

Euro slightly higher

Investors were in a cautious mood yesterday, with the S&P 500 down 1.6% at the close on Wall street last night. Meanwhile, on currency markets the euro strengthened slightly, although there was no obvious catalyst for the move.

Data-wise, the only major release yesterday came from the US. The NAHB homebuilder sentiment index for October rose to 85 from 83, its highest ever reading.

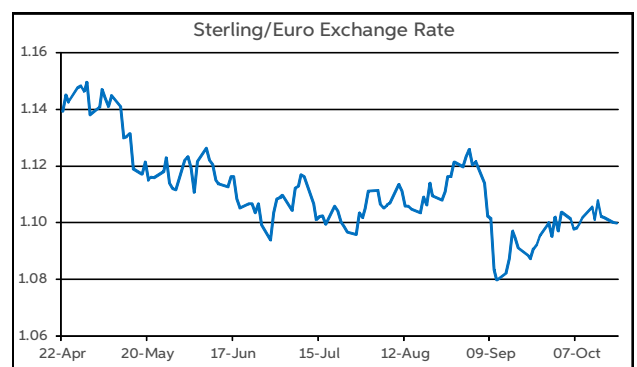
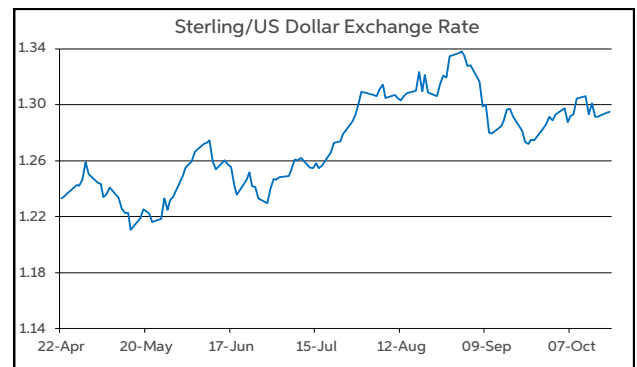
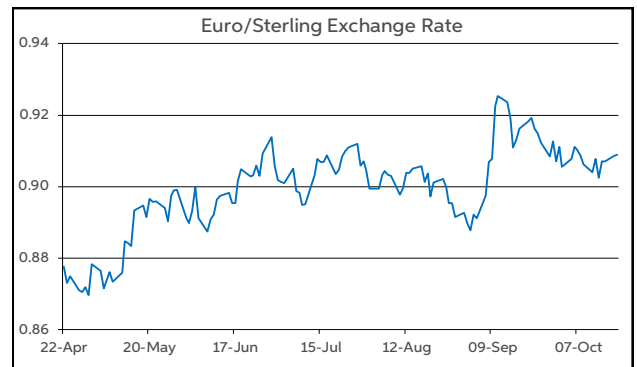
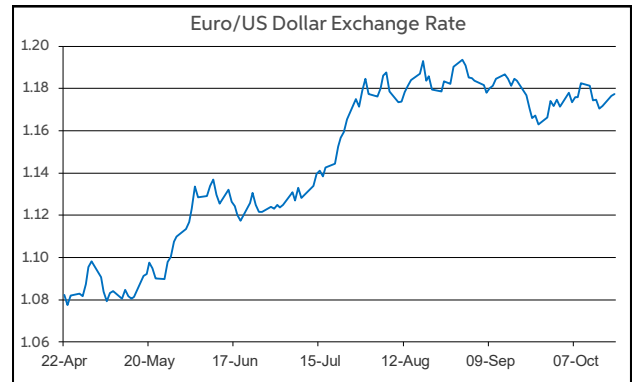
Meanwhile, EU-UK trade-talks resumed by phone, as both sides seek to move negotiations forward. There was some positive news flow, with the EU Chief Negotiator Barnier stating the EU is ready to intensify talks, "on all subjects, and based on legal texts".

There are other reports suggesting that progress has been made on the vexed issue of implementing the Northern Ireland Protocol. Further progress appears to have been made as well on the issue of citizens' rights. However, sterling remained relatively unreactive to the news flow as the main pairs remain range bound.

In level terms, the firmer euro is reflected in EUR/USD opening in the top half of \$1.17-1.18. Meantime, EUR/GBP is operating just below 91p. Cable (GBP/USD) is changing hands near the midpoint of the \$1.29-1.30 range.

The only data release of note today once again comes from the US housing market, with US Housing starts expected to rise further in September. Elsewhere, trade-talks will continue between the EU and UK as both sides try to take advantage of the positive momentum.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates				
		% Change		
		Day *	End 2019	
EUR/USD	1.1774	0.59	5.03	
EUR/GBP	0.9088	0.38	7.50	
GBP/USD	1.2951	0.21	-2.32	
GBP/EUR	1.0997	-0.37	-6.98	
USD/JPY	105.5	0.08	-2.86	
EUR/JPY	124.23	0.66	1.97	

* 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	0.22	0.19	0.24	0.41
EUR	0.00	-0.53	-0.51	-0.53	-0.52	-0.49
GBP	0.10	0.04	0.05	0.04	0.06	0.18

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

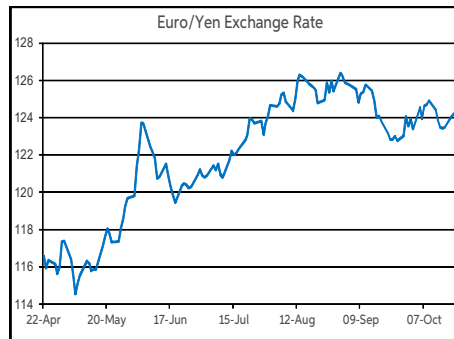
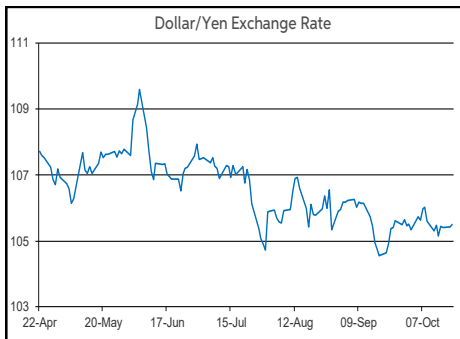
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

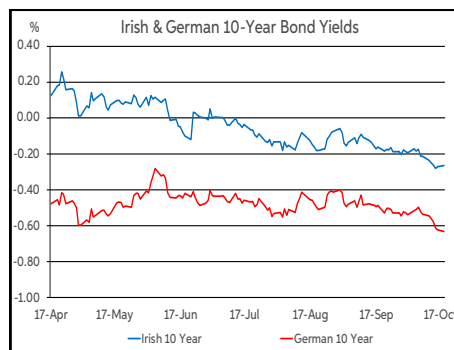
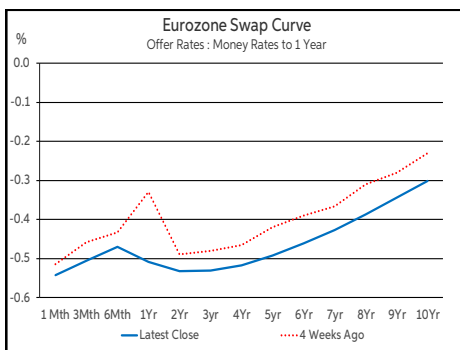
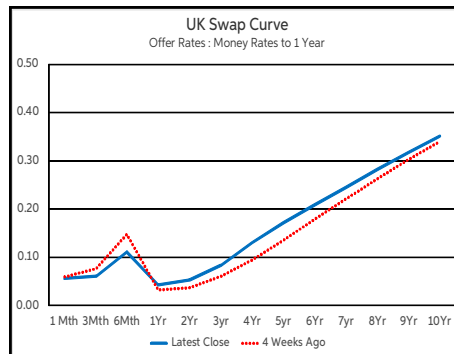
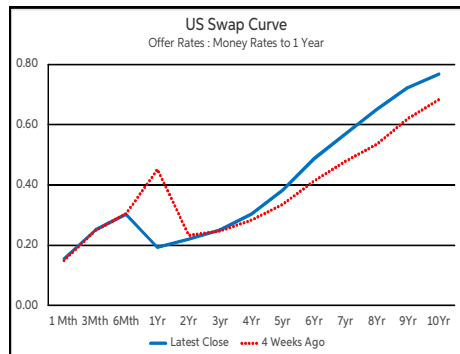
Tuesday 20 October 2020
07:30 am



Euro		Sterling		Dollar	
EUR/GBP	0.9088	GBP/EUR	1.0997	USD/JPY	105.5
EUR/USD	1.1774	GBP/USD	1.2951	USD/CAD	1.3194
EUR/JPY	124.23	GBP/CAD	1.7082	USD/CHF	0.9099
EUR/SEK	10.3919	GBP/NZD	1.9718	USD/CNY	6.6814
EUR/DKK	7.4415	GBP/JPY	136.63	USD/BRL	5.6064
EUR/NOK	10.9858	GBP/SEK	11.422	USD/RUB	77.664
EUR/CHF	1.0713	GBP/DKK	8.1844	USD/INR	73.36
EUR/AUD	1.6739	GBP/NOK	12.0815	AUD/USD	0.7032
EUR/HKD	9.124	GBP/CHF	1.1782	NZD/USD	0.6566
EUR/CAD	1.5535	GBP/AUD	1.8412		



Debt Markets				
	Close	Day	4 Weeks	End 19
10 Year Yield %				
US	0.77	+2	+10	-115
Germany	-0.63	-0	-10	-44
UK	0.17	-1	+1	-65
5 Year Swap %				
US	0.38	-1	+8	-133
Eurozone	-0.49	-1	-6	-37
UK	0.17	-1	+4	-71
2 Year Swap %				
US	0.22	-0	+3	-144
Eurozone	-0.53	+0	-3	-24
UK	0.05	+0	+3	-74
10 Year Government Bond Spreads to Benchmark bps				
Ireland	39	+1	+1	+8
Belgium	26	+2	+2	-3
France	29	+1	+1	-2
Italy	135	+7	-12	-27
Spain	79	+4	+1	+13
Portugal	77	+3	-3	+14
Greece	145	+4	-16	-19



Commodities				
	Close	Day	4 Weeks	End 19
Brent Oil	42.62	-0.72	+2.85	-35.42
West Texas Oil	40.69	-0.02	+3.64	-33.45
Gold \$	1904.3	+0.28	-0.43	+25.53

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