



Hopes for Fiscal Support Lift Markets Mood

The news of a huge fiscal stimulus package from China (measured at almost \$600bln, largely focused on infrastructure and social projects) as well an overnight rally in stocks has helped to lift market sentiment, giving risk appetite a boost as the week's trading gets underway. There was also a positive reaction to comments from finance ministers and central bankers from the G20, which were meeting over the weekend, with the group saying that they would take "all necessary measures" to get financial markets back to normal and help counteract the impact of the credit crisis. The group meets again next weekend to discuss exactly what measures they will need to work through over the coming months.

The yen has started the week down versus the dollar and euro, on the back of the improvement in market sentiment. The pick up in risk appetite has also benefited the euro, which is trading higher versus dollar, though it must be said that the US currency remains resilient in the face of Friday's weak no-farm payrolls report, which showed the unemployment at its highest level for 16 years. Sterling, meanwhile, remains at the bottom of the pile despite last week's aggressive move from the Bank of England, with the UK currency failing to hold onto gains seen versus the dollar overnight as it continues to face upside resistance.

Today sees the release of the UK PPI report for October, which is expected to show the fall in input prices accelerating, strengthening the case for further reductions in rates and thus leaving sterling on the back foot versus the dollar and euro, which is once again looking to push through the 0.82p level. Markets are keenly awaiting Wednesday's release of the BoE's Quarterly inflation report, which should provide some direction on how low rates could go.

Geraldine Concagh, AIB Global Treasury

Today's Opening Rates (Mid-Rate)

USD/EUR	1.2845	NOK/EUR	8.746
GBP/EUR	0.8167	CHF/EUR	1.5106
USD/GBP	1.572	AUD/EUR	1.8692
JPY/USD	99.13	NZD/EUR	2.149
JPY/EUR	127.35	HKD/EUR	9.9554
SEK/EUR	10.04	CAD/EUR	1.5137
DKK/EUR	7.4458	EUR/GBP	1.2234

Indices			Dow	8943.81	247.78
FTSE	4387.14	114.73	ISEQ	2826.74	23.22
Nikkei	8774.49	-474.51	Nasdaq	1647.4	17.71

SHORT TERM INTEREST RATES

Months	1	3	6	12
USD	1.62	2.29	2.64	2.80
JPY	0.81	0.89	0.98	1.11
EUR	4.10	4.47	4.54	4.60
GBP	4.08	4.50	4.60	4.62

LONG TERM INTEREST RATES

Term	EURO (Annual)	GBP
2 Years	3.55	3.63
3 Years	3.67	3.84
4 Years	3.78	4.00
5 Years	3.85	4.11

Economic Indicators this week . . .

(full listing on our "Weekly Market Brief" on www.fxcentre.com)

Date	G7	Time	Statistics	Previous	Forecast	Rank
Mon 10 th Nov	UK	09.30	PPI Output (October)	-0.3%(+8.5%)	-0.4%(+7.4%)	High
Mon 10 th Nov	UK	09.30	PPI Input	-1.2%(+24.5%)	-2.6%(+17.8%)	High
Tue 11 th Nov	GER	10.00	ZEW Index (November)	-63.0	-62.0	High
Wed 12 th Nov	UK	09.30	Claimant Count /Unemployment (Oct)	+31,800 / 2.9%	+40,000 / 2.9%	High
Wed 12 th Nov	UK	09.30	BoE Quarterly Inflation Report			High
Thurs 13 th Nov	GER	07.00	Flash GDP (Q3)	-0.5%(+3.1%)	-0.2%(+1.6%)	High
Fri 14 th Nov	EU-15	10.00	Flash GDP (Q3)	-0.2%(+1.4%)	-0.2%(+0.7%)	High
Fri 14 th Nov	US	13.30	Retail Sales (October)	-1.2%	-2.0%	High
Fri 14 th Nov	US	14.55	Michigan Sentiment (Nov Prelim)	57.6	56.0	High



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