

Tight range trading

There was an uneventful end to October for currency markets yesterday. Most of the majors remained confined to relatively tight ranges. Although, a mildly risk averse tone to investor sentiment, prompted by negative newsflow surrounding US-China trade talks, coincided with some support for the yen.

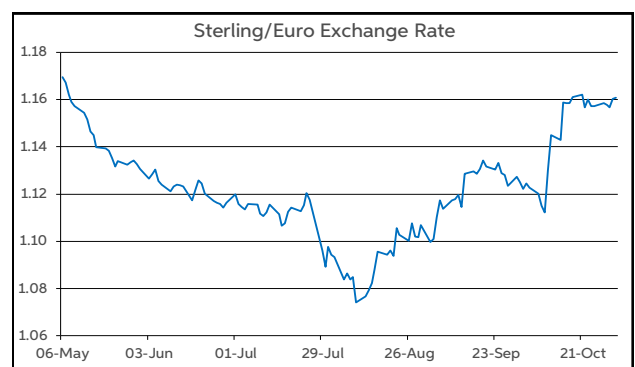
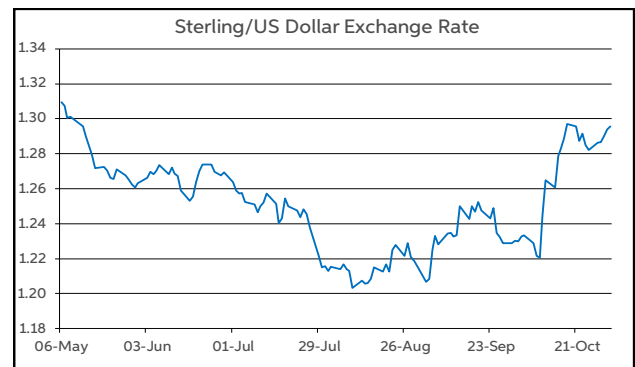
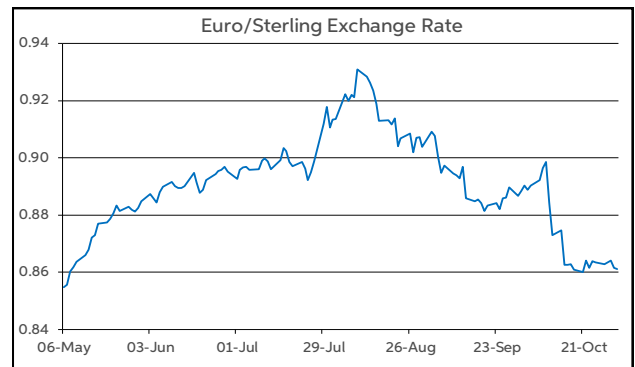
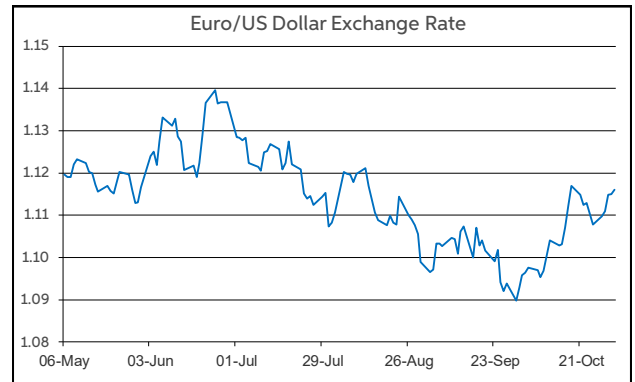
Data-wise, there were some key updates on the health of the Eurozone economy yesterday. The first reading of Q3 GDP printed slightly ahead of expectations (+0.2%q/q vs. f'cast for +0.1%). Meantime, the unemployment rate was revised up to 7.5% in August, where it remained in September, and HICP inflation for October came in at just 0.7%. Overall, the data continued to reinforce the view of subdued economic activity.

The data, though, did not have much bearing on the euro. In level terms, EUR/USD continues to trade close to the midpoint of \$1.11-1.12, while EUR/GBP remains near to 86p. Meanwhile, cable (GBP/USD) held above the \$1.29 threshold. The slightly firm tone to the yen is reflected in USD/JPY straddling ¥108.

Today, the focus for markets will be on the US macro schedule. The highlight of which is the payroll number for October. Payrolls are expected to continue to exhibit a weakening trend. A rise of just 89k is being pencilled in (although some of this 'softness' may be attributable to the since resolved GM strike). The unemployment rate is forecast to edge up to 3.6%, from 3.5%, while wage inflation is projected to have ticked up to 3.0%.

From a currency viewpoint, if the labour market data displays some weakness it may be somewhat unhelpful for the dollar. Although, given the Fed has recently moved into a 'pause' mode regarding rate cuts, the downside impact on the currency may be limited.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2018
EUR/USD	1.1161	0.02	-2.69
EUR/GBP	0.8609	-0.31	-4.17
GBP/USD	1.2959	0.31	1.58
GBP/EUR	1.1609	0.31	4.36
USD/JPY	107.98	-0.63	-1.44
EUR/JPY	120.53	-0.63	-4.12

* v Previous Day's European Open

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Opening Interest Rates						
Base Rate	Short Term			Long Term		
	1-Mth	3-Mth	12-Mth	2-Yr	5-Yr	
USD	1.875	1.78	1.90	1.96	1.57	1.50
EUR	0.00	-0.44	-0.40	-0.28	-0.36	-0.25
GBP	0.75	0.71	0.81	0.97	0.78	0.76

All rates quoted are indicative market rates

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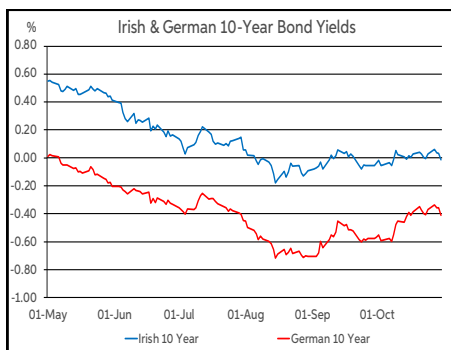
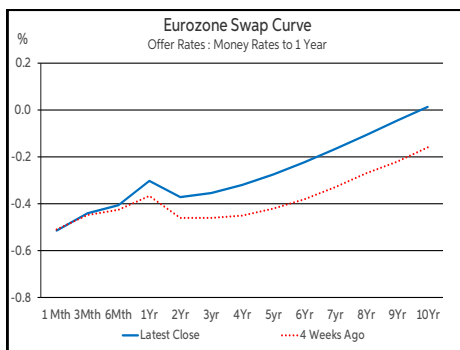
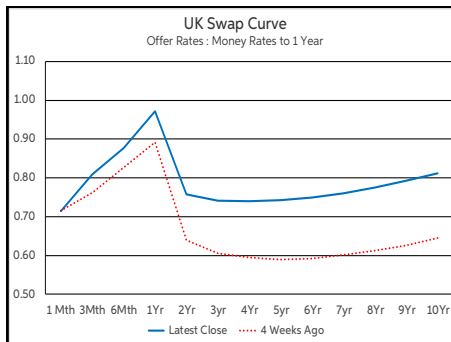
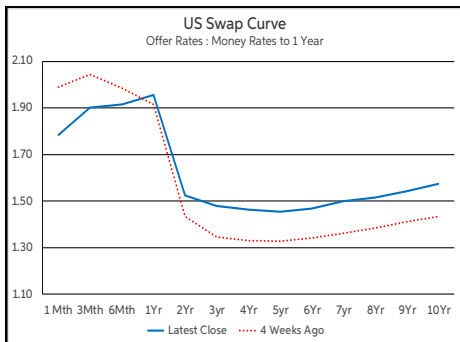
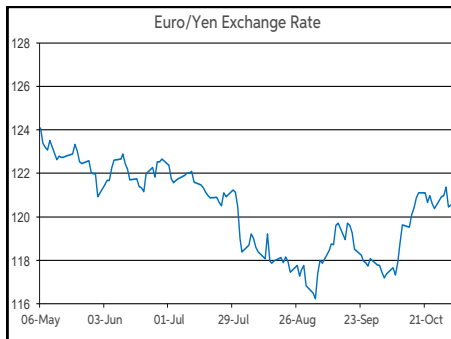
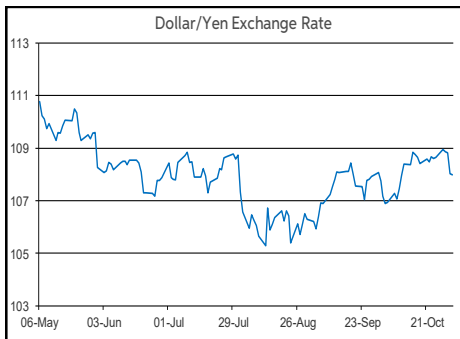
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		Equity Options	Gary Luff				

Opening Levels

Friday 01 November 2019
07:32 am



Euro		Sterling		Dollar	
EUR/GBP	0.8609	GBP/EUR	1.1609	USD/JPY	107.98
EUR/USD	1.1161	GBP/USD	1.2959	USD/CAD	1.3147
EUR/JPY	120.53	GBP/CAD	1.7039	USD/CHF	0.9862
EUR/SEK	10.7582	GBP/NZD	2.0138	USD/CNY	7.0371
EUR/DKK	7.4704	GBP/JPY	139.93	USD/BRL	4.0172
EUR/NOK	10.2463	GBP/SEK	12.4892	USD/RUB	64.043
EUR/CHF	1.1008	GBP/DKK	8.6735	USD/INR	70.8925
EUR/AUD	1.6155	GBP/NOK	11.9003	AUD/USD	0.6907
EUR/HKD	8.7446	GBP/CHF	1.2783	NZD/USD	0.6434
EUR/CAD	1.467	GBP/AUD	1.8755		



Debt Markets				
	Close	Day	4 Weeks	End 18
10 Year Yield %				
US	1.69	-9	+15	-100
Germany	-0.41	-5	+18	-65
UK	0.63	-5	+16	-64
Ireland	-0.01	-5	+4	N/A
Belgium	-0.11	-4	+15	-87
France	-0.10	-4	+19	-80
Italy	1.00	-7	+18	-171
Spain	0.21	-5	+10	-120
Portugal	0.16	-5	+2	-155
Greece	1.13	-4	-17	-317
5 Year Swap %				
US	1.46	-9	+13	-111
Eurozone	-0.28	-4	+14	-51
UK	0.74	-7	+15	-57
2 Year Swap %				
US	1.52	-11	+9	-112
Eurozone	-0.37	-2	+9	-23
UK	0.76	-3	+12	-41
10 Year Government Bond Spreads to Benchmark bps				
Ireland	40	+1	-14	N/A
Belgium	30	+1	-3	-22
France	31	+1	+0	-16
Italy	141	-2	-0	-107
Spain	62	+0	-8	-55
Portugal	57	+0	-17	-90
Greece	154	+1	-36	-252

Commodities				
	Close	Day	4 Weeks	End 18
Brent Oil	60.23	-0.63	+4.37	+11.95
West Texas Oil	54.02	-1.51	+3.07	+19.65
Gold \$	1513.6	+1.20	+0.55	+17.98

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