

## Choppy Trading

Risk sentiment on markets whipsawed yesterday, as earlier headlines that a fiscal package may be close in the US dissipated in the afternoon. Meanwhile, in EU-UK trade talks, early reports that a broad agreement on state aid had been reached were later downplayed by EU officials. Early this morning, news broke that President Trump has tested positive for coronavirus causing a knee-jerk reaction on markets.

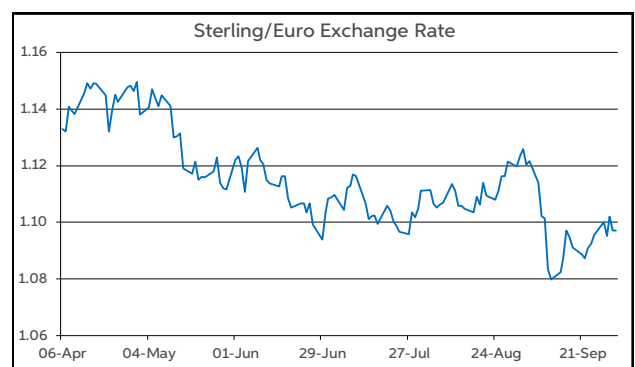
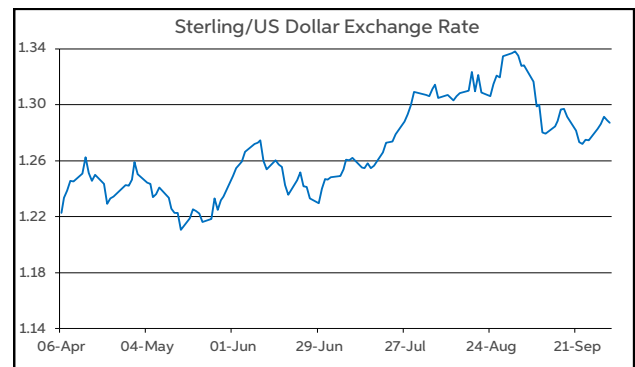
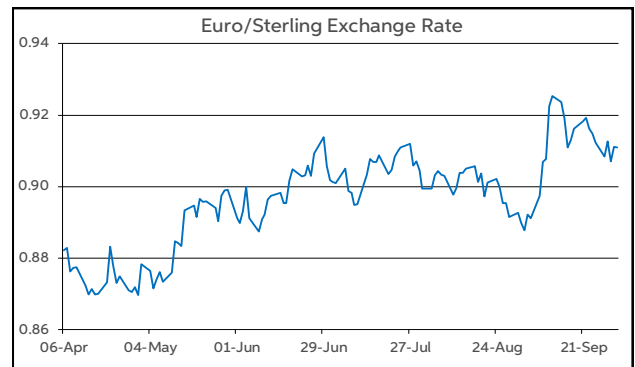
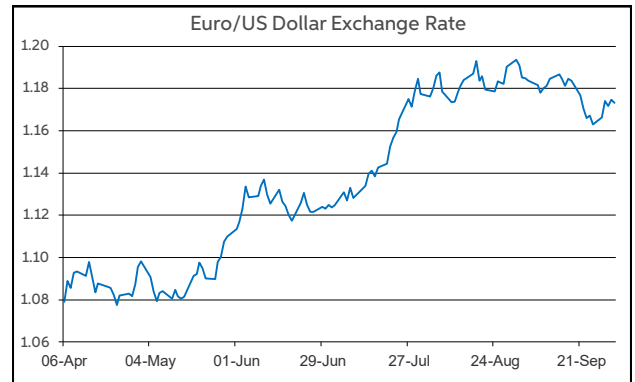
Returning to Brexit, the EU announced as expected, it has started legal proceedings against the UK over the contentious Internal Market Bill. EU Commission President, Ms. von der Leyen also stated the EU remained committed to ongoing talks. Negotiations continue today.

Data releases in the US yesterday were generally positive. Jobless claims in the US dipped to 837k, below the consensus 850k, although continuing claims remained elevated. Elsewhere, consumption increased by 1% in August, beating expectations, and core-PCE inflation rose by 1.6%. The manufacturing ISM slipped back to 55.4, as recovery continues at a slower pace in the sector.

In level terms, after volatile sterling trading yesterday, EUR/GBP opens up above 91p. EUR/USD is changing hands below the midpoint of \$1.17-1.18. Meanwhile, GBP/USD is below \$1.29.

Turning to today, the US employment report for September is forecast to show payrolls expanded by 920k. The unemployment rate is expected to fall to 8.2% from 8.4%. This implies slower jobs growth. In the Eurozone, headline inflation for September is projected to remain negative at -0.2%. Forex markets are likely to remain reactive to ongoing talks in the US and Brussels also.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.1732	-0.11	4.66
EUR/GBP	0.9111	0.36	7.77
GBP/USD	1.2872	-0.50	-2.92
GBP/EUR	1.0971	-0.36	-7.21
USD/JPY	105.12	-0.30	-3.21
EUR/JPY	123.33	-0.42	1.23

\* 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	0.23	0.20	0.23	0.35
EUR	0.00	-0.53	-0.50	-0.49	-0.49	-0.44
GBP	0.10	0.05	0.06	0.07	0.07	0.20

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

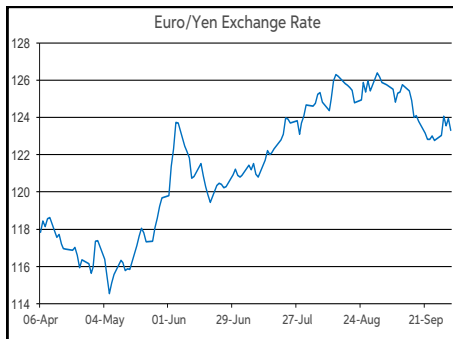
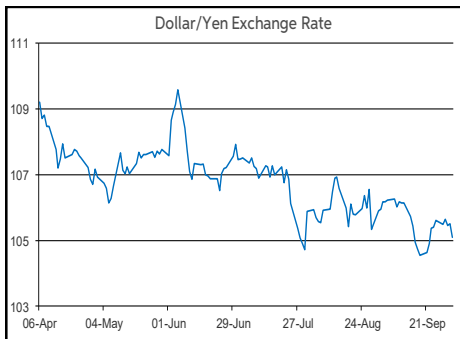
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

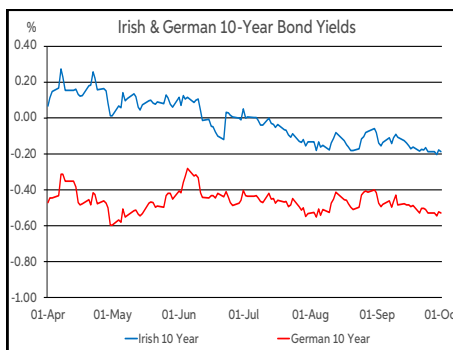
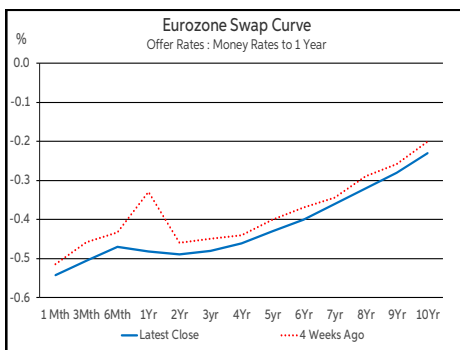
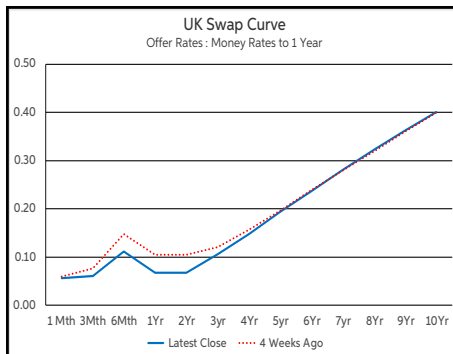
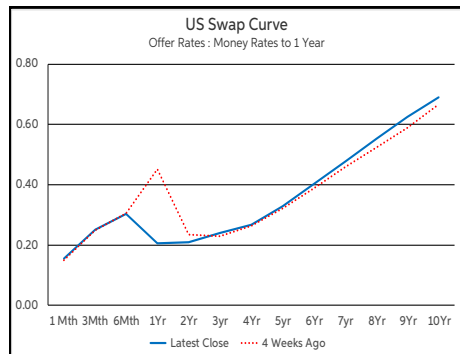
Friday 02 October 2020  
07:37 am



Euro		Sterling		Dollar	
EUR/GBP	0.9111	GBP/EUR	1.0971	USD/JPY	105.12
EUR/USD	1.1731	GBP/USD	1.2873	USD/CAD	1.3311
EUR/JPY	123.34	GBP/CAD	1.7137	USD/CHF	0.9185
EUR/SEK	10.4948	GBP/NZD	1.9385	USD/CNY	6.7898
EUR/DKK	7.4436	GBP/JPY	135.32	USD/BRL	5.6434
EUR/NOK	10.98	GBP/SEK	11.517	USD/RUB	77.6338
EUR/CHF	1.0775	GBP/DKK	8.1664	USD/INR	73.237
EUR/AUD	1.6387	GBP/NOK	12.0448	AUD/USD	0.7158
EUR/HKD	9.0906	GBP/CHF	1.1825	NZD/USD	0.6637
EUR/CAD	1.5617	GBP/AUD	1.7984		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 19
<b>10 Year Yield %</b>				
US	0.68	-1	+4	-124
Germany	-0.53	-1	-4	-34
UK	0.24	+0	-0	-59
<b>Ireland</b>				
Ireland	-0.15	-1	-3	-27
Belgium	-0.30	-1	-8	-40
France	-0.25	-1	-6	-37
Italy	0.83	-4	-23	-59
Spain	0.24	-2	-9	-23
Portugal	0.27	-0	-8	-18
Greece	1.02	-0	-11	-44
<b>5 Year Swap %</b>				
US	0.33	+1	+1	-138
Eurozone	-0.43	+0	-2	-31
UK	0.19	-0	+0	-68
<b>2 Year Swap %</b>				
US	0.21	+1	+0	-145
Eurozone	-0.49	+0	-2	-19
UK	0.07	-0	-3	-73
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	38	-1	+1	+7
Belgium	23	-1	-5	-6
France	28	+0	-2	-3
Italy	136	-3	-19	-25
Spain	76	-1	-5	+11
Portugal	79	+0	-4	+16
Greece	155	+0	-8	-10



Commodities				
	% Change			
	Close	Day	4 Weeks	End 19
Brent Oil	40.93	-0.05	-7.13	-37.98
West Texas Oil	38.51	-3.85	-6.96	-37.01
Gold \$	1905.0	+1.04	-1.32	+25.58

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