

Dollar holding a slightly softer tone

Investor sentiment was holding a more positive tone yesterday. The Euro Stoxx 50 gained 0.7%, while at the close on Wall Street, the S&P 500 was up 0.3%. Meantime, benchmark sovereign bond yields moved lower across the board, most notably in the UK where longer dated gilt yields fell by 6-10bps. On the currency front, most of the main FX pairs remained range bound.

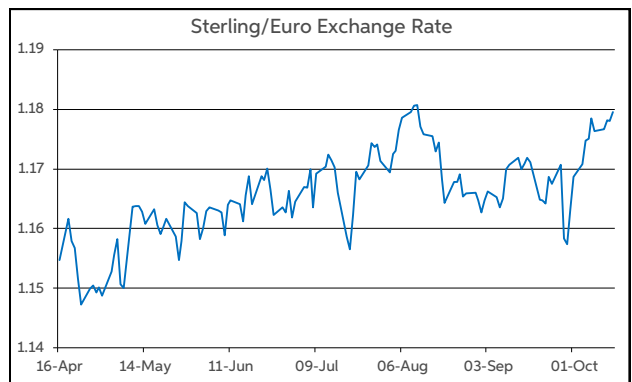
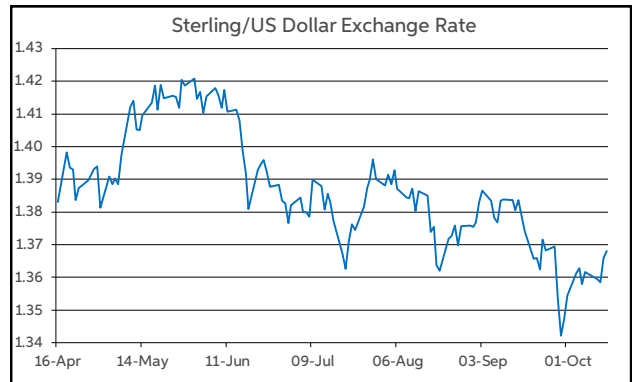
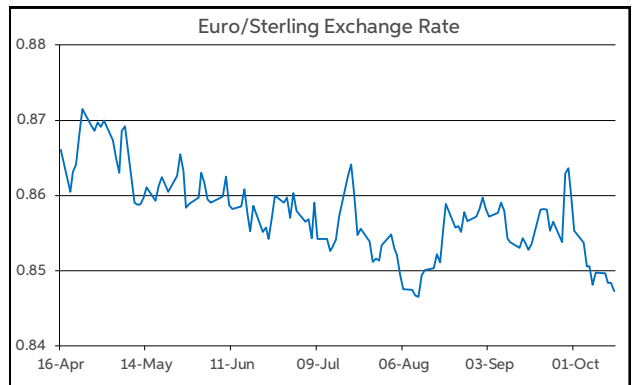
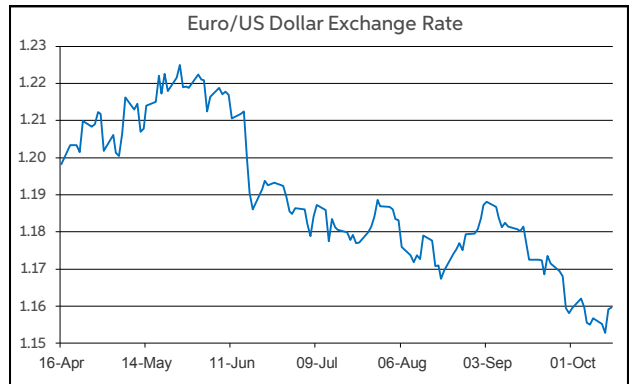
Data-wise, US CPI inflation for September printed broadly in-line with the consensus. Headline CPI rose by 0.4% in the month, a touch more than anticipated (+0.3%), lifting the annual rate slightly to 5.4% from 5.3%. The core rate remained elevated at 4%. Elsewhere, in the Eurozone, industrial production contracted by 1.6% in August as supply chain issues, particularly in the autos sector weighed heavily on output.

Overnight, the minutes from the September FOMC meeting were released. They indicated that the pace of QE tapering could start at \$15bn a month, with an announcement expected in November. The minutes also showed some Fed officials fear inflation could last longer “than they currently assumed”.

The dollars reaction to the release was limited. However, the currency has been holding a slightly softer tone over the past 24 hours. In level terms, EUR/USD has edged up closer to the \$1.16 handle. At the same time, Cable (GBP/USD) has moved into the top half of the \$1.36-1.37 range. Elsewhere, EUR/GBP continues to change hands in a narrow band between 84.5-85p.

Ahead today, there is a sparse data schedule on both sides of the Atlantic. The main FX pairs may remain range bound as a result, while sentiment will continue to be buffeted by inflation concerns.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1596	0.40	-5.05
EUR/GBP	0.8473	-0.12	-5.19
GBP/USD	1.3681	0.46	0.06
GBP/EUR	1.1796	0.12	5.48
USD/JPY	113.53	0.06	9.97
EUR/JPY	131.65	0.44	4.35

* 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	0.13	0.19	0.51	1.16
EUR	0.00	-0.56	-0.55	-0.49	-0.37	-0.06
GBP	0.10	0.07	0.12	0.64	0.94	1.10

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

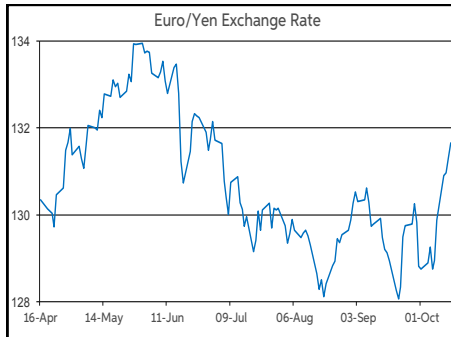
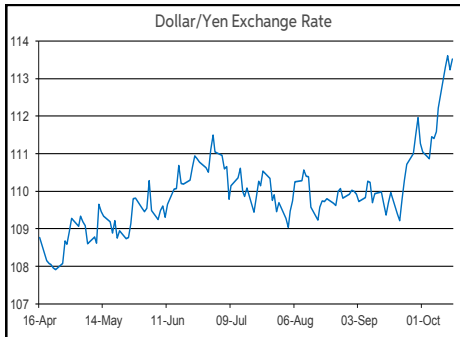
CONTACTS		
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Opening Levels

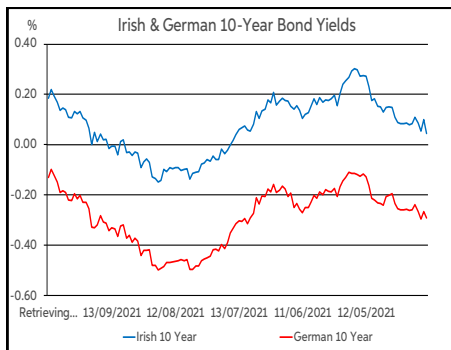
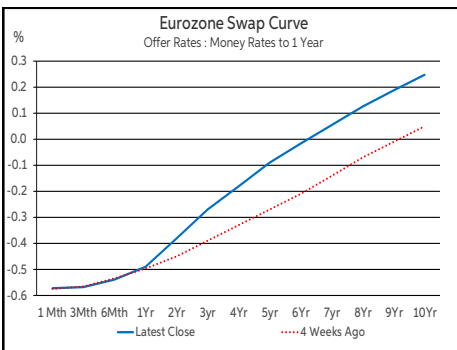
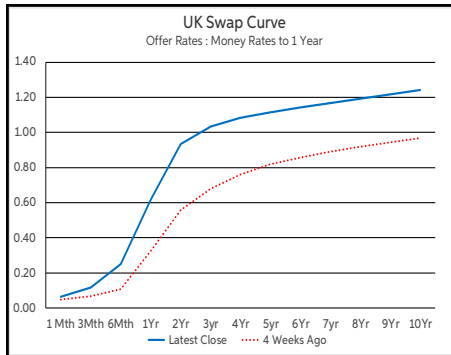
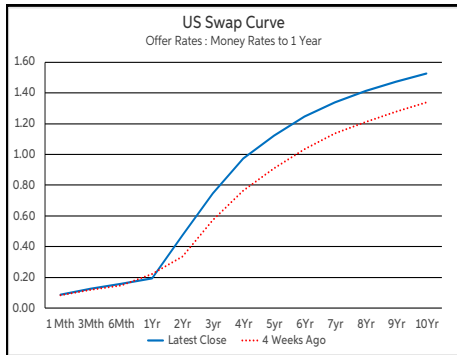
Thursday 14 October 2021
07:40 am



Euro		Sterling		Dollar	
EUR/GBP	0.8473	GBP/EUR	1.1796	USD/JPY	113.53
EUR/USD	1.1607	GBP/USD	1.3681	USD/CAD	1.2397
EUR/JPY	131.65	GBP/CAD	1.6974	USD/CHF	0.9207
EUR/SEK	10.0573	GBP/NZD	1.9568	USD/CNY	6.4347
EUR/DKK	7.4408	GBP/JPY	155.32	USD/BRL	5.5134
EUR/NOK	9.8325	GBP/SEK	11.8591	USD/RUB	71.8025
EUR/CHF	1.0686	GBP/DKK	8.7771	USD/INR	75.225
EUR/AUD	1.5684	GBP/NOK	11.5792	AUD/USD	0.7402
EUR/HKD	9.0193	GBP/CHF	1.2608	NZD/USD	0.6994
EUR/CAD	1.4383	GBP/AUD	1.8496		



Debt Markets				
	Close	Day	4 Weeks	End 20
10 Year Yield %				
US	1.54	-3	+24	+63
Germany	-0.13	-3	+18	+45
UK	1.09	-6	+31	+90
5 Year Swap %				
US	1.12	-0	+24	+70
Eurozone	-0.09	-2	+19	+37
UK	1.11	-2	+30	+92
2 Year Swap %				
US	0.47	+3	+17	+28
Eurozone	-0.38	-1	+8	+15
UK	0.93	+2	+39	+91
10 Year Government Bond Spreads to Benchmark bps				
Ireland	38	-0	-2	+11
Belgium	30	-1	-1	+11
France	34	-0	+1	+10
Italy	103	+1	+2	-7
Spain	63	-0	-3	-0
Portugal	51	+1	-4	-13
Greece	105	+2	-4	-15



Commodities				
	Close	Day	4 Weeks	End 20
Brent Oil	83.18	-0.29	+10.23	+60.58
West Texas Oil	80.67	-0.10	+11.13	+66.85
Gold \$	1792.6	+1.86	+0.00	-5.48

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