

## Payrolls disappoint but no major dollar reaction

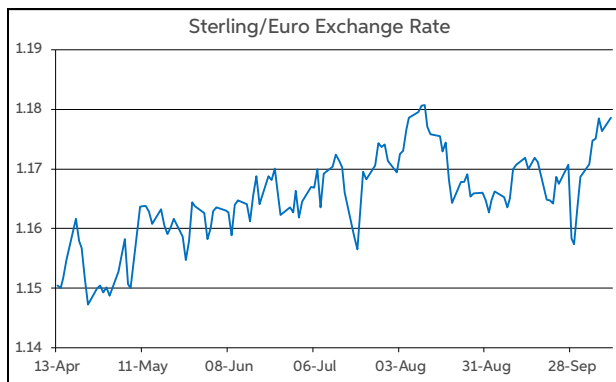
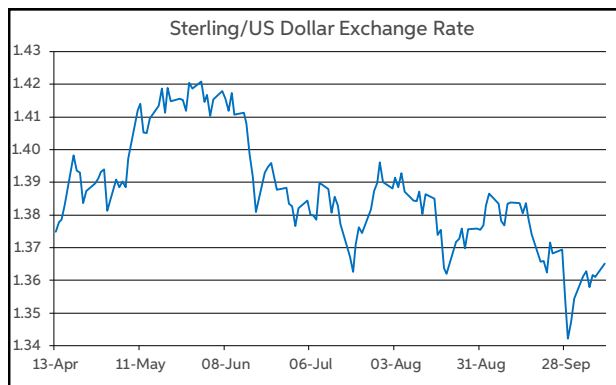
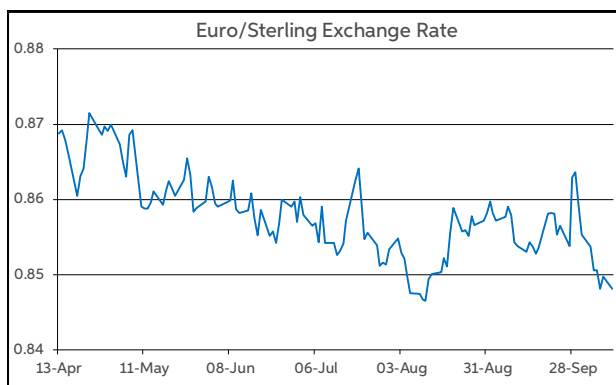
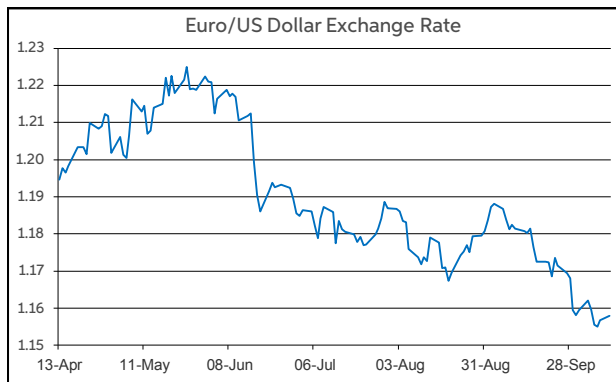
After a poor start, investor sentiment improved over the course of last week. Some positive news in relation to the debt ceiling issue in the US, albeit a temporary solution, helped to support risk appetite. This was reflected in most of the main equity indices registering gains on the week. At the closing bell on Wall Street on Friday, the S&P 500 was around 1% higher over the week.

Data-wise, the main focus was on Friday's batch of US labour market figures for September. The headline payroll number disappointed versus expectations, registering an underwhelming rise of 194k (forecast for 500k). However, on the plus side and in the context of the Fed's deliberations on announcing QE tapering in November, the unemployment rate fell by more than anticipated to 4.8% (vs. f'cast for 5.1%). Overall, the Fed will likely stick to its November timeline. From a currency viewpoint, there was minimal reaction from the dollar to the labour market updates.

Overall, the main FX pairs were within fairly tight ranges over the week. Of the action to register, the euro remained somewhat on the defensive, including EUR/USD trading down at a year-to-date low of \$1.153. At the same time, sterling was holding a firmer tone amid on-going expectations that the BoE could hike rates in early 2022. In terms of the key sterling pairs, EUR/GBP fell below 85p, while GBP/USD regained the \$1.36 level. In overnight action, the yen has weakened with USD/JPY in the upper half of ¥112-113.

For the week ahead, from a euro viewpoint, there are few data highlights. However, there is a busier calendar in the UK for sterling watchers to digest, including GDP and labour market updates for August. Meanwhile, for the dollar, the key noteworthy releases this week are CPI and retail sales figures for September.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1581	0.29	-5.17
EUR/GBP	0.8482	-0.07	-5.09
GBP/USD	1.3652	0.37	-0.15
GBP/EUR	1.1787	0.07	5.36
USD/JPY	112.71	0.71	9.17
EUR/JPY	130.52	0.98	3.46

\* v Previous Day's European Open

See Next Page for More Rates

Opening Interest Rates						
	Base Rate	Money Market		Swap Rates		
		1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	0.125	0.08	0.12	0.18	0.47	1.14
EUR	0.00	-0.56	-0.55	-0.49	-0.39	-0.12
GBP	0.10	0.06	0.09	0.54	0.85	1.11

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

### CONTACTS

**AIB Customer Treasury Services**  
business.treasury@aib.ie  
aib.corporate@treasury@aib.ie  
aib.ie/fxcentre

**Customer Treasury Services GB**  
treasury.gb@aib.ie  
aibgb.co.uk/fxcentre

**Customer Treasury Services NI**  
TreasuryNI@aib.ie  
aibni.co.uk/fxcentre

# Opening Levels

Monday 11 October 2021  
07:29 am



## Euro

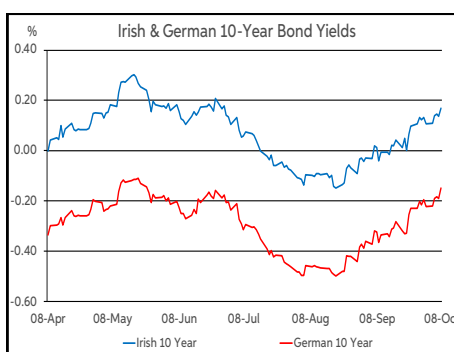
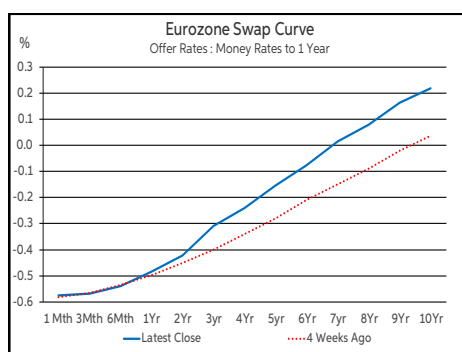
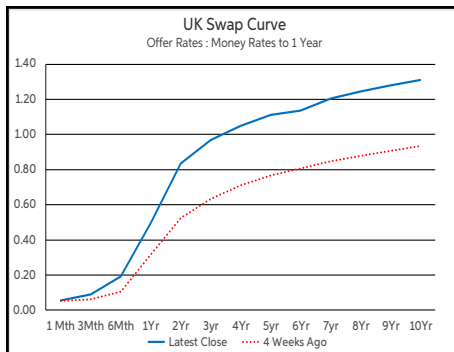
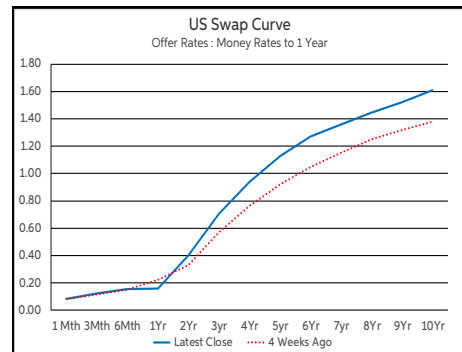
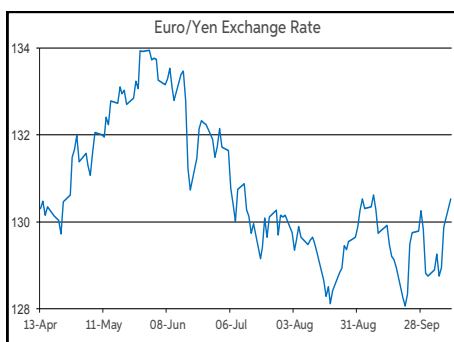
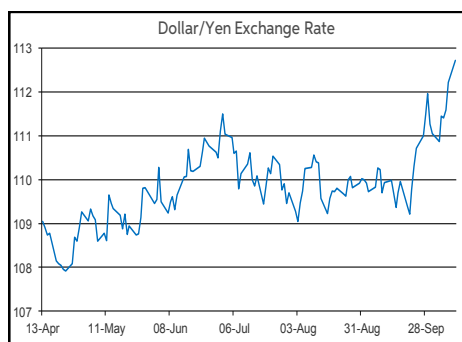
EUR/GBP	0.8482
EUR/USD	1.1581
EUR/JPY	130.52
EUR/SEK	10.108
EUR/DKK	7.441
EUR/NOK	9.8772
EUR/CHF	1.0741
EUR/AUD	1.5793
EUR/HKD	9.0127
EUR/CAD	1.4427

## Sterling

GBP/EUR	1.1787
GBP/USD	1.3652
GBP/CAD	1.701
GBP/NZD	1.9679
GBP/JPY	153.87
GBP/SEK	11.911
GBP/DKK	8.7718
GBP/NOK	11.6389
GBP/CHF	1.2663
GBP/AUD	1.8619

## Dollar

USD/JPY	112.71
USD/CAD	1.246
USD/CHF	0.9273
USD/CNY	6.435
USD/BRL	5.5061
USD/RUB	71.759
USD/INR	75.13
AUD/USD	0.7332
NZD/USD	0.6935



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.61	+4	+27	+70
Germany	-0.15	+4	+19	+43
UK	1.16	+8	+40	+96
Ireland	0.24	+3	+18	+54
Belgium	0.17	+4	+18	+55
France	0.19	+3	+19	+54
Italy	0.88	+3	+17	+36
Spain	0.50	+3	+15	+44
Portugal	0.37	+1	+13	+31
Greece	0.89	+2	+12	+26
5 Year Swap %				
US	1.13	+4	+24	+70
Eurozone	-0.15	+2	+14	+31
UK	1.11	+7	+35	+92
2 Year Swap %				
US	0.40	+1	+10	+21
Eurozone	-0.42	+1	+4	+10
UK	0.84	+6	+32	+81
10 Year Government Bond Spreads to Benchmark bps				
Ireland	38	-1	-1	+11
Belgium	31	-0	-0	+12
France	34	-1	+0	+11
Italy	103	-1	-1	-7
Spain	64	-1	-3	+1
Portugal	52	-3	-5	-12
Greece	104	-2	-7	-17

Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	82.39	+0.54	+12.99	+59.05
West Texas Oil	79.55	+1.39	+13.94	+64.53
Gold \$	1756.7	+0.08	-1.72	-7.37

This publication is for information purposes and is not an invitation to deal. The information is believed to be reliable but is not guaranteed. Any expressions of opinions are subject to change without notice. This publication is not to be reproduced in whole or in part without prior permission. In the Republic of Ireland it is distributed by Allied Irish Banks, p.l.c. In the UK it is distributed by Allied Irish Banks, p.l.c. and Allied Irish Bank (GB). In Northern Ireland it is distributed by Allied Irish Bank (NI). In the United States of America it is distributed by Allied Irish Banks, p.l.c. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland. Allied Irish Bank (GB) and AIB (NI) are trade marks used under licence by AIB Group (UK) p.l.c. (a wholly owned subsidiary of Allied Irish Banks, p.l.c.), incorporated in Northern Ireland. Registered Office 92 Ann Street, Belfast BT1 3HH. Registered Number NI018800. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In the United States of America, Allied Irish Banks, p.l.c., New York Branch, is a branch licensed by the New York State Department of Financial Services. Deposits and other investment products are not FDIC insured, they are not guaranteed by any bank and they may lose value. Please note that telephone calls may be recorded in line with market practice.