

## Softer tone to sterling

Investor sentiment was holding a cautious tone for much of yesterday. Equity markets largely traded sideways. At the close last night on Wall Street, the S&P 500 was down modestly (-0.4%).

The action on currency markets saw sterling come under some downward pressure in the second half of European trading. There was no clear cut factor behind its decline. However, the softer tone to sterling did coincide with comments from the Chancellor of the Exchequer in relation to his support for the BoE's QE programme.

At one stage, sterling was down around 1% against both the dollar and the euro. In level terms, the weakness in sterling was evident in cable (GBP/USD) being unable to hold ground in the \$1.22 territory, briefly testing below the \$1.21 mark, before trading back up into the \$1.21-1.22 band. The action in EUR/GBP was also reflective of sterling's difficulties, with the pair moving higher within the 89-90p range.

Elsewhere, EUR/USD continued to trade in a narrow range just below the \$1.09 level. This was despite some surprises from the Eurozone and US macro schedules. The German Ifo for October came in ahead of market forecasts, while in the US, consumer confidence for October disappointed versus expectations.

Turing to today, the macro calendar is very much on the sparse side. Indeed, the only releases of note come in the afternoon session, with US new home sales (Sept) and the services PMI (Oct) due. Given the quiet flow of macro data, the main FX pairs may be lacking in direction today and therefore could range trade near their current levels over the next 24 hours.

**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	0.375	0.54	0.89	1.58	1.07	1.28
EUR	0.00	-0.37	-0.31	-0.07	-0.17	-0.04
GBP	0.25	0.26	0.40	0.80	0.61	0.75

Equity Indices			
	Latest Close	% Changes	
		on Day	End 2015 to Date
Dow Jones	18169.27	-0.30	+4.27
S&P 500	2143.16	-0.38	+4.85
FTSE 100	7017.64	+0.45	+12.42
DJ Stoxx 50	3087.41	-0.21	-5.51
ISEQ	5969.85	-1.08	-12.10
Nikkei	17391.84	+0.15	-8.63

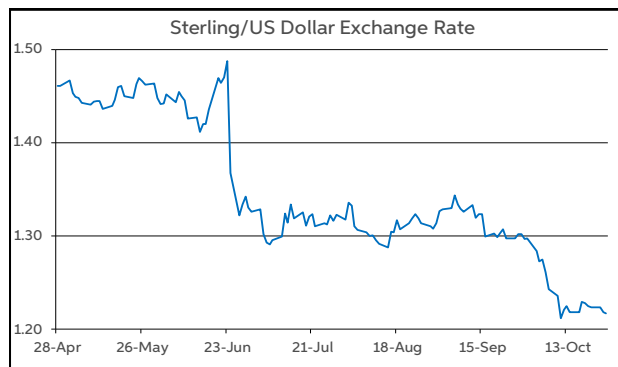
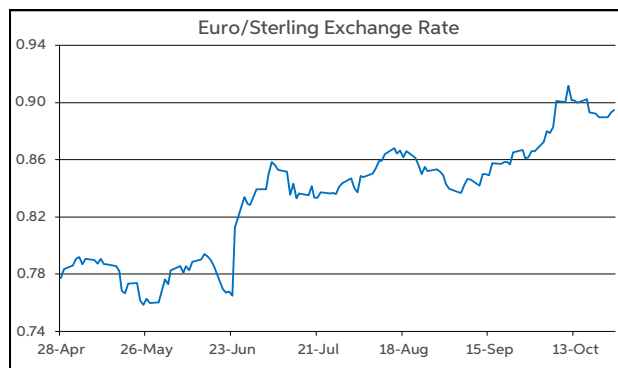
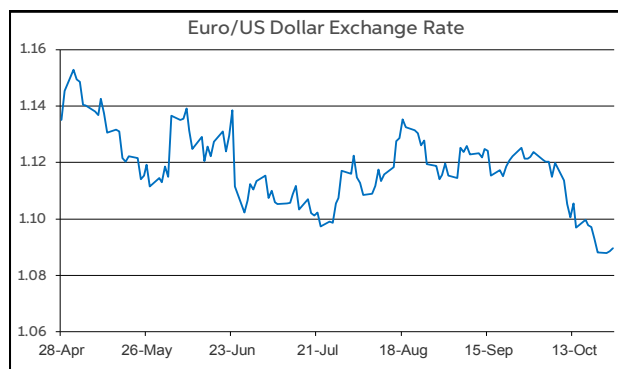
All rates quoted are indicative market rates

See Next Page For More Rates & Charts

Today's Opening Rates			
		% Change	
		Day *	End 2015
EUR/USD	1.0895	0.17	0.32
EUR/GBP	0.895	0.52	21.49
GBP/USD	1.2169	-0.39	-17.43
GBP/EUR	1.1166	-0.51	-17.69
USD/JPY	104.2	-0.15	-13.38
EUR/JPY	113.52	-0.03	-12.99

\* v Previous Day's European Open

See Next Page for More Rates >>>



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# Opening Levels

Wednesday 26 October 2016  
07:31 am



## Euro

EUR/GBP	0.895
EUR/USD	1.0895
EUR/JPY	113.52
EUR/SEK	9.7164
EUR/DKK	7.4378
EUR/NOK	9.0022
EUR/CHF	1.083
EUR/AUD	1.417
EUR/HKD	8.4493
EUR/CAD	1.4541

## Sterling

GBP/EUR	1.1166
GBP/USD	1.2169
GBP/CAD	1.6242
GBP/NZD	1.6981
GBP/JPY	126.8
GBP/SEK	10.8514
GBP/DKK	8.3072
GBP/NOK	10.0499
GBP/CHF	1.2096
GBP/AUD	1.582

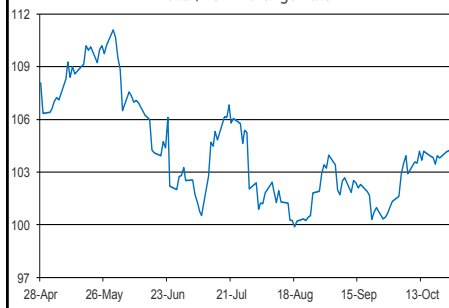
## Dollar

USD/JPY	104.2
USD/CAD	1.3349
USD/CHF	0.9937
USD/CNY	6.768
USD/BRL	3.1111
USD/RUB	62.209
USD/INR	66.7649
AUD/USD	0.7689
NZD/USD	0.7164

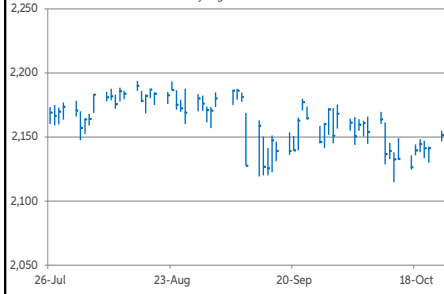
Sterling/Euro Exchange Rate



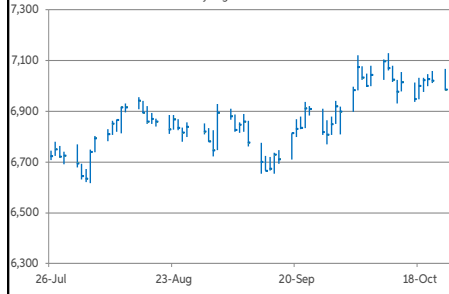
Dollar/Yen Exchange Rate



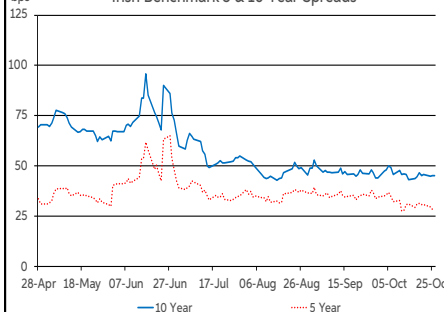
S&P 500  
Daily High-Low-Close



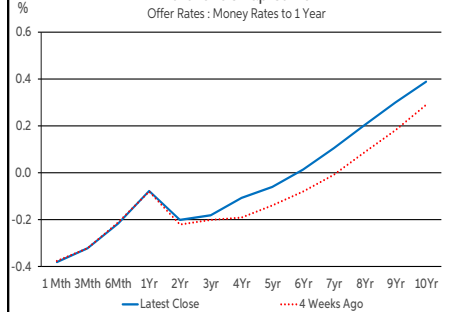
FTSE 100  
Daily High-Low-Close



Irish Benchmark 5 & 10 Year Spreads



Eurozone Swap Curve



## Debt Markets

	Close	Change bps		
		Day	4 Weeks	End 15
<b>10 Year Yield %</b>				
US	1.76	-1	+20	-51
Germany	0.03	+1	+17	-61
UK	1.08	+0	+41	-87
Ireland	0.47	+1	+13	-67
Belgium	0.23	+1	+14	-73
France	0.29	-1	+20	-69
Italy	1.44	-1	+24	-15
Spain	1.07	-2	+20	-69
Portugal	3.16	+5	-23	+67
Greece	8.21	-6	-3	+45
<b>5 Year Swap %</b>				
US	1.26	-2	+11	-45
Eurozone	-0.06	-2	+8	-39
UK	0.73	-1	+26	-87
<b>2 Year Swap %</b>				
US	1.05	-1	+6	-10
Eurozone	-0.20	-3	+2	-17
UK	0.60	+1	+18	-51
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	44	+0	-3	-6
Belgium	21	+0	-2	-12
France	27	-1	+4	-8
Italy	142	-1	+7	+45
Spain	105	-2	+3	-9
Portugal	313	+4	-40	+128
Greece	818	-6	-19	+106

## Commodities

	Close	% Change		
		Day	4 Weeks	End 15
Brent Oil	50.79	-1.30	+10.49	+36.24
West Texas Oil	49.45	-1.45	+10.75	+33.18
CRB - All Commodity	189.35	-0.05	+3.41	+7.50
CRB - Food	328.2	+1.27	-1.47	-2.03
Gold \$	1274.9	+0.79	-3.97	+20.08

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