

ECB meeting could be a non-event

There was a subdued tone to currency markets yesterday. The action in sterling was more muted than in previous days. Although, the currency is a touch firmer this morning.

In terms of Brexit newsflow, EU ambassadors last night could not decide on the appropriate length of an extension to Article 50 to grant the UK. Meanwhile, it remains unclear if PM Johnson intends to call an election before passing the Withdrawal Agreement Bill.

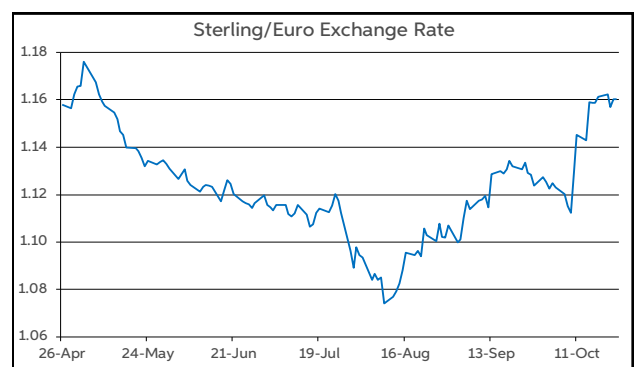
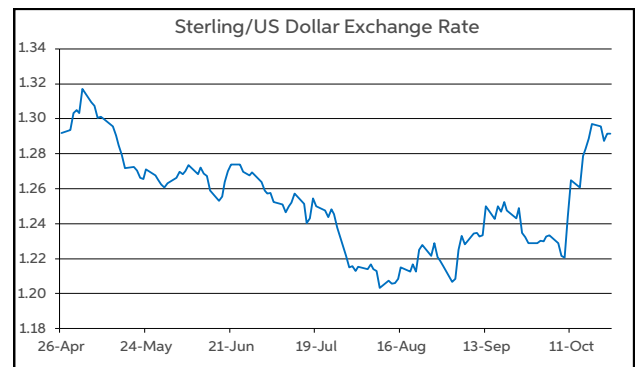
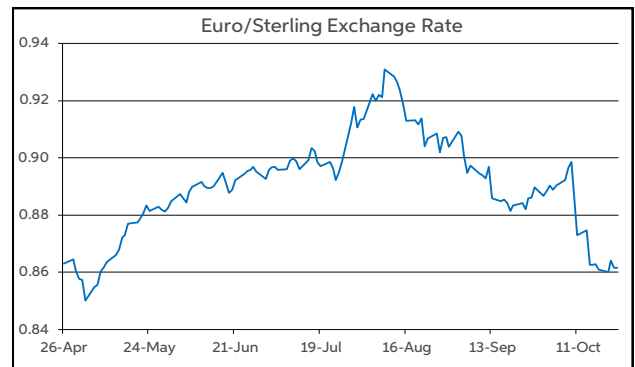
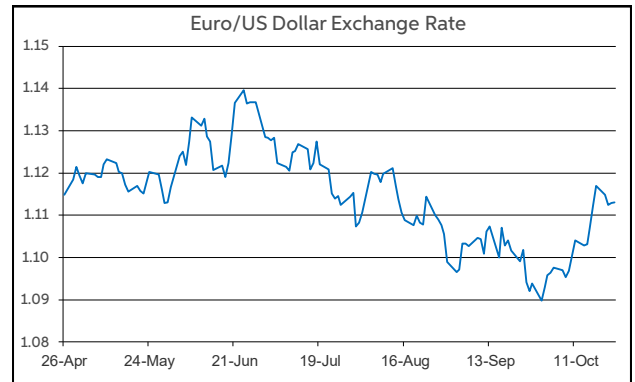
Data-wise, the only release on any note was the flash October reading of Eurozone consumer confidence. The index dropped sharply to -7.6 (f'cast -6.7), close to a year-to-date low. However, given the second tier nature of the data, euro impact was limited.

In level terms, the slightly firmer sterling tone sees EUR/GBP open this morning near the 86p level. At the same time, cable (GBP/USD) has regained the \$1.29 threshold. Meantime, EUR/USD continues to change hands in the lower half of the \$1.11-1.12 range.

Today, the ECB will conclude its October policy meeting, with no changes expected. Rates are seen on hold in the near term as the ECB looks to gauge the impact of the September easing package. However, markets will look for any insight into the level of division within the Governing Council, particularly with regard to QE. Overall, though, the meeting could be a non-event for the euro.

Data-wise, flash October PMIs are due in the Eurozone and the US. In the former, a small increase in both the manufacturing and services indices is expected to lift the composite PMI higher. In the US, it is anticipated that a fall in the manufacturing index could see the composite edge lower. Any downside surprises could, at the margin, be unhelpful to the dollar.

Conor Beakey, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2018
EUR/USD	1.1133	0.11	-2.93
EUR/GBP	0.8617	-0.34	-4.09
GBP/USD	1.2916	0.45	1.25
GBP/EUR	1.1601	0.34	4.26
USD/JPY	108.59	0.22	-0.89
EUR/JPY	120.88	0.32	-3.84

* v Previous Day's European Open

See Next Page for More Rates

Opening Interest Rates						
Base Rate	Short Term			Long Term		
	1-Mth	3-Mth	12-Mth	2-Yr	5-Yr	
USD	1.875	1.82	1.94	1.94	1.60	1.57
EUR	0.00	-0.44	-0.40	-0.28	-0.37	-0.27
GBP	0.75	0.71	0.80	0.96	0.79	0.81

All rates quoted are indicative market rates

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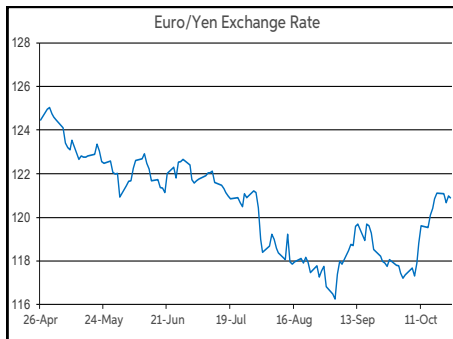
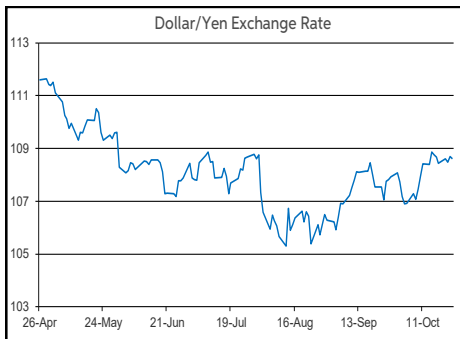
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBI 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

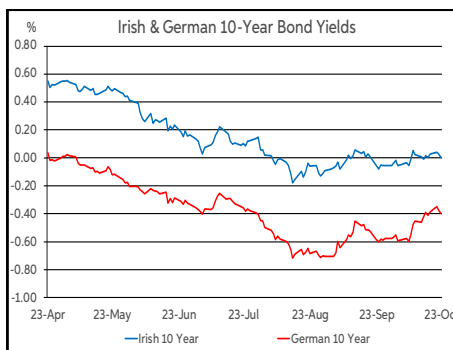
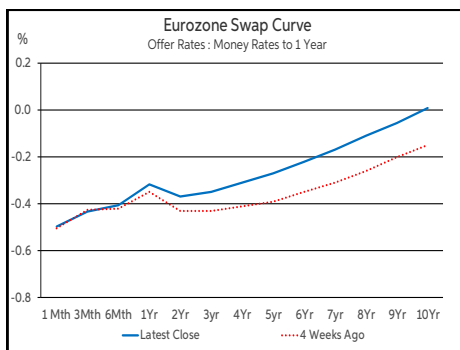
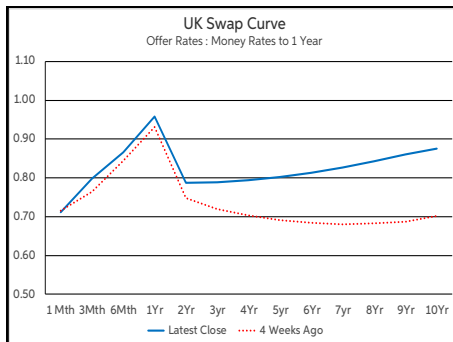
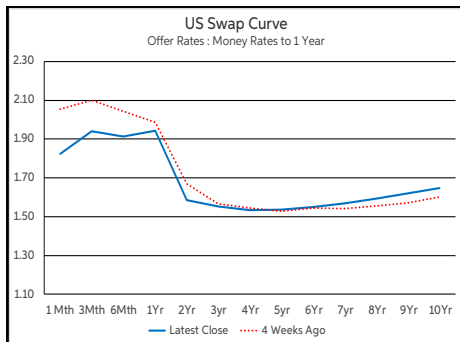
Thursday 24 October 2019
07:18 am



Euro		Sterling		Dollar	
EUR/GBP	0.8618	GBP/EUR	1.1601	USD/JPY	108.59
EUR/USD	1.1133	GBP/USD	1.2916	USD/CAD	1.3077
EUR/JPY	120.88	GBP/CAD	1.6888	USD/CHF	0.9904
EUR/SEK	10.7391	GBP/NZD	2.0171	USD/CNY	7.0681
EUR/DKK	7.4704	GBP/JPY	140.25	USD/BRL	4.0341
EUR/NOK	10.1635	GBP/SEK	12.4537	USD/RUB	63.8965
EUR/CHF	1.1028	GBP/DKK	8.6674	USD/INR	70.953
EUR/AUD	1.6272	GBP/NOK	11.7857	AUD/USD	0.684
EUR/HKD	8.725	GBP/CHF	1.2795	NZD/USD	0.6401
EUR/CAD	1.4562	GBP/AUD	1.888		



	Close	Change bps		
		Day	4 Weeks	End 18
10 Year Yield %				
US	1.77	+0	+3	-92
Germany	-0.40	-2	+19	-63
UK	0.68	-3	+15	-59
Ireland	0.00	-3	+5	N/A
Belgium	-0.11	-3	+14	-87
France	-0.10	-3	+19	-80
Italy	1.03	+1	+19	-169
Spain	0.23	-1	+12	-118
Portugal	0.18	-1	+4	-152
Greece	1.25	-0	-6	-305
5 Year Swap %				
US	1.54	-1	+1	-102
Eurozone	-0.27	-1	+12	-50
UK	0.80	-2	+11	-51
2 Year Swap %				
US	1.59	-3	-8	-105
Eurozone	-0.37	-1	+6	-23
UK	0.79	-1	+4	-38
10 Year Government Bond Spreads to Benchmark bps				
Ireland	40	-0	-13	N/A
Belgium	29	-1	-5	-23
France	30	-0	+0	-16
Italy	142	+4	+1	-106
Spain	63	+1	-7	-55
Portugal	58	+2	-14	-89
Greece	165	+2	-24	-242



	% Change			
	Close	Day	4 Weeks	End 18
Brent Oil	61.17	+2.46	-1.96	+13.70
West Texas Oil	55.9	+3.12	-0.85	+23.81
Gold \$	1492.4	+0.26	-0.81	+16.33

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