

EUR/USD \$1.20 level in scope

In otherwise relatively quiet trading, a strong 'risk-on' tone to investor sentiment around the middle of last week helped push equity markets higher. This was evidenced by the Dow Jones breaching the 30,000 level for the first time ever, while the S&P 500 and Eurostoxx 50 performed strongly also. On the currency front, there was a slightly firmer tone to the euro.

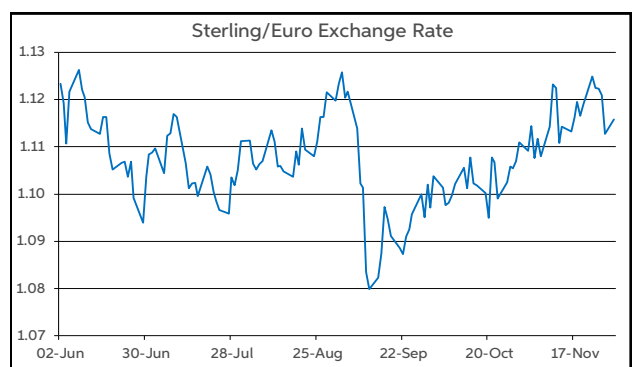
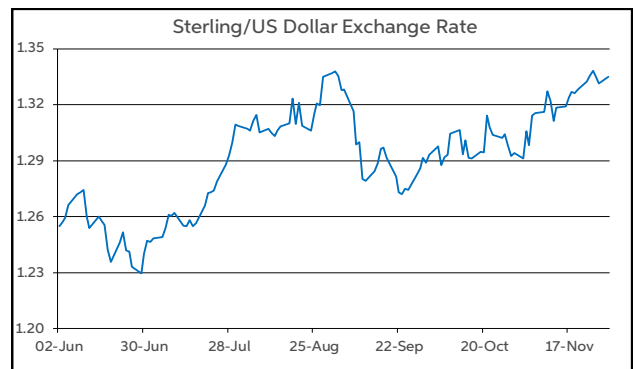
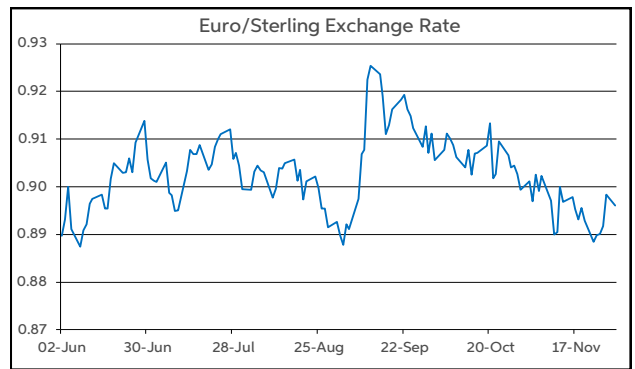
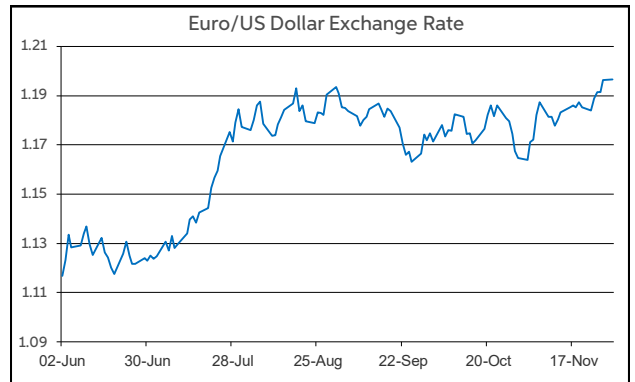
Meanwhile, another crucial EU-UK trade talk deadline came and went last week without a deal. Reports suggest that some progress was made, as negotiations continued over the weekend. However, political intervention is still needed for progress to be made on the key remaining sticking points.

As trading gets underway this morning, EUR/USD starts the week above the midpoint of \$1.19-1.20. Meanwhile, EUR/GBP has moved up from 89p, above the halfway mark of 89-90p. Cable (GBP/USD) is changing hands at the midpoint of \$1.33-1.34.

As the month comes to a close, we have seen both the euro and sterling make gains against the dollar in November. The strong tone to risk appetite over the month has seen reduced demand for safe haven currencies including the dollar. In terms of EUR/USD, the \$1.20 level is a key resistance level. The euro has only gone through it once since the ECB introduced negative rates in 2014.

Data-wise, the US labour report for November is the main release this week. The forecast is for payrolls to have increased by 500k. The unemployment rate is expected to edge lower to 6.7% from 6.9% also. Meanwhile, Eurozone inflation is forecast to remain negative at -0.2%. Turning to today, a sparse data schedule suggests we could see a quiet start to the week on FX markets.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.1965	0.34	6.74
EUR/GBP	0.8959	0.47	5.97
GBP/USD	1.3353	-0.16	0.71
GBP/EUR	1.1156	-0.47	-5.64
USD/JPY	103.97	0.04	-4.27
EUR/JPY	124.41	0.37	2.12

* v Previous Day's European Open

See Next Page for More Rates

Opening Interest Rates						
		Money Market		Swap Rates		
	Base Rate	1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	0.125	0.15	0.23	0.21	0.27	0.45
EUR	0.00	-0.55	-0.53	-0.51	-0.51	-0.45
GBP	0.10	0.04	0.04	0.04	0.09	0.25

All rates quoted are indicative market rates

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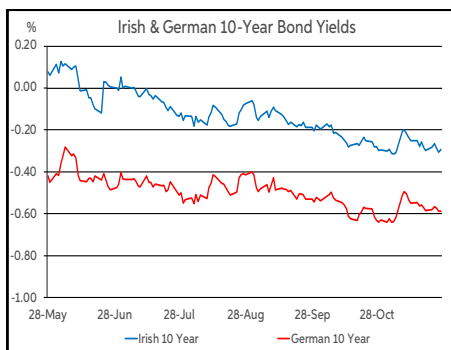
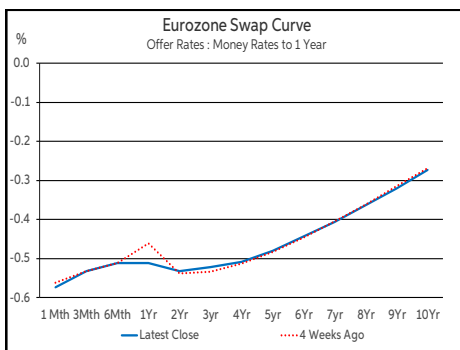
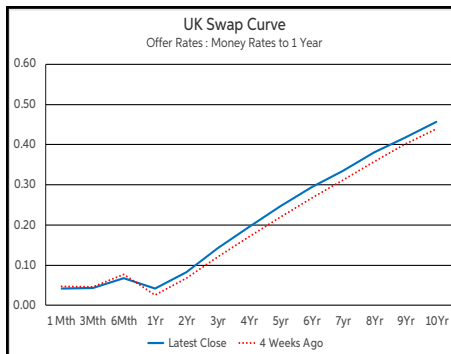
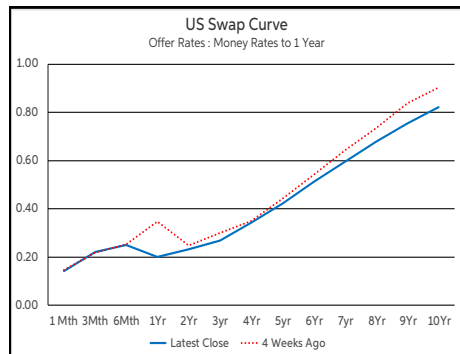
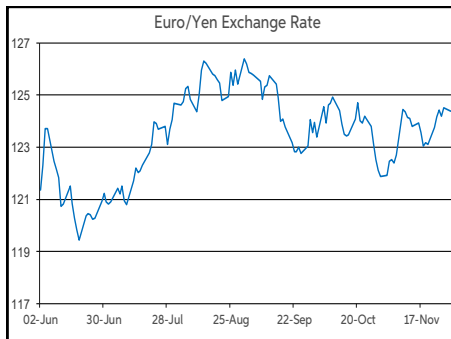
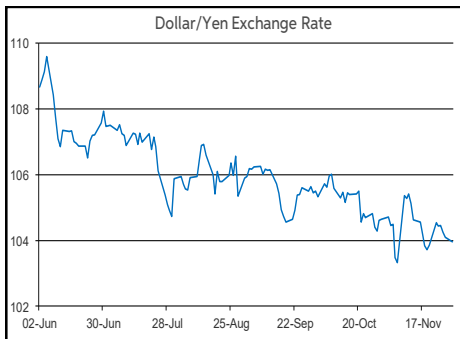
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

Monday 30 November 2020
07:21 am



Euro		Sterling		Dollar	
EUR/GBP	0.896	GBP/EUR	1.1156	USD/JPY	103.97
EUR/USD	1.1965	GBP/USD	1.3353	USD/CAD	1.299
EUR/JPY	124.4	GBP/CAD	1.7346	USD/CHF	0.9028
EUR/SEK	10.1637	GBP/NZD	1.9019	USD/CNY	6.5878
EUR/DKK	7.4424	GBP/JPY	138.83	USD/BRL	5.3438
EUR/NOK	10.5931	GBP/SEK	11.3319	USD/RUB	76.17
EUR/CHF	1.0802	GBP/DKK	8.3024	USD/INR	73.95
EUR/AUD	1.6209	GBP/NOK	11.8172	AUD/USD	0.7378
EUR/HKD	9.2737	GBP/CHF	1.2056	NZD/USD	0.7018
EUR/CAD	1.5544	GBP/AUD	1.8091		



Debt Markets				
	Close	Day	4 Weeks	End 19
10 Year Yield %				
US	0.84	-4	-3	-108
Germany	-0.59	+0	+4	-40
UK	0.29	+0	+2	-54
5 Year Swap %				
US	0.42	-2	-1	-129
Eurozone	-0.48	-2	+1	-36
UK	0.25	+0	+3	-63
2 Year Swap %				
US	0.23	-1	+0	-143
Eurozone	-0.53	-1	+2	-24
UK	0.08	+0	+2	-71
10 Year Government Bond Spreads to Benchmark bps				
Ireland	31	-2	-7	+0
Belgium	19	+0	-5	-9
France	24	+0	-4	-7
Italy	115	-1	-20	-47
Spain	65	+1	-12	-1
Portugal	60	+0	-14	-3
Greece	125	-3	-32	-40

Commodities				
	Close	Day	4 Weeks	End 19
Brent Oil	48.18	+0.79	+28.62	-27.00
West Texas Oil	45.58	+1.95	+27.89	-25.45
Gold \$	1788.1	-1.24	-4.78	+17.87

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