

Euro edges lower

The action on currency markets yesterday saw the euro under some mild downward pressure. This was despite there being no noteworthy Eurozone macro releases or developments. At the same time, the dollar made some gains.

From a dollar viewpoint, the currency was aided by a better than expected reading of the October non-manufacturing ISM. The headline index rose to 54.7 (from 52.6 in Sept) versus the consensus forecast of 53.5. This continues the recent trend of upside surprises to key US macro data. It also backs up the Fed's view that the US economy is still growing at a solid pace.

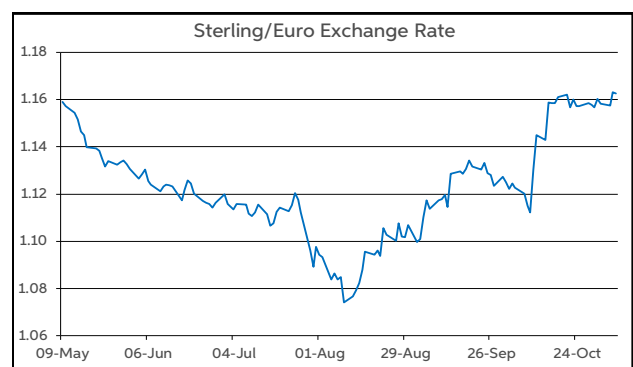
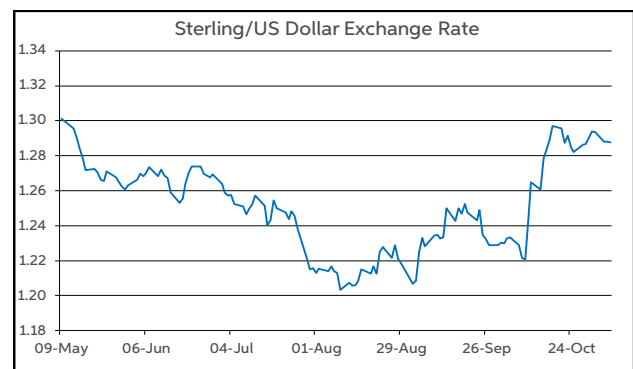
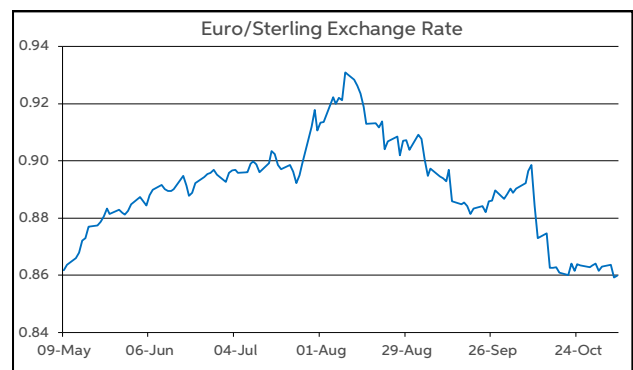
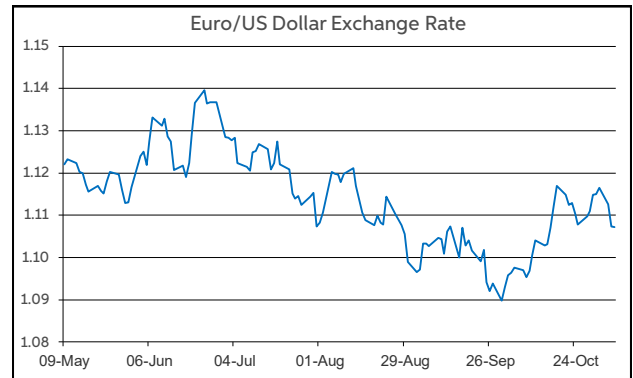
Elsewhere on the data front, the UK services PMI also beat expectations in October. Although, at just 50, the index remains consistent with stagnation. The impact on sterling was limited, as the market is in wait and see mode with the upcoming election.

In level terms, all of the above is reflected in EUR/USD opening this morning back below the \$1.11 level, while EUR/GBP is pinned down at the 86p threshold. Meanwhile, cable (GBP/USD) is trading in the upper half of the \$1.28-1.29 band.

Today, the macro schedule is lacking in top tier releases. Indeed, the only release of any note is September retail sales figures in the Eurozone. Meantime, both the US and UK diaries are very quiet.

In terms of central bank newsflow, there are a number of Fed members speaking. However, they are not expected to deviate from the message delivered at last week's FOMC meeting, where Chair Powell indicated the Fed is now in pause mode. Overall then, the main FX pairs could trade in relatively narrow ranges near to their current levels over the course of today.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2018
EUR/USD	1.1074	-0.47	-3.44
EUR/GBP	0.8599	-0.45	-4.29
GBP/USD	1.2877	-0.03	0.94
GBP/EUR	1.1627	0.45	4.48
USD/JPY	108.97	0.19	-0.54
EUR/JPY	120.67	-0.31	-4.01

* 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	1.77	1.89	1.97	1.64	1.61
EUR	0.00	-0.44	-0.40	-0.28	-0.34	-0.22
GBP	0.75	0.72	0.80	0.98	0.83	0.88

All rates quoted are indicative market rates

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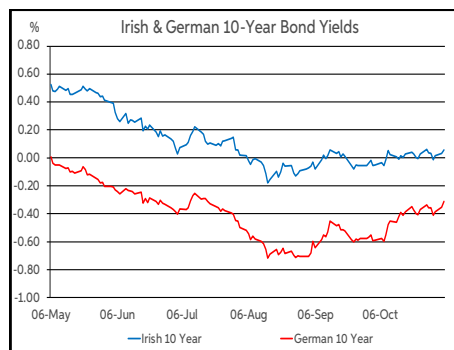
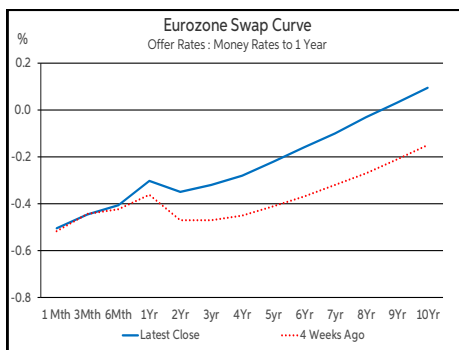
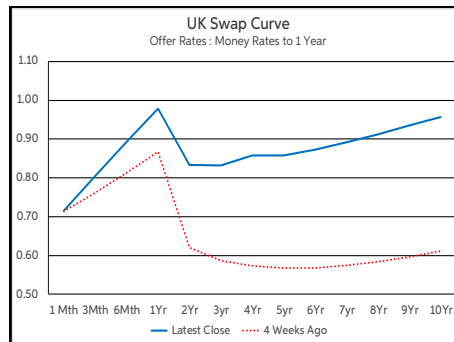
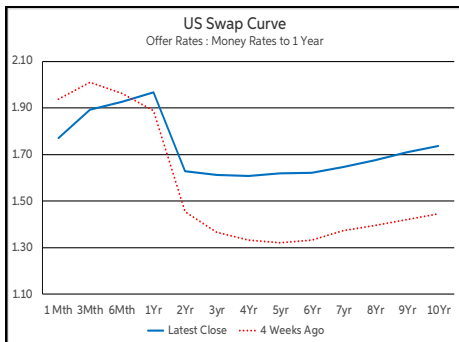
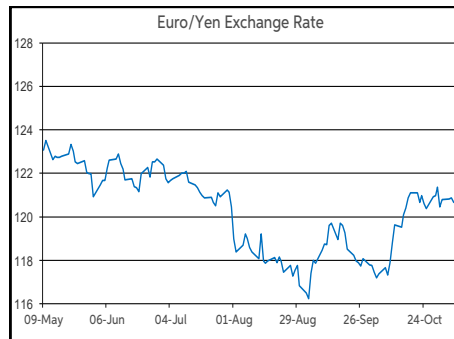
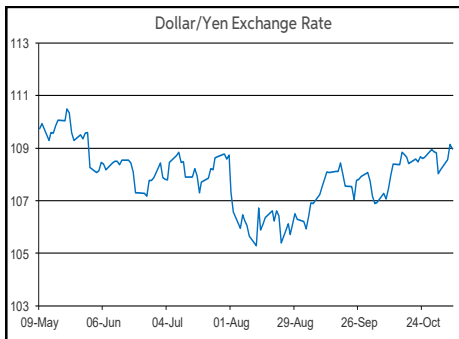
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIB 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

Wednesday 06 November 2019
07:27 am



Euro		Sterling		Dollar	
EUR/GBP	0.8599	GBP/EUR	1.1627	USD/JPY	108.97
EUR/USD	1.1074	GBP/USD	1.2876	USD/CAD	1.3166
EUR/JPY	120.67	GBP/CAD	1.6947	USD/CHF	0.993
EUR/SEK	10.6887	GBP/NZD	2.023	USD/CNY	7.0014
EUR/DKK	7.4711	GBP/JPY	140.32	USD/BRL	3.9934
EUR/NOK	10.1819	GBP/SEK	12.4255	USD/RUB	63.535
EUR/CHF	1.0997	GBP/DKK	8.687	USD/INR	70.938
EUR/AUD	1.6072	GBP/NOK	11.8343	AUD/USD	0.6888
EUR/HKD	8.671	GBP/CHF	1.2787	NZD/USD	0.6362
EUR/CAD	1.4581	GBP/AUD	1.8688		



	Close	Change bps		
		Day	4 Weeks	End 18
10 Year Yield %				
US	1.85	+8	+32	-83
Germany	-0.31	+4	+29	-55
UK	0.77	+5	+36	-50
5 Year Swap %				
US	1.62	+4	+30	-94
Eurozone	-0.22	+1	+19	-45
UK	0.86	+4	+29	-46
2 Year Swap %				
US	1.63	+1	+17	-101
Eurozone	-0.35	-0	+12	-21
UK	0.83	+3	+21	-33
10 Year Government Bond Spreads to Benchmark bps				
Ireland	37	-2	-18	N/A
Belgium	28	-1	-4	-24
France	29	-1	+0	-17
Italy	141	-2	-11	-107
Spain	62	-2	-7	-55
Portugal	54	-3	-16	-93
Greece	150	-2	-52	-256

	Commodities			
	% Change			
	Close	Day	4 Weeks	End 18
Brent Oil	62.96	+1.34	+8.10	+17.03
West Texas Oil	57.04	+1.26	+8.36	+26.33
Gold \$	1484.2	-1.71	-1.43	+15.69

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