

Quiet start for markets

There was a quiet start to the week on markets yesterday in terms of macro data releases. Nonetheless, equity markets moved higher led by tech stocks, with the S&P 500 up over 1%. On forex markets, the action remained range bound, as a firmer tone to sterling in the morning session gave way in the afternoon.

In level terms, there has been little change to the main pairs over the past 24 hours. EUR/GBP opens this morning below the midpoint of 90-91p. Meanwhile, EUR/USD is changing hands below \$1.18, with cable (GBP/USD) operating close to the halfway mark of \$1.30-1.31.

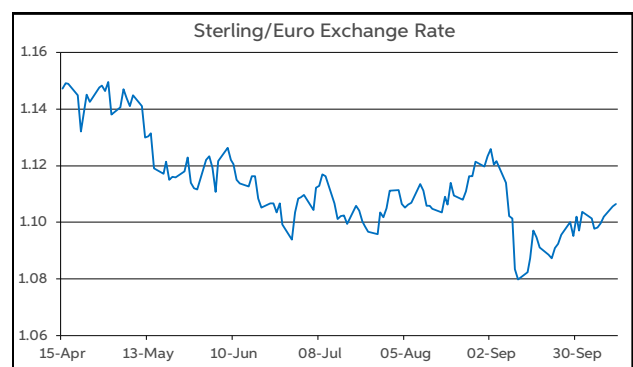
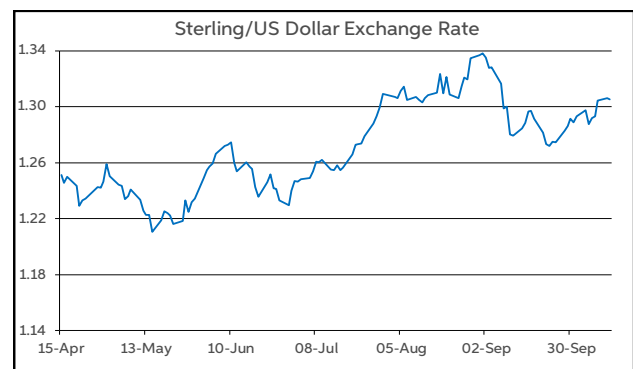
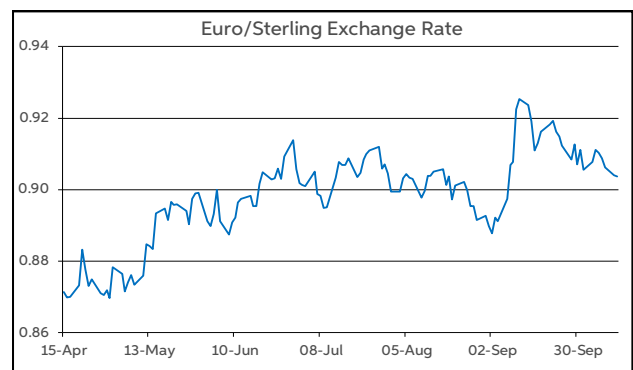
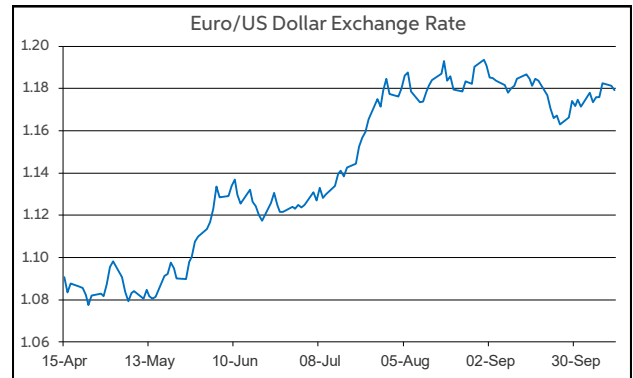
Already this morning the UK labour market report for August has been released. The unemployment rate rose to 4.5% from 4.1%, above the consensus 4.3%. Meanwhile, employment fell by 153k in the three months to August.

Turning to the remainder of today's macro-calendar, for the euro the only data highlight is the German ZEW Economic Sentiment index for October. It is forecast to fall to 73.0 from 77.4 in September, as the outlook for businesses remains highly uncertain. However, this is unlikely to impact the euro.

In the US, CPI Inflation is projected to rise to 1.4% in September from 1.3%. The core rate is also forecast to edge higher from 1.7% to 1.8%. The release is not expected to cause much dollar reaction.

Elsewhere, Brexit trade-talks continue today. Both sides will look to make sufficient progress ahead of this weeks EU Leaders' Summit. Thus, sterling may prove sensitive to the ebb and flow of news headlines regarding the talks over the coming week.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.1794	-0.20	5.21
EUR/GBP	0.9033	-0.32	6.85
GBP/USD	1.305	0.08	-1.58
GBP/EUR	1.1062	0.32	-6.41
USD/JPY	105.37	-0.10	-2.98
EUR/JPY	124.28	-0.31	2.01

* 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	0.22	0.20	0.25	0.41
EUR	0.00	-0.53	-0.51	-0.50	-0.49	-0.44
GBP	0.10	0.05	0.05	0.05	0.07	0.21

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

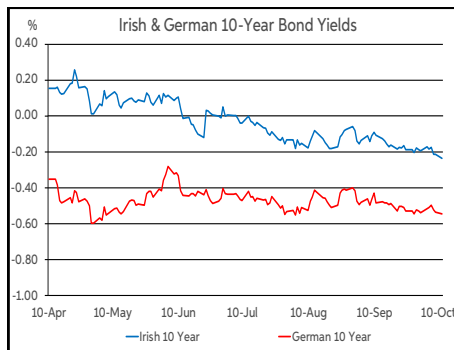
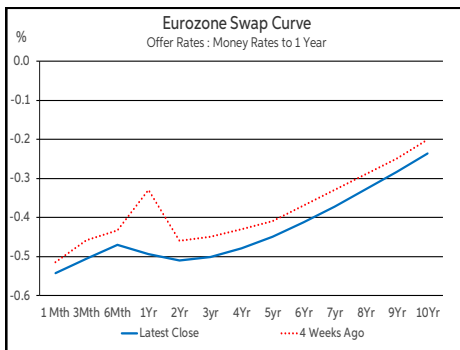
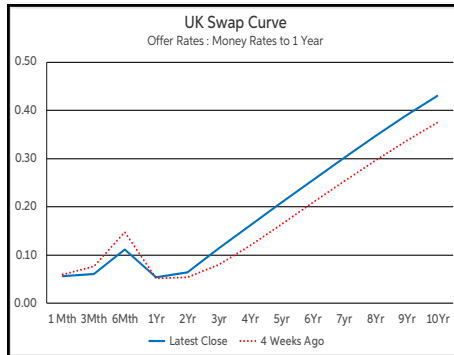
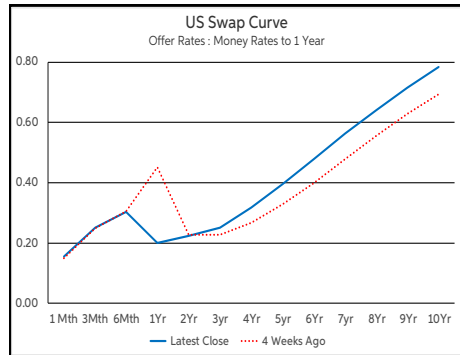
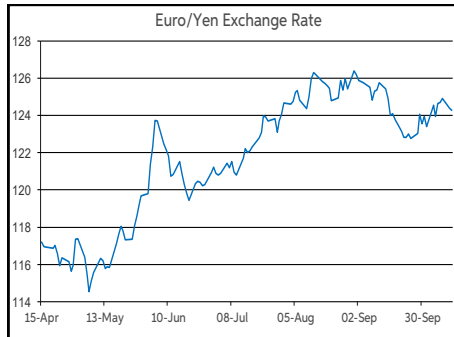
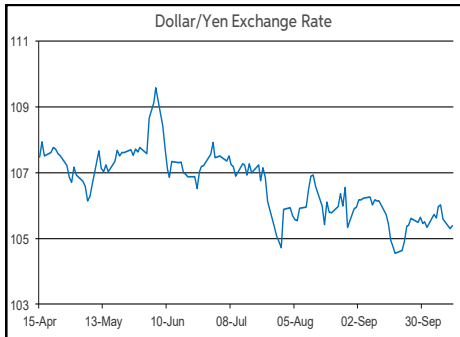
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

Tuesday 13 October 2020
07:31 am



Euro		Sterling		Dollar	
EUR/GBP	0.9035	GBP/EUR	1.1063	USD/JPY	105.37
EUR/USD	1.1794	GBP/USD	1.305	USD/CAD	1.3113
EUR/JPY	124.28	GBP/CAD	1.7107	USD/CHF	0.9096
EUR/SEK	10.3892	GBP/NZD	1.961	USD/CNY	6.7464
EUR/DKK	7.4424	GBP/JPY	137.52	USD/BRL	5.5316
EUR/NOK	10.808	GBP/SEK	11.4939	USD/RUB	77.245
EUR/CHF	1.0728	GBP/DKK	8.2349	USD/INR	73.394
EUR/AUD	1.6409	GBP/NOK	11.9565	AUD/USD	0.7185
EUR/HKD	9.1387	GBP/CHF	1.1872	NZD/USD	0.6652
EUR/CAD	1.5464	GBP/AUD	1.8154		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 19
10 Year Yield %				
US	0.78	+0	+10	-114
Germany	-0.54	-1	-7	-36
UK	0.28	-1	+8	-55
5 Year Swap %				
US	0.40	-1	+9	-131
Eurozone	-0.45	-0	-3	-33
UK	0.21	-1	+5	-67
2 Year Swap %				
US	0.22	-0	+3	-144
Eurozone	-0.51	+0	-4	-21
UK	0.06	-1	+2	-73
10 Year Government Bond Spreads to Benchmark bps				
Ireland	34	-0	-6	+3
Belgium	21	-1	-3	-7
France	26	-1	-2	-5
Italy	122	-3	-28	-40
Spain	69	-2	-7	+3
Portugal	70	-1	-8	+7
Greece	136	-5	-21	-29

Commodities				
	% Change			
	Close	Day	4 Weeks	End 19
Brent Oil	41.72	-2.64	+5.33	-36.79
West Texas Oil	39.22	-3.02	+5.35	-35.85
Gold \$	1921.9	-0.39	-1.76	+26.69

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