

## Quiet markets

Equity markets moved higher in Europe and the US yesterday, with the S&P 500 up close to 1%. There were renewed hopes of a fiscal package in the US as President Trump announced that talks had started again. However, the same sticking points remain.

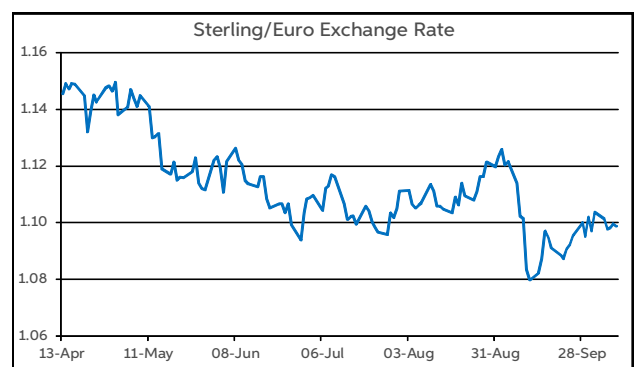
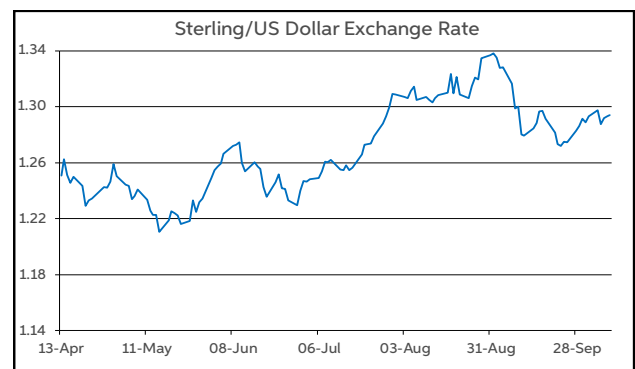
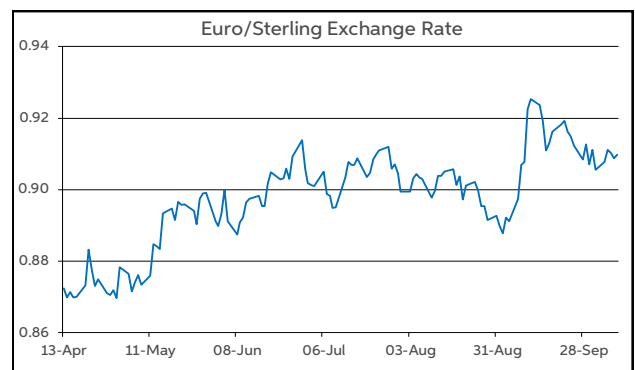
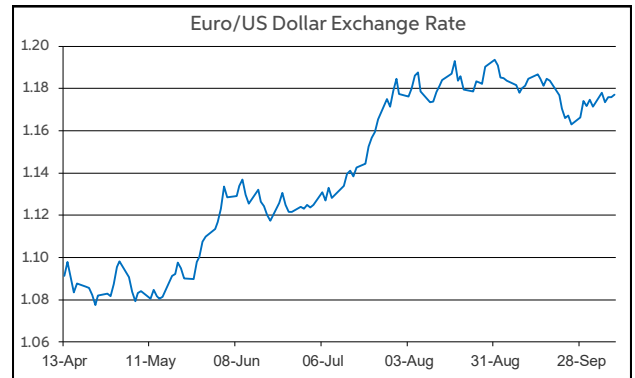
Data-wise in the US, initial jobless claims remained elevated, printing at 840k, above the consensus 820k. The downward trend in initial claims has all but stalled over the past 5 weeks, although, continuing claims fell sharply. The figures point towards slowing momentum in the labour market recovery.

Elsewhere, the minutes from the ECB's September meeting suggest that the bank was more worried about growth and inflation than investors initially thought. In particular, governing council members highlighted the rate of euro appreciation as a risk to both growth and inflation. The euro lost some ground following the release, falling back below the midpoint of \$1.17-1.18.

However, a firmer tone to EUR/USD overnight sees the pair start the day above the midpoint of \$1.17-1.18. Meanwhile, EUR/GBP is changing hands close to the 91p mark. Cable (GBP/USD) is operating near the halfway mark of the \$1.29-1.30 range, as the main pairs remain range bound.

Already this morning UK GDP for August has printed at 2.1% m/m, below the consensus 4.6%. This suggests that the recovery has lost some momentum. The introduction of new restrictions in September are likely to further hamper the pace of growth moving forward. An otherwise quiet macro-schedule suggests that markets will likely remain sensitive to US stimulus and Brexit headlines, as Michel Barnier arrives in London for further talks.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.1772	0.04	5.01
EUR/GBP	0.9092	-0.07	7.55
GBP/USD	1.2947	0.12	-2.35
GBP/EUR	1.0995	0.07	-7.02
USD/JPY	105.91	-0.05	-2.49
EUR/JPY	124.69	-0.01	2.35

\* 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	0.20	0.25	0.41
EUR	0.00	-0.54	-0.51	-0.52	-0.49	-0.44
GBP	0.10	0.05	0.06	0.06	0.09	0.22

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

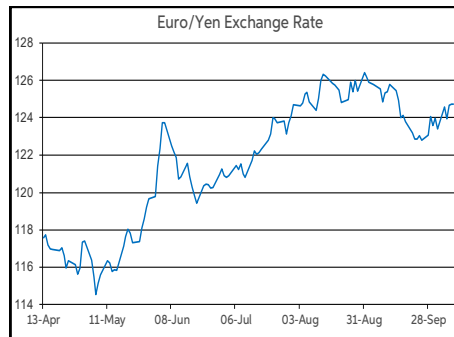
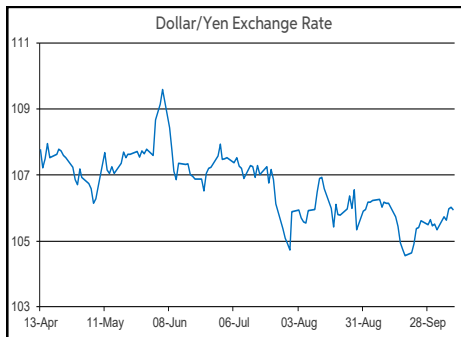
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

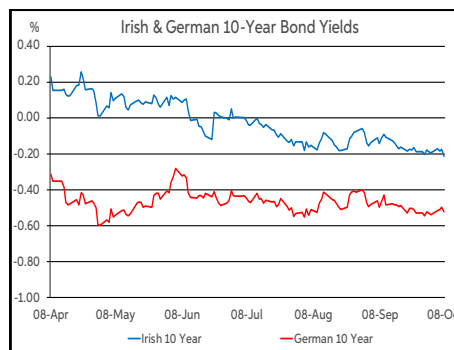
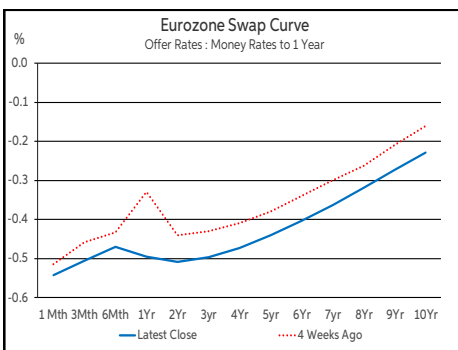
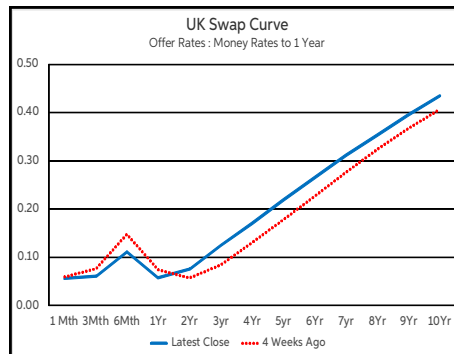
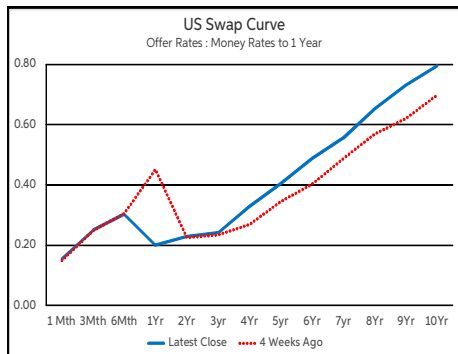
Friday 09 October 2020  
07:30 am



Euro		Sterling		Dollar	
EUR/GBP	0.9091	GBP/EUR	1.0995	USD/JPY	105.91
EUR/USD	1.1773	GBP/USD	1.2947	USD/CAD	1.3178
EUR/JPY	124.69	GBP/CAD	1.7058	USD/CHF	0.9155
EUR/SEK	10.417	GBP/NZD	1.9608	USD/CNY	6.7118
EUR/DKK	7.442	GBP/JPY	137.13	USD/BRL	5.5997
EUR/NOK	10.876	GBP/SEK	11.4564	USD/RUB	77.226
EUR/CHF	1.0781	GBP/DKK	8.184	USD/INR	73.192
EUR/AUD	1.6394	GBP/NOK	11.9596	AUD/USD	0.7178
EUR/HKD	9.1244	GBP/CHF	1.1855	NZD/USD	0.66
EUR/CAD	1.5516	GBP/AUD	1.8035		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 19
<b>10 Year Yield %</b>				
US	0.78	-1	+10	-114
Germany	-0.52	-3	-10	-33
UK	0.29	-2	+6	-54
<b>Ireland</b>				
Ireland	-0.18	-4	-11	-30
Belgium	-0.31	-3	-14	-41
France	-0.26	-3	-12	-38
Italy	0.76	-3	-32	-67
Spain	0.20	-4	-15	-27
Portugal	0.21	-3	-17	-24
Greece	0.89	-5	-24	-56
<b>5 Year Swap %</b>				
US	0.40	-1	+9	-130
Eurozone	-0.44	-2	-5	-32
UK	0.22	-0	+5	-66
<b>2 Year Swap %</b>				
US	0.23	+1	+4	-143
Eurozone	-0.51	-1	-6	-21
UK	0.08	+0	+3	-72
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	34	-1	-2	+3
Belgium	21	-0	-5	-7
France	26	-0	-2	-5
Italy	128	+0	-22	-34
Spain	72	-1	-5	+7
Portugal	73	-1	-7	+10
Greece	141	-2	-15	-23



Commodities				
	% Change			
	Close	Day	4 Weeks	End 19
Brent Oil	43.34	+3.22	+8.19	-34.33
West Texas Oil	41.04	+3.06	+10.17	-32.88
Gold \$	1893.1	+0.31	-3.12	+24.79

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