
Portugal	148	-7	+6	+1
Greece	378	-11	+10	+15

Commodities				
	Close	% Change		
		Day	4 Weeks	End 17
Brent Oil	77.34	-0.36	-8.99	+15.66
West Texas Oil	67	-0.86	-11.11	+10.82
CRB - All Commodity	193.42	-1.07	-2.21	-0.23
CRB - Food	334.58	-0.05	-0.09	-0.43
Gold \$	1230.1	-0.31	+3.44	-5.57

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