

Risk aversion, but main FX pairs subdued

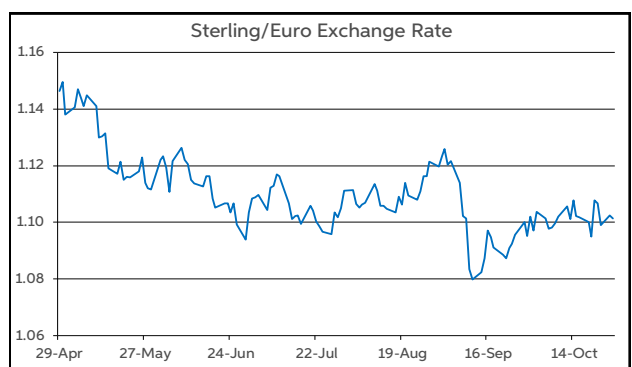
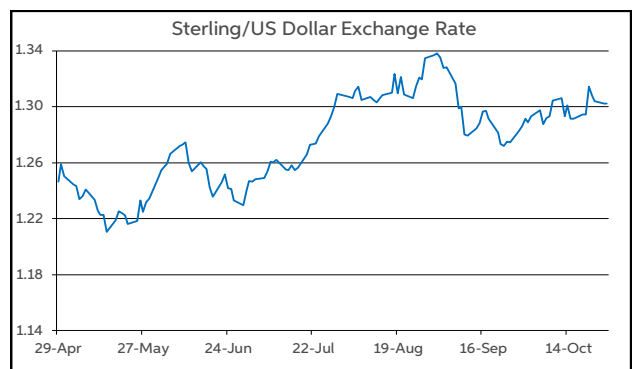
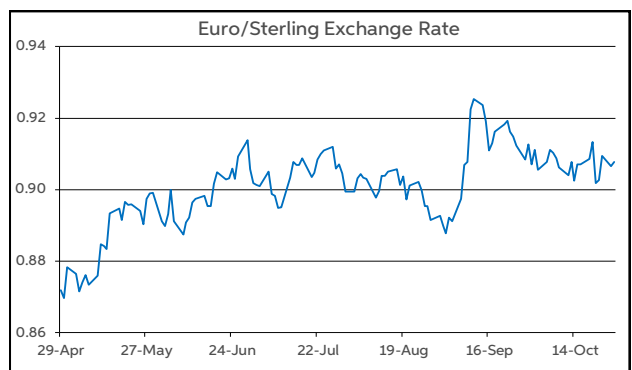
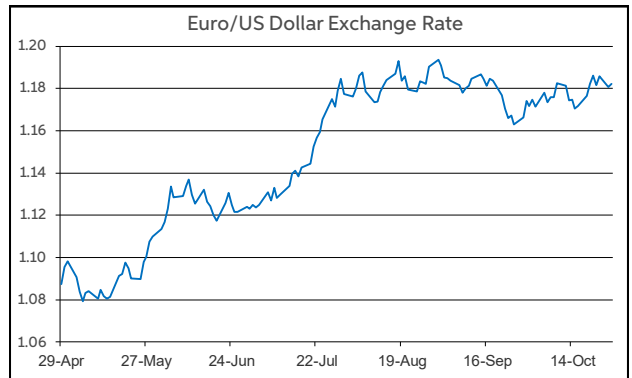
There was a risk averse tone to investor sentiment at the start of the week yesterday. This 'risk off' mood was against a backdrop of some negative corporate earnings newsflow, as well as ongoing concerns over the economic outlook amid the Covid-19 pandemic. At the close on Wall Street last night, the S&P 500 was down 1.9% on the day.

Data-wise yesterday, the main highlight was the German Ifo for October. Similar to last week's PMI data, the index fell back in the month from 93.2 to 92.7 (and by slightly more than forecast), providing further evidence that the recovery in the region may be stalling, after its strong rebound over the summer. Meanwhile, in the US, new home sales for September also disappointed to the downside of expectations. They fell by 3.5% in the month, versus expectations for a 2.8% increase.

From a currency viewpoint, neither of these releases had any noticeable impact. Indeed, over the past 24 hours, in contrast to the action on equity markets, the moves amongst the main FX pairs have been fairly muted. In level terms, EUR/GBP is trading this morning in the upper half of 90-91p. Meanwhile, EUR/USD is changing hands below the midpoint of \$1.18-1.19. Elsewhere, cable (GBP/USD) is operating near to the \$1.30 threshold.

Looking ahead to today, the main activity on the data front is from the US schedule. The highlight being the Conference Board measure of consumer confidence for October. The diary also features house prices (Case-Shiller) for August and the durable goods report for September. Overall though, unless the releases surprise significantly versus expectations, the dollar may be largely unreactive to the data.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.1823	-0.06	5.47
EUR/GBP	0.9078	-0.04	7.38
GBP/USD	1.302	-0.02	-1.80
GBP/EUR	1.1012	0.04	-6.87
USD/JPY	104.76	-0.10	-3.54
EUR/JPY	123.86	-0.18	1.67

* 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	0.20	0.26	0.43
EUR	0.00	-0.54	-0.51	-0.50	-0.51	-0.46
GBP	0.10	0.04	0.05	0.05	0.08	0.23

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

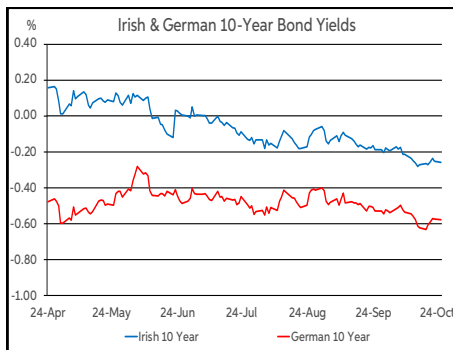
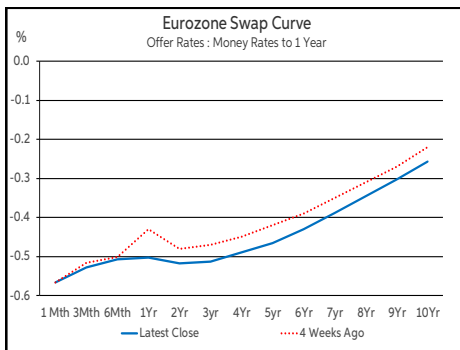
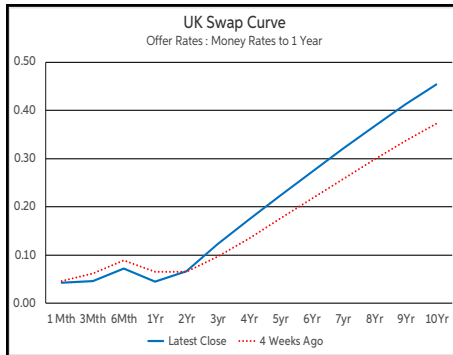
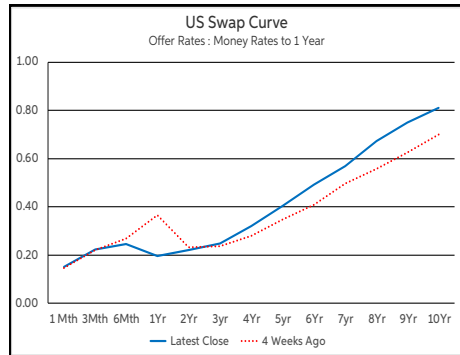
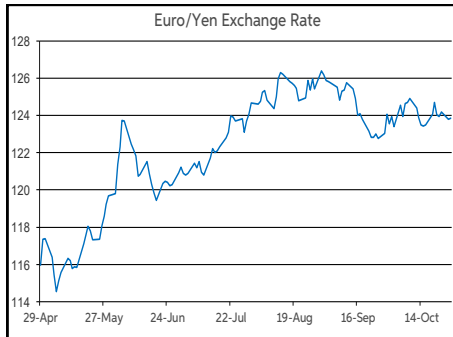
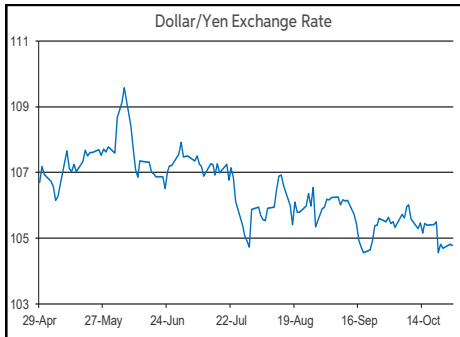
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

Tuesday 27 October 2020
07:22 am



Euro		Sterling		Dollar	
EUR/GBP	0.9078	GBP/EUR	1.1013	USD/JPY	104.76
EUR/USD	1.1823	GBP/USD	1.3022	USD/CAD	1.3181
EUR/JPY	123.86	GBP/CAD	1.7161	USD/CHF	0.9073
EUR/SEK	10.337	GBP/NZD	1.947	USD/CNY	6.7062
EUR/DKK	7.4405	GBP/JPY	136.43	USD/BRL	5.624
EUR/NOK	10.9207	GBP/SEK	11.3842	USD/RUB	76.4801
EUR/CHF	1.0727	GBP/DKK	8.1935	USD/INR	73.787
EUR/AUD	1.6584	GBP/NOK	12.024	AUD/USD	0.7126
EUR/HKD	9.161	GBP/CHF	1.1814	NZD/USD	0.6686
EUR/CAD	1.5584	GBP/AUD	1.826		



	Close	Change bps		
		Day	4 Weeks	End 19
10 Year Yield %				
US	0.80	-4	+15	-112
Germany	-0.57	+0	-4	-38
UK	0.28	-0	+7	-55
5 Year Swap %				
US	0.40	-2	+10	-131
Eurozone	-0.47	-1	-4	-34
UK	0.22	-0	+5	-65
2 Year Swap %				
US	0.22	-1	+2	-144
Eurozone	-0.52	+1	-3	-22
UK	0.07	-0	+1	-73
10 Year Government Bond Spreads to Benchmark bps				
Ireland	37	-1	-1	+6
Belgium	23	-1	-1	-6
France	27	-0	-0	-3
Italy	130	-3	-11	-31
Spain	76	-1	-2	+10
Portugal	74	-2	-5	+11
Greece	150	+0	-7	-15

	% Change			
	Close	Day	4 Weeks	End 19
Brent Oil	40.46	-3.14	-4.64	-38.70
West Texas Oil	38.39	-3.37	-5.14	-37.21
Gold \$	1901.7	+0.05	+1.11	+25.36

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