

## Flash October PMIs in focus today

There was a mixed tone to investor sentiment yesterday. European risk appetite was a bit softer against the backdrop of rising Covid-19 numbers and the re-imposition of some restrictions in the region. The Euro Stoxx 50 finished the day slightly lower (-0.3%). The mood on Wall Street was somewhat more upbeat. At the closing bell last night, the S&P 500 was up 0.5% on the day.

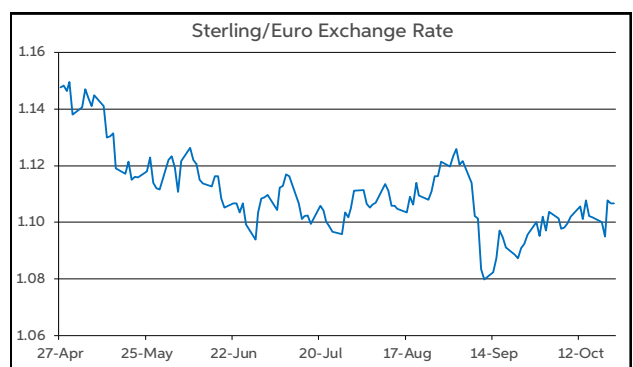
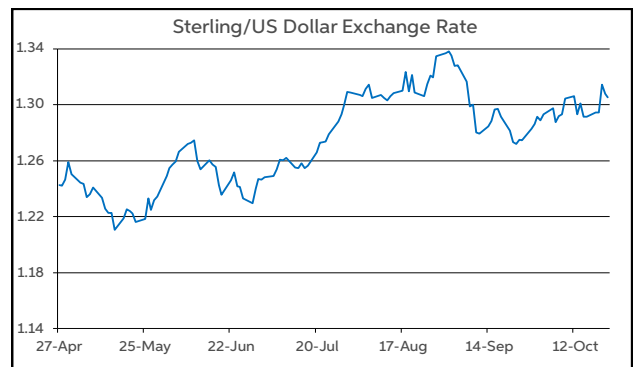
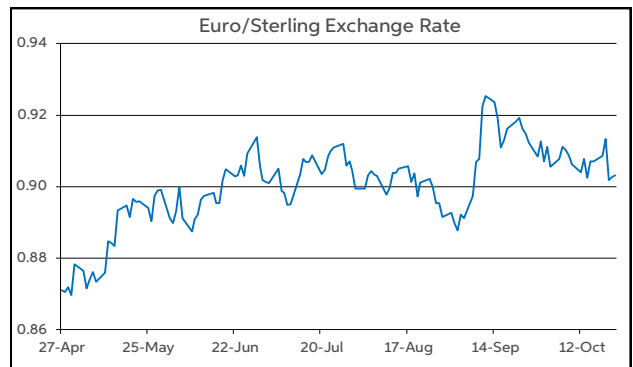
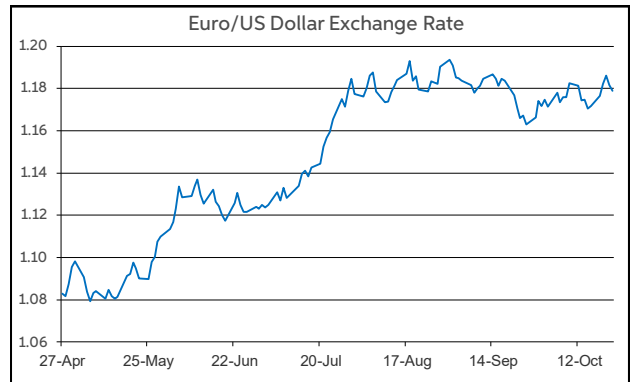
On the currency front, the action was mostly confined to relatively narrow ranges amongst the main pairs. Of the limited moves to register, the dollar was slightly firmer against the euro and sterling.

Data-wise, as expected none of the releases had any major directional influence on their respective currencies. In the Eurozone, the flash reading of the EC consumer confidence index for October missed slightly to the downside of expectations. Meanwhile, in the US, weekly jobless claims data and existing home sales (Sept) surprised to the upside of forecasts.

The opening levels this morning reflect the slightly firmer tone to the dollar over the past 24 hours. The EUR/USD pair has edged back below the \$1.18 threshold, while GBP/USD has been unable to hold above the \$1.31 mark. It is currently changing hands near the midpoint of \$1.30-1.31. Meanwhile, EUR/GBP continues to operate in the lower half of the 90-91p trading band.

Ahead today, we get the main data event of the week with the flash PMIs for October due from the Eurozone, US and UK. Amid concerns that the economic recovery may be losing momentum after it's summer rebound, the data will be assessed for signs of this. Currency-wise though, unless any of these surveys surprise significantly, their market impact may be limited.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.1791	-0.46	5.18
EUR/GBP	0.9033	0.16	6.85
GBP/USD	1.3053	-0.59	-1.55
GBP/EUR	1.1069	-0.15	-6.41
USD/JPY	104.7	0.00	-3.60
EUR/JPY	123.46	-0.45	1.34

\* 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	0.21	0.20	0.25	0.44
EUR	0.00	-0.54	-0.51	-0.52	-0.51	-0.44
GBP	0.10	0.05	0.05	0.05	0.08	0.23

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

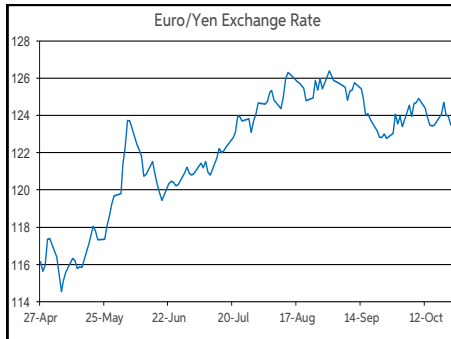
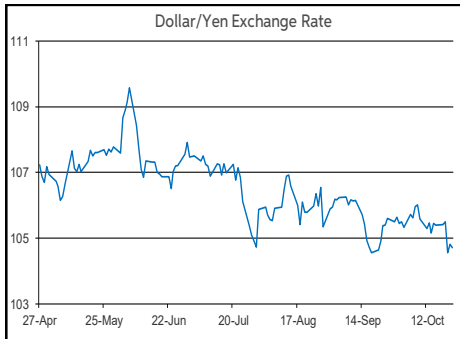
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

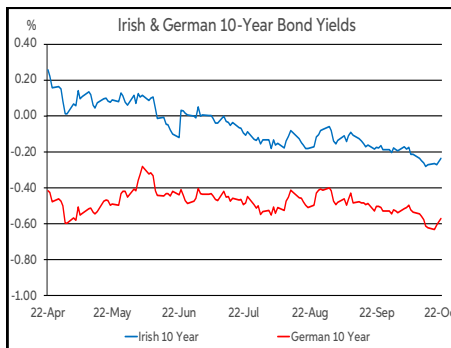
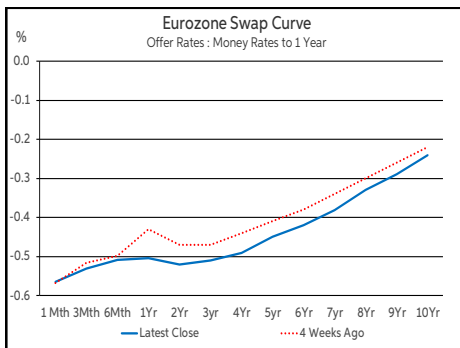
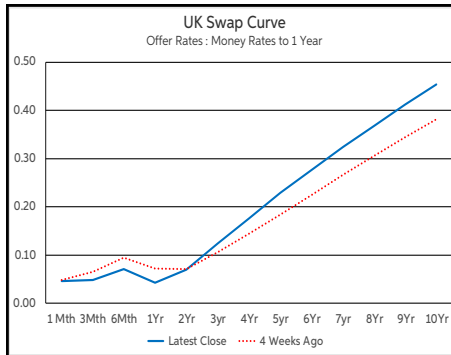
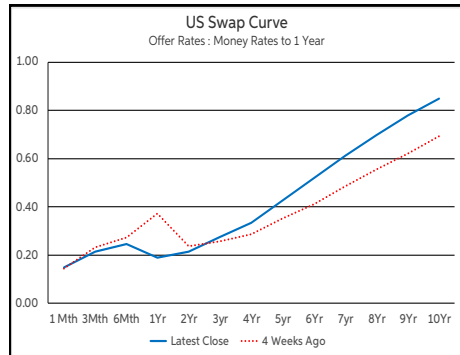
Friday 23 October 2020  
07:17 am



Euro		Sterling		Dollar	
EUR/GBP	0.9033	GBP/EUR	1.1069	USD/JPY	104.7
EUR/USD	1.1791	GBP/USD	1.3053	USD/CAD	1.3155
EUR/JPY	123.46	GBP/CAD	1.7165	USD/CHF	0.9078
EUR/SEK	10.3638	GBP/NZD	1.96	USD/CNY	6.6871
EUR/DKK	7.4399	GBP/JPY	136.66	USD/BRL	5.5926
EUR/NOK	10.953	GBP/SEK	11.4692	USD/RUB	76.5195
EUR/CHF	1.0707	GBP/DKK	8.2352	USD/INR	73.575
EUR/AUD	1.6594	GBP/NOK	12.1213	AUD/USD	0.7104
EUR/HKD	9.1385	GBP/CHF	1.1849	NZD/USD	0.6657
EUR/CAD	1.5511	GBP/AUD	1.8369		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 19
<b>10 Year Yield %</b>				
US	0.86	+4	+19	-106
Germany	-0.57	+2	-6	-38
UK	0.28	+4	+6	-54
Ireland	-0.19	+2	-5	-31
Belgium	-0.32	+2	-6	-42
France	-0.28	+3	-5	-41
Italy	0.80	+2	-8	-62
Spain	0.23	+2	-2	-24
Portugal	0.21	+2	-7	-24
Greece	0.94	+2	-9	-52
<b>5 Year Swap %</b>				
US	0.43	+1	+10	-128
Eurozone	-0.45	+1	-3	-33
UK	0.23	+2	+5	-65
<b>2 Year Swap %</b>				
US	0.22	+0	+1	-145
Eurozone	-0.52	+0	-4	-22
UK	0.07	+1	+1	-72
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	38	-0	+1	+8
Belgium	25	+0	+1	-4
France	28	+1	+1	-2
Italy	137	+0	-1	-24
Spain	80	+0	+4	+14
Portugal	78	-0	-1	+14
Greece	151	+0	-2	-14



Commodities				
	% Change			
	Close	Day	4 Weeks	End 19
Brent Oil	42.46	+1.75	+1.24	-35.67
West Texas Oil	40.46	+1.45	+0.87	-33.82
Gold \$	1904.0	-1.06	+1.93	+25.51

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