

Mixed tone to investor sentiment

There was a mixed tone to investor sentiment on equity markets, yesterday. The Euro Stoxx 50 recorded a 1.3% loss as inflation concerns continued to weigh on sentiment. Although, oil prices fell back off their peaks yesterday, as data from the US showed an increase in crude inventories. Nonetheless, oil remains well above \$80/bbl. Having treaded water throughout the European session, the S&P 500 finished the day up 0.4%.

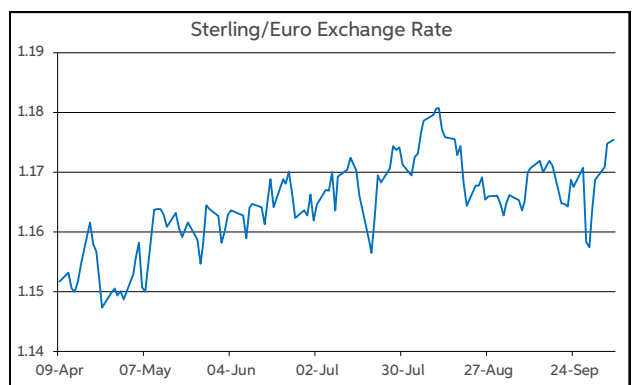
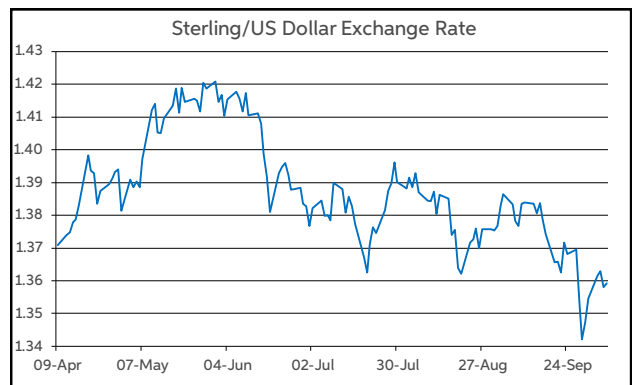
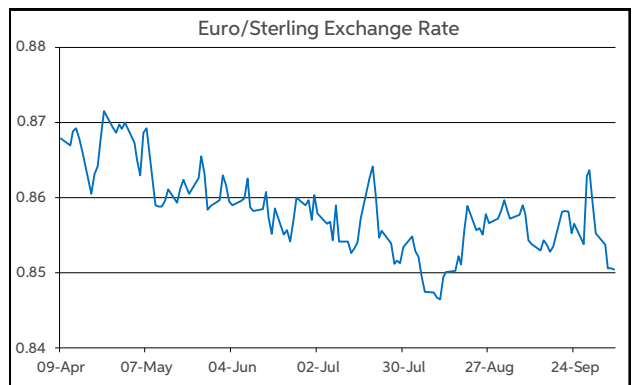
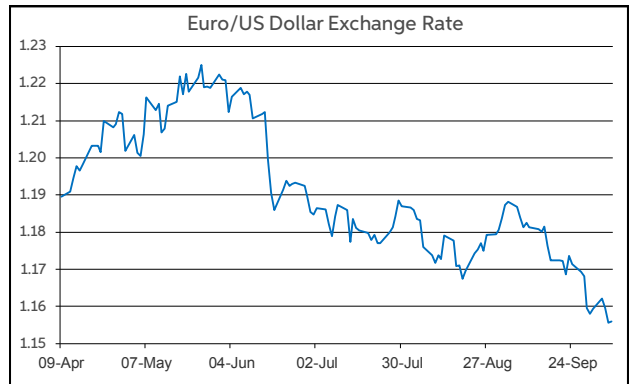
Currency-wise, the dollar was holding a slightly firmer tone on the exchanges. The greenback was likely supported by the risk-off mood on markets. EUR/USD fell to a fresh YTD low in the process below the midpoint of the \$1.15-1.16 range. Overnight though, the dollar handed back most of its gains as risk appetite improved.

In terms of data yesterday, Eurozone retail sales printed below the consensus, rising by 0.3% in August (vs 0.8% f'cast). In the US, the ADP employment report beat expectations, registering a 568k increase, ahead of the non-farm payrolls report on Friday.

In level terms, EUR/USD starts today just above the midpoint of the \$1.15-1.16 corridor. Meantime, EUR/GBP is changing hands at the 85p threshold. GBP/USD is operating at the \$1.36 mark, little changed from 24 hours ago.

Already this morning, German industrial production data shows that output fell by 4.0% in August (vs. -0.4% f'cast). However, the release has not impacted the euro so far in early trading. Later today, the ECB Governing Council meeting minutes for September are due. An otherwise quiet data schedule suggests that, risk appetite and pre-payrolls positioning will likely be the biggest drivers of any action on currency markets.

Daniel Noonan, Economist, AIB



| Today's Opening FX Rates | | | |
|--------------------------|--------|----------|----------|
| | | % Change | |
| | | Day * | End 2020 |
| EUR/USD | 1.1564 | -0.17 | -5.31 |
| EUR/GBP | 0.8506 | -0.09 | -4.82 |
| GBP/USD | 1.3595 | -0.07 | -0.57 |
| GBP/EUR | 1.1752 | 0.09 | 5.07 |
| USD/JPY | 111.37 | -0.33 | 7.87 |
| EUR/JPY | 128.82 | -0.49 | 2.11 |

* 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 | 0.09 | 0.12 | 0.15 | 0.42 | 1.07 |
| EUR | 0.00 | -0.57 | -0.55 | -0.50 | -0.42 | -0.17 |
| GBP | 0.10 | 0.05 | 0.08 | 0.49 | 0.77 | 1.04 |

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

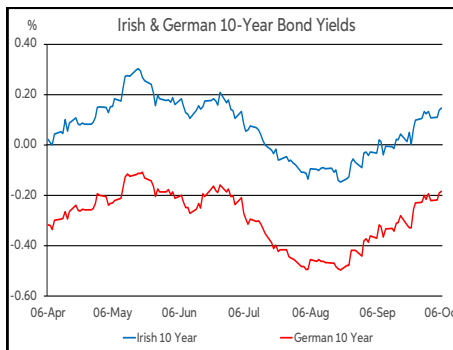
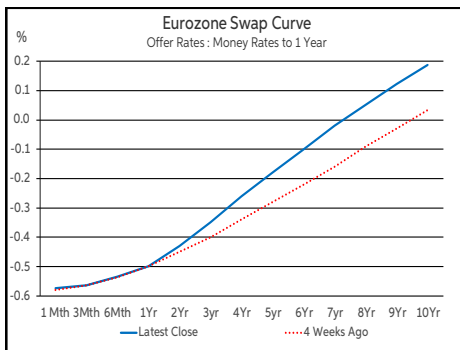
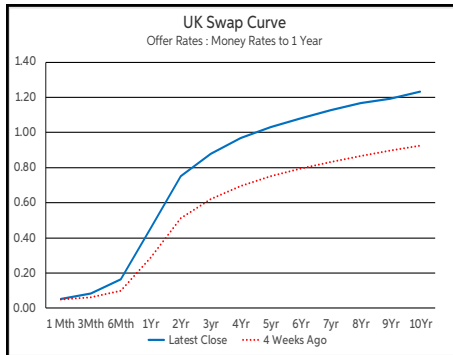
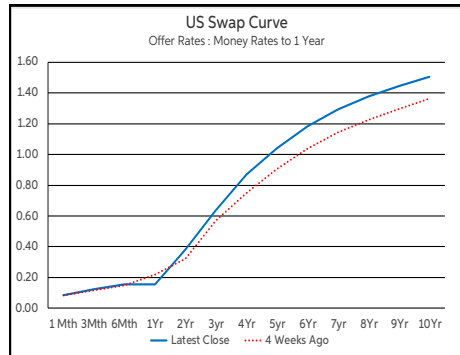
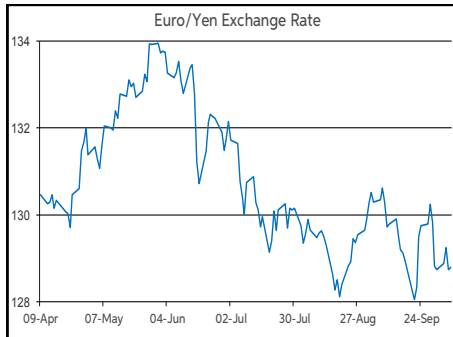
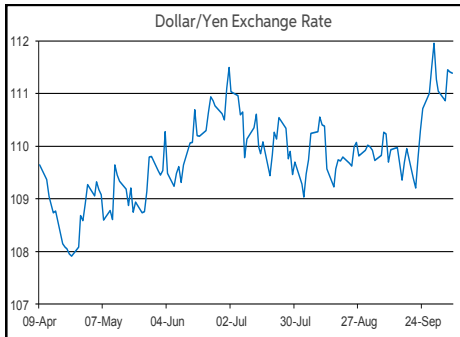
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Opening Levels

Thursday 07 October 2021
07:38 am



| Euro | | Sterling | | Dollar | |
|---------|---------|----------|---------|---------|--------|
| EUR/GBP | 0.8506 | GBP/EUR | 1.1752 | USD/JPY | 111.37 |
| EUR/USD | 1.1564 | GBP/USD | 1.3595 | USD/CAD | 1.2564 |
| EUR/JPY | 128.82 | GBP/CAD | 1.7083 | USD/CHF | 0.9262 |
| EUR/SEK | 10.1591 | GBP/NZD | 1.9611 | USD/CNY | 6.4452 |
| EUR/DKK | 7.4393 | GBP/JPY | 151.41 | USD/BRL | 5.4932 |
| EUR/NOK | 9.9219 | GBP/SEK | 11.9392 | USD/RUB | 72.321 |
| EUR/CHF | 1.0713 | GBP/DKK | 8.7438 | USD/INR | 74.765 |
| EUR/AUD | 1.5854 | GBP/NOK | 11.6632 | AUD/USD | 0.7292 |
| EUR/HKD | 9.0039 | GBP/CHF | 1.2594 | NZD/USD | 0.6931 |
| EUR/CAD | 1.4526 | GBP/AUD | 1.8638 | | |



| Debt Markets | | | | |
|---------------------------------------------------------|-------|------------|---------|--------|
| | Close | Change bps | | |
| | | Day | 4 Weeks | End 20 |
| 10 Year Yield % | | | | |
| US | 1.53 | +0 | +19 | +61 |
| Germany | -0.18 | +1 | +14 | +39 |
| UK | 1.07 | -2 | +33 | +88 |
| Ireland | 0.21 | +1 | +13 | +52 |
| Belgium | 0.13 | +1 | +14 | +52 |
| France | 0.17 | +1 | +15 | +51 |
| Italy | 0.89 | +3 | +13 | +37 |
| Spain | 0.47 | +1 | +10 | +42 |
| Portugal | 0.37 | +1 | +11 | +31 |
| Greece | 0.91 | +5 | +5 | +28 |
| 5 Year Swap % | | | | |
| US | 1.04 | +2 | +16 | +62 |
| Eurozone | -0.18 | -0 | +11 | +28 |
| UK | 1.03 | -1 | +29 | +84 |
| 2 Year Swap % | | | | |
| US | 0.38 | +2 | +9 | +19 |
| Eurozone | -0.43 | +0 | +3 | +10 |
| UK | 0.75 | +1 | +25 | +73 |
| 10 Year Government Bond Spreads to Benchmark bps | | | | |
| Ireland | 40 | +0 | -0 | +12 |
| Belgium | 32 | +0 | +0 | +13 |
| France | 35 | +0 | +1 | +12 |
| Italy | 107 | +2 | -0 | -2 |
| Spain | 65 | +1 | -4 | +2 |
| Portugal | 56 | +1 | -2 | -8 |
| Greece | 109 | +4 | -9 | -11 |

| Commodities | | | | |
|----------------|--------|----------|---------|--------|
| | Close | % Change | | |
| | | Day | 4 Weeks | End 20 |
| Brent Oil | 81.08 | -1.79 | +11.68 | +56.53 |
| West Texas Oil | 77.66 | -1.91 | +11.97 | +60.62 |
| Gold \$ | 1762.5 | +0.14 | -1.48 | -7.07 |

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