

Quiet FX action, euro slightly softer

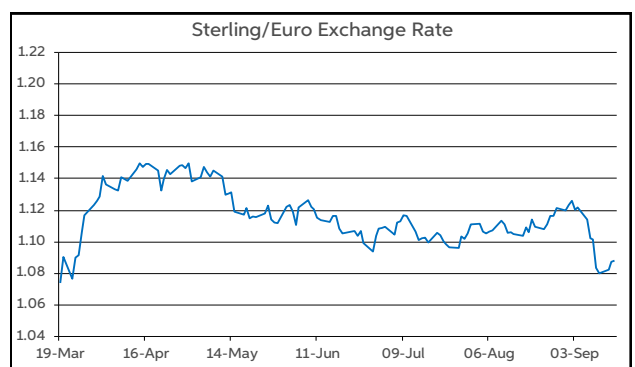
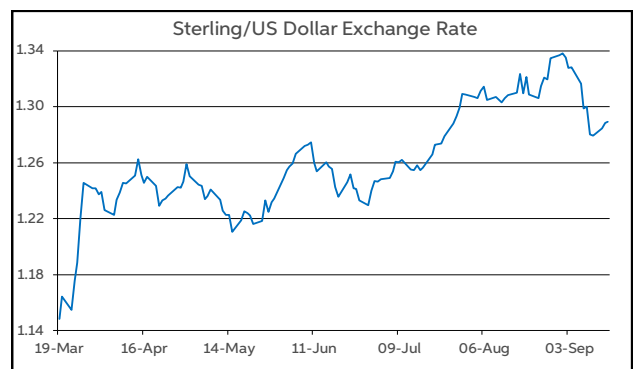
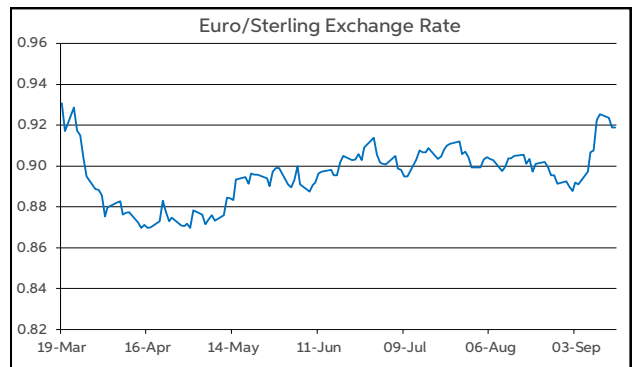
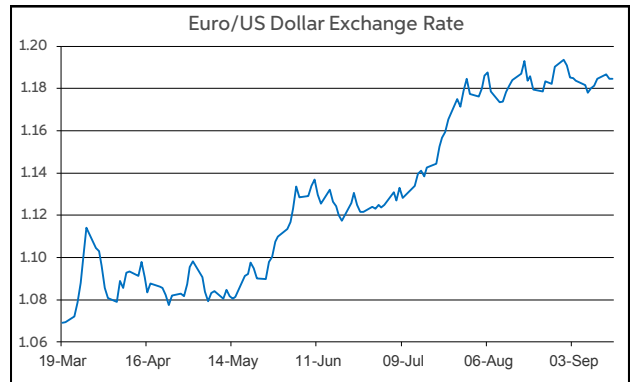
The action on currency markets yesterday was generally uneventful. Sterling managed to hold its ground for a second consecutive day. It was helped in this endeavour by a quiet day on the Brexit front, with no major new negative newsflow for sterling watchers to digest. Of the limited moves to register, there was a modestly weaker tone to the euro.

Data-wise, for the Euro, the main highlight was the German ZEW for September, which printed ahead of expectations. But given the low tier grade of the release, not surprisingly, it had no impact on the euro. The US macro diary produced somewhat of a mixed bag of results. Industrial production for August disappointed versus forecasts, registering monthly growth of just 0.4% (f'cast +1.0). The headline number was impacted by a drop in oil/gas extraction (bad weather). Meanwhile, the NY Fed/Empire manufacturing survey for September came in ahead of projections. Overall though, there was no noticeable impact on the dollar from the data.

As trading gets underway this morning the slightly softer euro tint to proceedings over the past 24 hours is reflected in EUR/USD edging down towards the lower half of its recent \$1.18-1.19 trading band. Meantime, EUR/GBP is operating back just below the 92p mark. Elsewhere, GBP/USD continues to change hands in the upper half of \$1.28-1.29.

Today, the conclusion of the Fed meeting (after close in Europe) poses some event risk for the dollar. While no policy changes are envisaged, the market will be looking for further insight into the recent changes to the FOMC's policy framework. The main data release is also US centric, with retail sales figures for August due. Meanwhile, sterling remains sensitive to Brexit related headlines.

John Fahey, Senior Economist, AIB



| Today's Opening FX Rates | | | |
|--------------------------|--------|----------|----------|
| | | % Change | |
| | | Day * | End 2019 |
| EUR/USD | 1.1847 | -0.38 | 5.68 |
| EUR/GBP | 0.9188 | -0.64 | 8.68 |
| GBP/USD | 1.2891 | 0.23 | -2.78 |
| GBP/EUR | 1.0878 | 0.64 | -7.99 |
| USD/JPY | 105.34 | -0.31 | -3.01 |
| EUR/JPY | 124.8 | -0.71 | 2.44 |

* 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 | 0.15 | 0.25 | 0.21 | 0.22 | 0.33 |
| EUR | 0.00 | -0.53 | -0.48 | -0.49 | -0.46 | -0.41 |
| GBP | 0.10 | 0.05 | 0.06 | 0.06 | 0.07 | 0.18 |

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

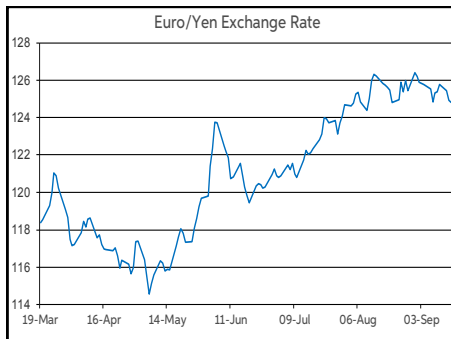
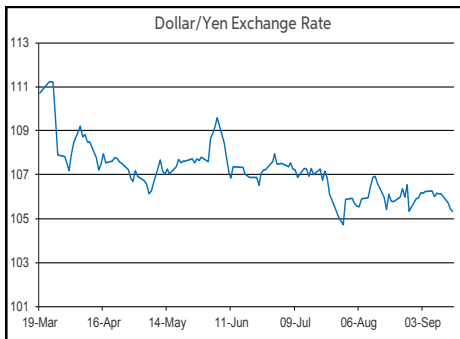
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Opening Levels

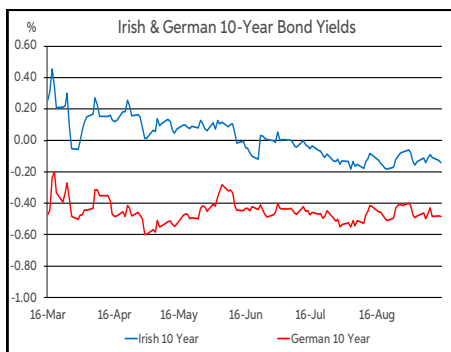
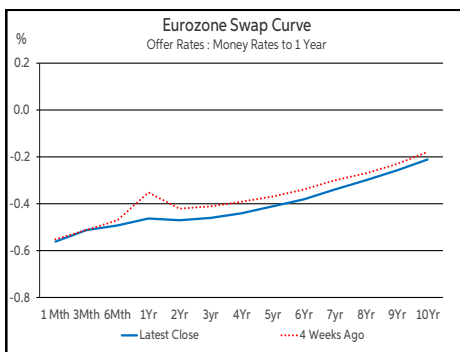
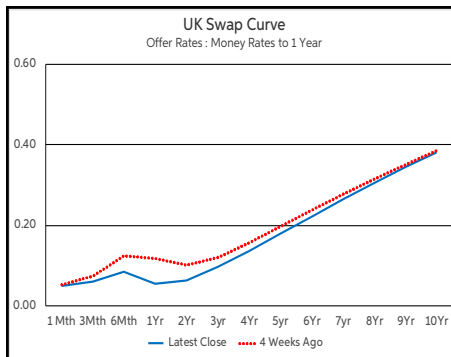
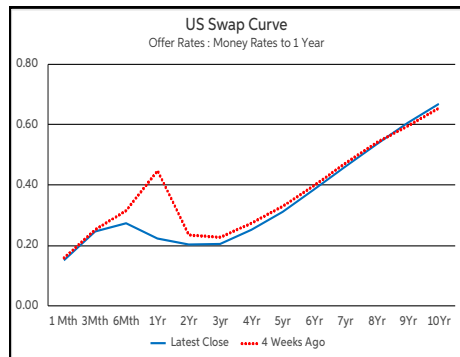
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| Euro | | Sterling | | Dollar | |
|---------|---------|----------|---------|---------|---------|
| EUR/GBP | 0.9188 | GBP/EUR | 1.0878 | USD/JPY | 105.34 |
| EUR/USD | 1.1847 | GBP/USD | 1.2891 | USD/CAD | 1.3181 |
| EUR/JPY | 124.8 | GBP/CAD | 1.6992 | USD/CHF | 0.9078 |
| EUR/SEK | 10.4051 | GBP/NZD | 1.9159 | USD/CNY | 6.7724 |
| EUR/DKK | 7.4393 | GBP/JPY | 135.79 | USD/BRL | 5.2758 |
| EUR/NOK | 10.675 | GBP/SEK | 11.3221 | USD/RUB | 75.0625 |
| EUR/CHF | 1.0755 | GBP/DKK | 8.0935 | USD/INR | 73.75 |
| EUR/AUD | 1.6202 | GBP/NOK | 11.616 | AUD/USD | 0.7311 |
| EUR/HKD | 9.1817 | GBP/CHF | 1.1704 | NZD/USD | 0.6726 |
| EUR/CAD | 1.5616 | GBP/AUD | 1.7629 | | |



| Debt Markets | | | | |
|---|-------|------------|---------|--------|
| | Close | Change bps | | |
| | | Day | 4 Weeks | End 19 |
| 10 Year Yield % | | | | |
| US | 0.68 | +0 | +1 | -124 |
| Germany | -0.48 | -0 | -3 | -29 |
| UK | 0.22 | +2 | +0 | -61 |
| Ireland | -0.09 | -1 | +3 | -21 |
| Belgium | -0.24 | -1 | -6 | -34 |
| France | -0.21 | -1 | -4 | -33 |
| Italy | 1.00 | -2 | +1 | -43 |
| Spain | 0.27 | -1 | -4 | -20 |
| Portugal | 0.30 | -1 | -6 | -14 |
| Greece | 1.09 | +0 | -0 | -36 |
| 5 Year Swap % | | | | |
| US | 0.31 | +0 | +1 | -140 |
| Eurozone | -0.41 | +1 | -3 | -29 |
| UK | 0.18 | +2 | -1 | -70 |
| 2 Year Swap % | | | | |
| US | 0.20 | +0 | -0 | -146 |
| Eurozone | -0.47 | -0 | -4 | -17 |
| UK | 0.06 | +2 | -3 | -73 |
| 10 Year Government Bond Spreads to Benchmark bps | | | | |
| Ireland | 39 | -1 | +6 | +8 |
| Belgium | 24 | -1 | -3 | -4 |
| France | 27 | -1 | -2 | -4 |
| Italy | 148 | -2 | +3 | -13 |
| Spain | 75 | -0 | -2 | +10 |
| Portugal | 78 | -0 | -4 | +15 |
| Greece | 157 | +1 | +2 | -7 |



| Commodities | | | | |
|----------------|----------|-------|---------|--------|
| | % Change | | | |
| | Close | Day | 4 Weeks | End 19 |
| Brent Oil | 40.53 | +2.32 | -10.84 | -38.59 |
| West Texas Oil | 38.29 | +2.85 | -10.73 | -37.37 |
| Gold \$ | 1955.5 | -0.04 | -2.27 | +28.91 |

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