

Mixed day on markets

There was a mixed day on markets yesterday as investors initially took stock of the fact that US fiscal stimulus appears unlikely until after the election at least, as President Trump called a halt to talks. Although, the President did later tweet a number of individual support measures he would be willing to sign into law, a deal is seen as unlikely as Democrats support a broad based package.

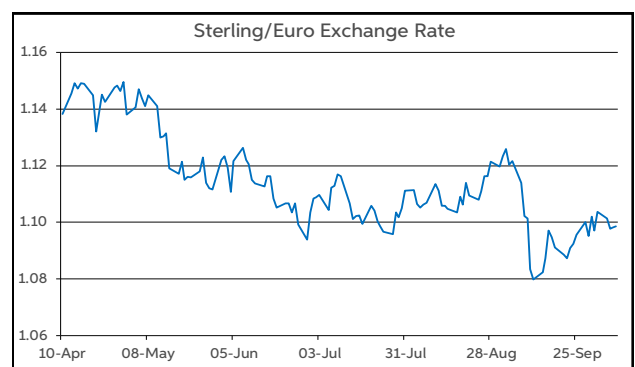
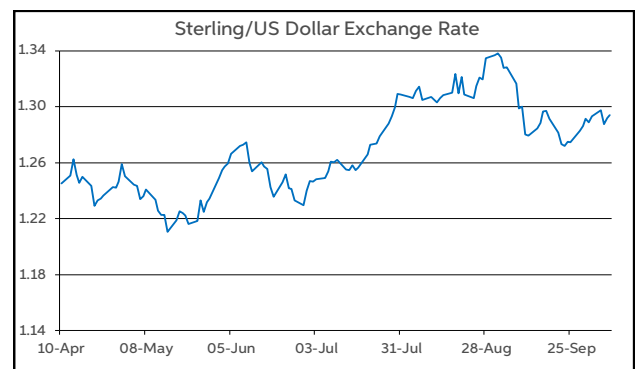
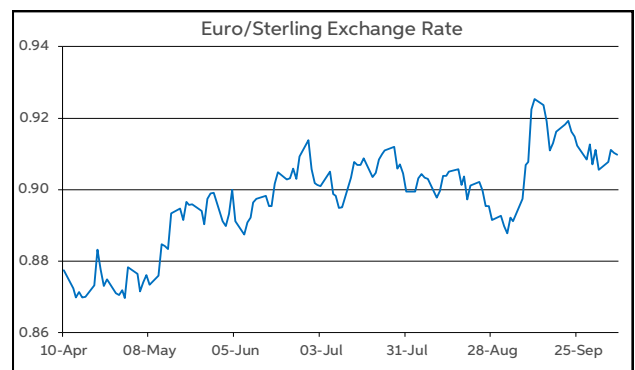
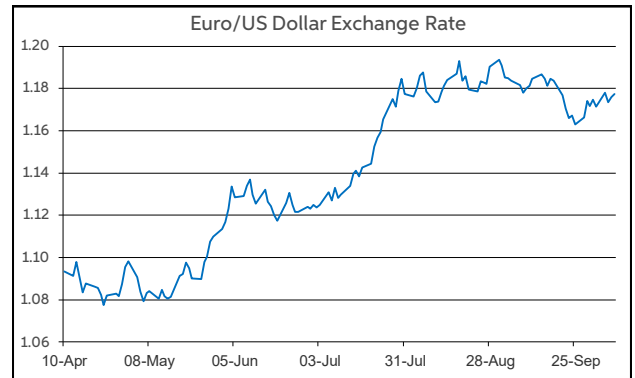
As a result, equities edged lower in Europe, but moved higher in the US. Elsewhere, Eurozone periphery bond spreads continued to narrow. On forex markets, the euro gained ground, as sterling came under some downward pressure also throughout the day.

Sterling moves were once again in reaction to Brexit headlines, with the pound weakening in early trading. Later reports from the UK side stated that talks had been constructive, although it remained difficult to agree the level of detail needed to conclude a deal. These comments generated some support for the pound in the afternoon.

All this means that in level terms this morning we are little changed from a day previous. EUR/GBP opens this morning just below 91p. Meantime, EUR/USD is changing hands above the midpoint of the \$1.17-1.18 range, while Cable (GBP/USD) is operating close to the halfway mark of the \$1.29-1.30 band.

Turning to the day ahead, and the only release of note are jobless claims numbers in the US. Initial claims have remained around 850k per week for the past month. The forecast is for claims to fall to 820K, although this is still an elevated level. An otherwise quiet schedule suggests markets are likely to remain sentiment driven.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.1775	0.36	5.04
EUR/GBP	0.9097	-0.08	7.61
GBP/USD	1.294	0.42	-2.41
GBP/EUR	1.0988	0.08	-7.07
USD/JPY	105.98	0.25	-2.42
EUR/JPY	124.81	0.62	2.45

* 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	0.14	0.23	0.21	0.25	0.42
EUR	0.00	-0.54	-0.51	-0.51	-0.49	-0.42
GBP	0.10	0.05	0.05	0.06	0.08	0.23

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

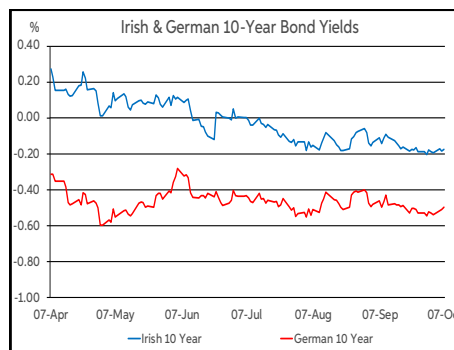
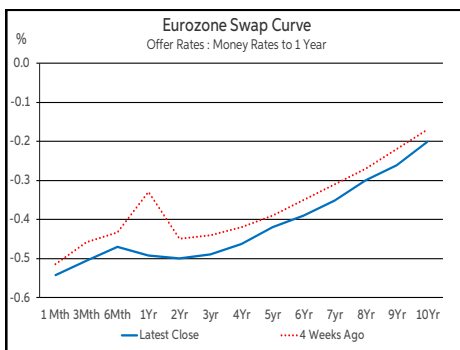
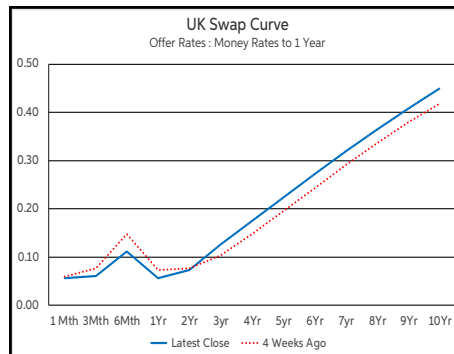
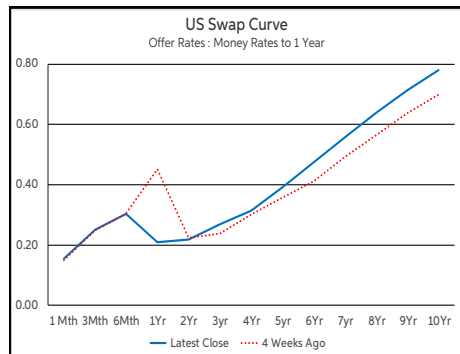
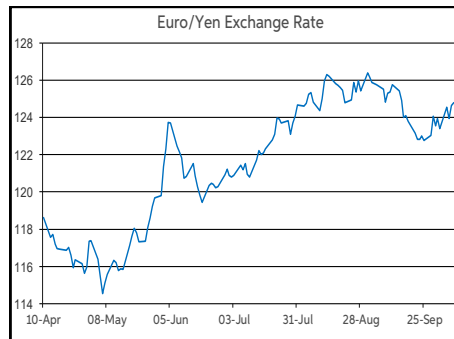
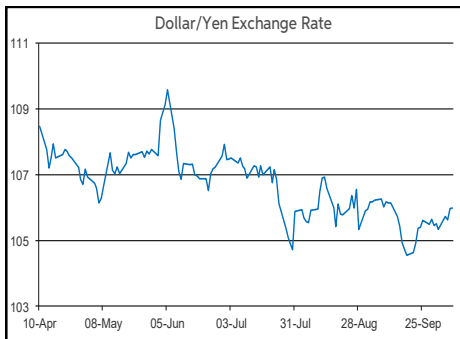
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

Thursday 08 October 2020
07:31 am



Euro		Sterling		Dollar	
EUR/GBP	0.9099	GBP/EUR	1.0988	USD/JPY	105.98
EUR/USD	1.1774	GBP/USD	1.2941	USD/CAD	1.3238
EUR/JPY	124.8	GBP/CAD	1.7135	USD/CHF	0.9161
EUR/SEK	10.4412	GBP/NZD	1.9651	USD/CNY	6.7898
EUR/DKK	7.442	GBP/JPY	137.15	USD/BRL	5.6122
EUR/NOK	10.9184	GBP/SEK	11.4652	USD/RUB	77.94
EUR/CHF	1.0789	GBP/DKK	8.1768	USD/INR	73.312
EUR/AUD	1.6452	GBP/NOK	11.9951	AUD/USD	0.7156
EUR/HKD	9.1242	GBP/CHF	1.1856	NZD/USD	0.6582
EUR/CAD	1.5593	GBP/AUD	1.8079		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 19
10 Year Yield %				
US	0.78	+5	+9	-114
Germany	-0.49	+1	-3	-31
UK	0.30	+2	+7	-52
5 Year Swap %				
US	0.39	+2	+7	-132
Eurozone	-0.42	+2	-2	-30
UK	0.22	+1	+3	-65
2 Year Swap %				
US	0.22	-0	+0	-144
Eurozone	-0.50	+0	-4	-20
UK	0.07	+1	+1	-72
10 Year Government Bond Spreads to Benchmark bps				
Ireland	35	-0	-3	+4
Belgium	21	-0	-5	-7
France	26	-0	-4	-4
Italy	128	-1	-27	-34
Spain	74	-1	-6	+8
Portugal	74	-1	-9	+10
Greece	144	-4	-17	-21

Commodities				
	% Change			
	Close	Day	4 Weeks	End 19
Brent Oil	41.99	-1.55	+2.94	-36.38
West Texas Oil	39.82	-1.73	+4.65	-34.87
Gold \$	1887.2	+0.54	-3.05	+24.40

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