

Sterling higher amid trade talk news

Currency-wise, the main action yesterday was concentrated in sterling. The pound was boosted by some upbeat EU-UK trade talks newsflow and developments.

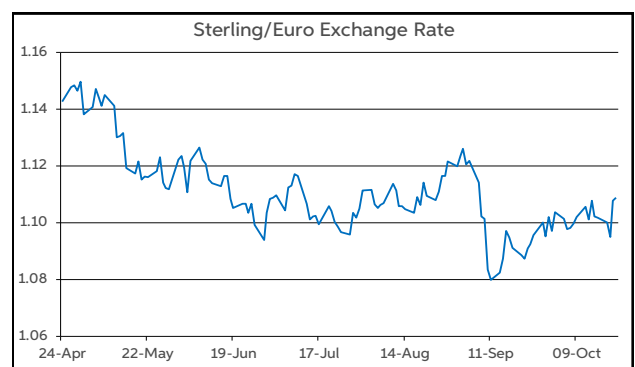
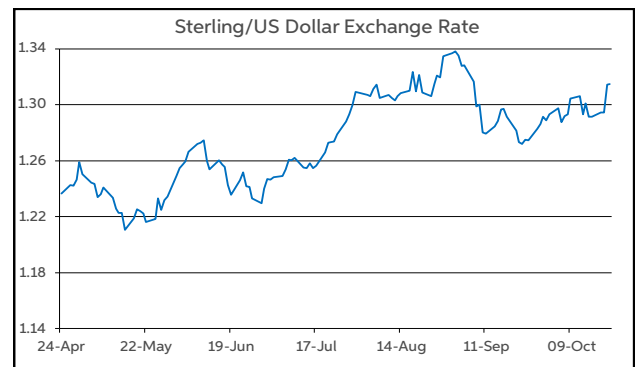
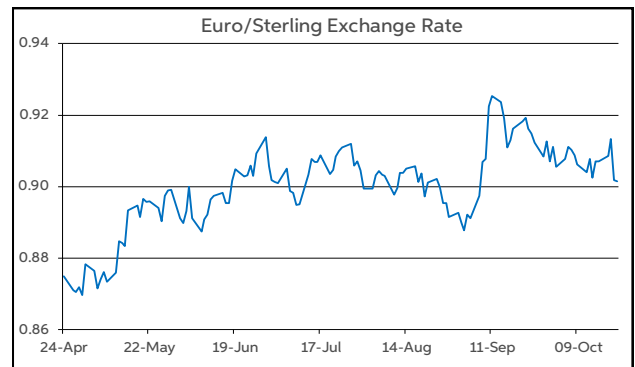
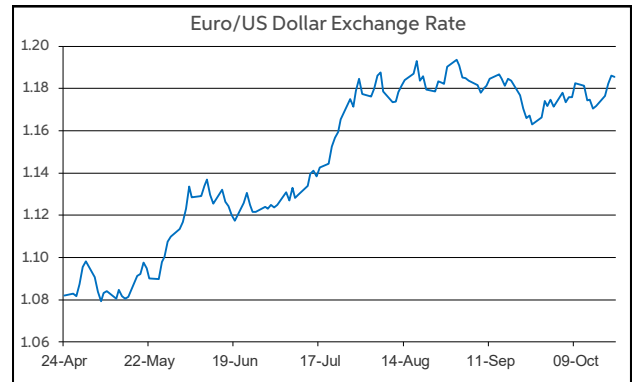
Earlier in the day, comments from the EU's chief negotiator Michel Barnier to the European Parliament helped the currency gain some upward momentum. He stated that "agreement is within reach" if both sides are willing to work constructively and compromise on the key issues that remain to be resolved.

The currency was aided further by developments later in the day, when it was announced that both sides had agreed to an intensified period of negotiations. These talks will take place daily and at weekends, with the first phase scheduled for October 22-25. At the same time officials are due to start co-drafting legal text.

In level terms, the firmer tone to sterling over the past 24 hours is reflected in EUR/GBP falling back below the 91p mark and opens this morning down near to 90p. Meanwhile, sterling has also registered gains against the dollar, with GBP/USD regaining the \$1.31 threshold and is trading this morning around the halfway point of \$1.31-1.32. Elsewhere, on the currency-front, the moves in EUR/USD have been largely confined to a tight range in and around the midpoint of the \$1.18-1.19 trading band.

Looking ahead to today, the macro calendar is relatively sparse. The main highlights are US weekly jobless claims, existing home sales (Sept) and Eurozone EC consumer sentiment (Oct). Neither of these releases are expected to have a notable influence on the respective currencies. Meantime, the trade talks remain a potential source of direction for sterling.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.1854	0.06	5.74
EUR/GBP	0.9014	-1.24	6.62
GBP/USD	1.3147	1.29	-0.84
GBP/EUR	1.109	1.25	-6.21
USD/JPY	104.62	-0.63	-3.67
EUR/JPY	124.03	-0.56	1.81

* 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	0.21	0.18	0.25	0.42
EUR	0.00	-0.54	-0.51	-0.51	-0.51	-0.46
GBP	0.10	0.05	0.05	0.04	0.07	0.21

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

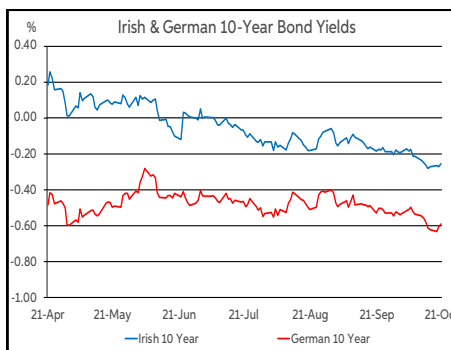
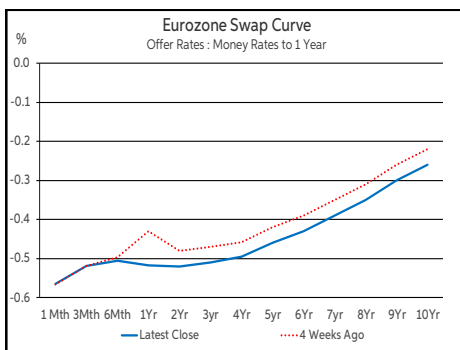
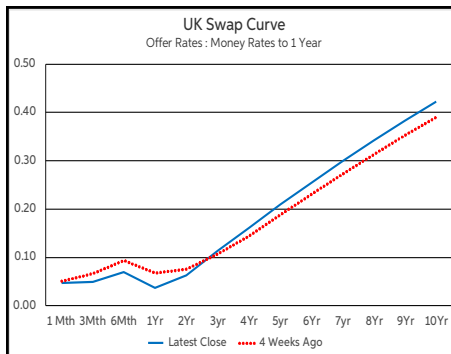
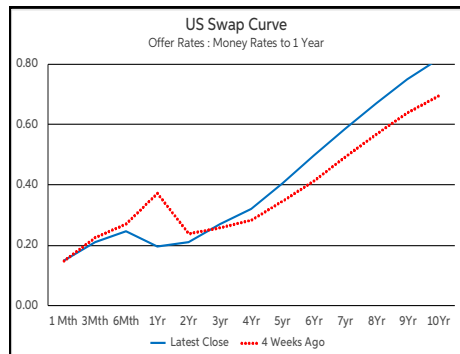
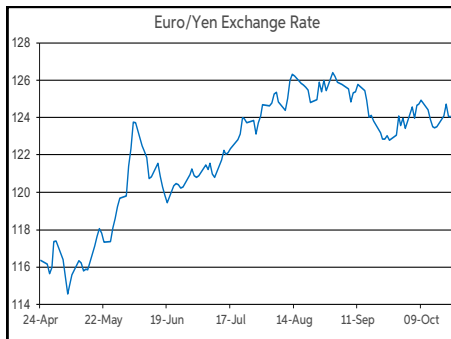
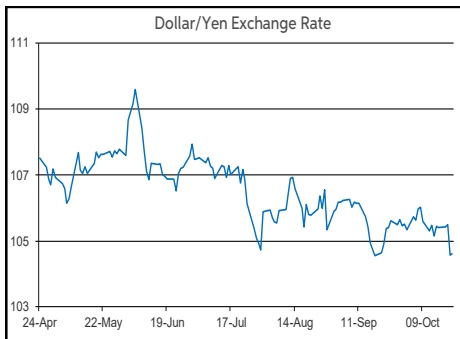
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

Thursday 22 October 2020
07:19 am



Euro		Sterling		Dollar	
EUR/GBP	0.9014	GBP/EUR	1.109	USD/JPY	104.62
EUR/USD	1.1854	GBP/USD	1.3147	USD/CAD	1.3155
EUR/JPY	124.03	GBP/CAD	1.7296	USD/CHF	0.9058
EUR/SEK	10.3561	GBP/NZD	1.9741	USD/CNY	6.6626
EUR/DKK	7.442	GBP/JPY	137.54	USD/BRL	5.609
EUR/NOK	10.933	GBP/SEK	11.4834	USD/RUB	76.845
EUR/CHF	1.0736	GBP/DKK	8.2542	USD/INR	73.65
EUR/AUD	1.668	GBP/NOK	12.1221	AUD/USD	0.7106
EUR/HKD	9.1853	GBP/CHF	1.1911	NZD/USD	0.6659
EUR/CAD	1.5594	GBP/AUD	1.8501		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 19
10 Year Yield %				
US	0.82	+4	+14	-110
Germany	-0.59	+2	-9	-40
UK	0.24	+6	+2	-58
5 Year Swap %				
US	0.41	+1	+9	-130
Eurozone	-0.46	+2	-3	-34
UK	0.21	+3	+3	-67
2 Year Swap %				
US	0.21	-1	+0	-145
Eurozone	-0.52	+0	-3	-22
UK	0.06	+2	-0	-73
10 Year Government Bond Spreads to Benchmark bps				
Ireland	39	+1	+3	+8
Belgium	24	+0	+2	-4
France	28	+0	+2	-3
Italy	137	+2	+1	-25
Spain	79	+1	+6	+14
Portugal	78	+0	+2	+14
Greece	150	+5	-1	-14

Commodities				
	% Change			
	Close	Day	4 Weeks	End 19
Brent Oil	41.73	-3.31	-0.10	-36.77
West Texas Oil	39.88	-3.60	-0.10	-34.77
Gold \$	1924.5	+0.95	+3.27	+26.86

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