

## Markets remain downbeat

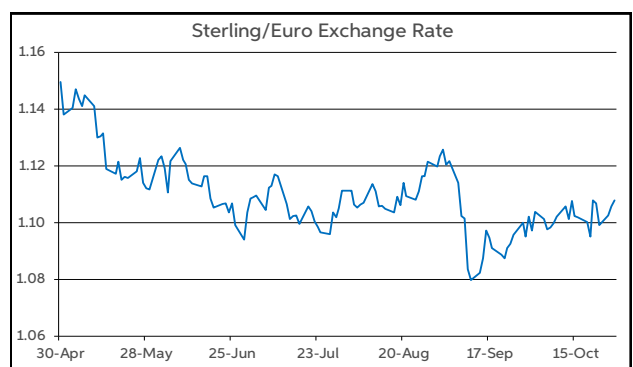
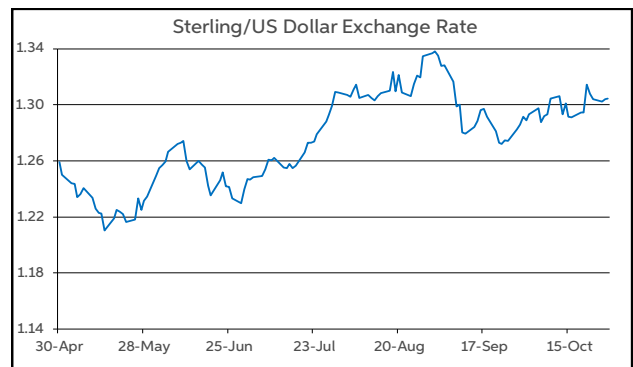
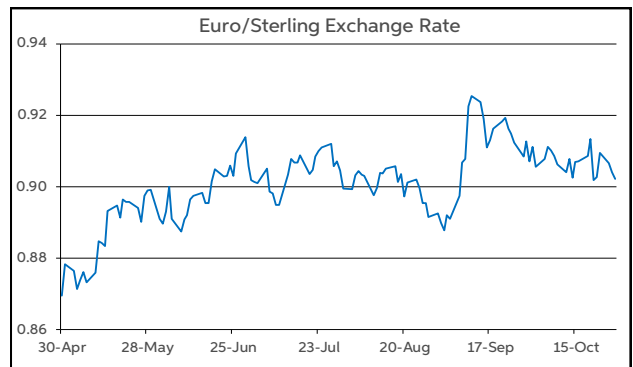
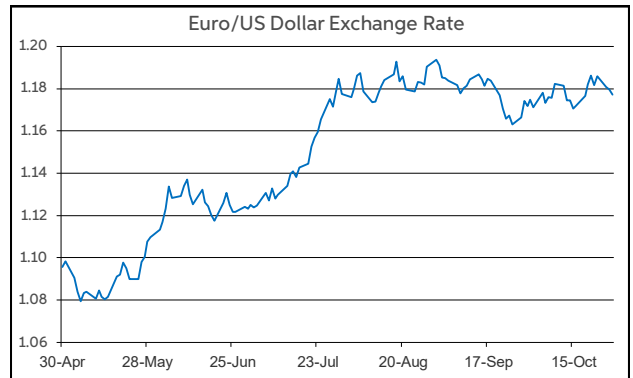
The risk averse tone to investor sentiment persisted yesterday, as ongoing concerns regarding the economic outlook remain amid the Covid-19 pandemic. Weaker than expected Q3 earnings data also contributed to the 'risk-off' mood. At the close, the Eurostoxx 50 was down over 1.0%, while across the Atlantic, the S&P 500 fell by 0.3%. Bond yields moved lower as well.

The main activity on the data front came from the US schedule yesterday. The highlight was the Conference Board measure of consumer sentiment, which slipped backwards from 101.3 to 100.9 in October, as rising coronavirus numbers continue to weigh on the economic outlook. Meanwhile, durable good orders for September beat expectations (1.9% vs. 0.5% f'cast), and Case-Shiller house prices for August also printed better than anticipated (5.2% YoY vs. 4.2% f'cast). However, these releases had little impact on the dollar.

On currency markets, the main pairs remain largely range bound. Of the muted moves to note, there was a slightly softer tone to the euro following reports of a potential national lockdown in France, and further restrictions being introduced in Germany. In level terms, EUR/GBP is operating in the bottom half of the 90-91p range. Meantime, EUR/USD is trading back below the \$1.18 mark. Elsewhere, Cable (GBP/USD) is operating near the midpoint of \$1.30-1.31.

Looking ahead today, a barren macro calendar suggests that markets are likely to remain sentiment driven. Thus, fears of more restrictions being introduced across Europe as mentioned above, may put further pressure on the euro. At the same time, markets may also remain cautious given the upcoming US elections.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.1774	-0.49	5.03
EUR/GBP	0.9023	-0.56	6.73
GBP/USD	1.3046	0.06	-1.61
GBP/EUR	1.1078	0.57	-6.31
USD/JPY	104.16	-0.54	-4.10
EUR/JPY	122.64	-1.03	0.66

\* 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	0.25	0.41
EUR	0.00	-0.54	-0.51	-0.51	-0.53	-0.48
GBP	0.10	0.04	0.05	0.04	0.07	0.20

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

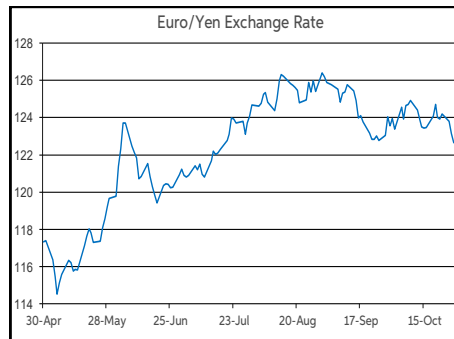
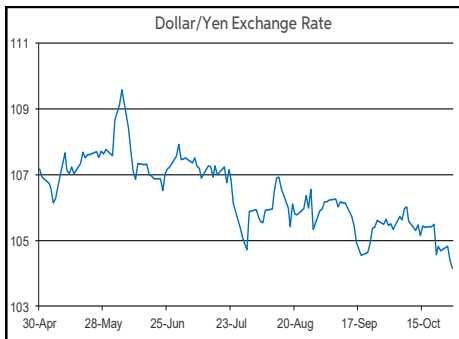
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

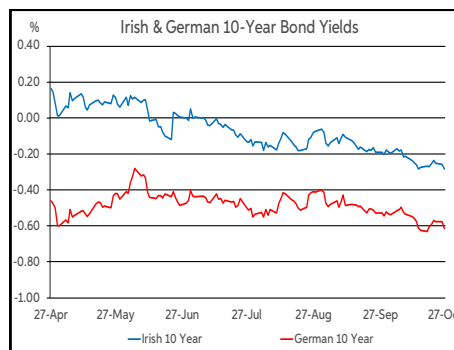
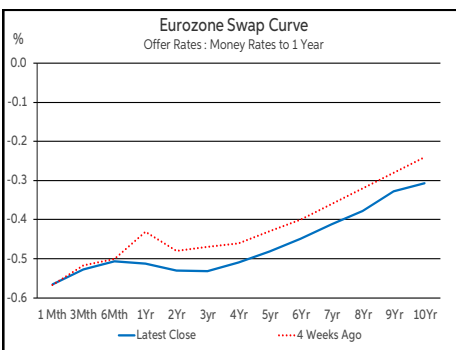
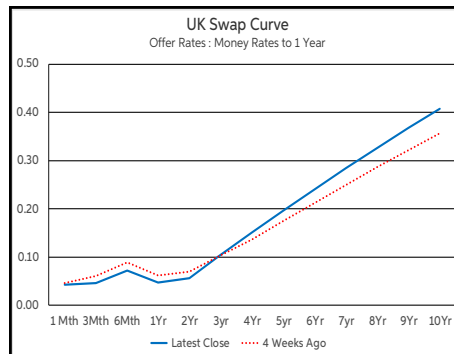
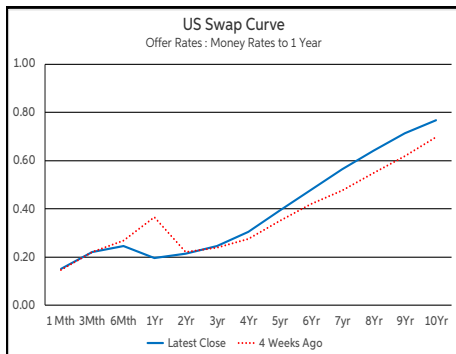
Wednesday 28 October 2020  
07:38 am



Euro		Sterling		Dollar	
EUR/GBP	0.9023	GBP/EUR	1.1078	USD/JPY	104.16
EUR/USD	1.1774	GBP/USD	1.3046	USD/CAD	1.3197
EUR/JPY	122.64	GBP/CAD	1.7221	USD/CHF	0.9099
EUR/SEK	10.2821	GBP/NZD	1.9451	USD/CNY	6.7131
EUR/DKK	7.4403	GBP/JPY	135.89	USD/BRL	5.7055
EUR/NOK	10.831	GBP/SEK	11.3884	USD/RUB	77.509
EUR/CHF	1.0714	GBP/DKK	8.2438	USD/INR	73.783
EUR/AUD	1.649	GBP/NOK	12	AUD/USD	0.7138
EUR/HKD	9.124	GBP/CHF	1.187	NZD/USD	0.6705
EUR/CAD	1.5542	GBP/AUD	1.8266		



Debt Markets				
	Close	Day	4 Weeks	End 19
<b>10 Year Yield %</b>				
US	0.77	-3	+12	-115
Germany	-0.61	-4	-7	-43
UK	0.23	-4	+5	-59
Ireland	-0.23	-3	-6	-35
Belgium	-0.37	-3	-5	-47
France	-0.33	-3	-6	-45
Italy	0.70	-3	-14	-72
Spain	0.16	-3	-6	-31
Portugal	0.14	-3	-10	-31
Greece	0.94	+1	-8	-52
<b>5 Year Swap %</b>				
US	0.39	-2	+8	-132
Eurozone	-0.48	-2	-4	-36
UK	0.20	-3	+3	-68
<b>2 Year Swap %</b>				
US	0.21	-0	+0	-145
Eurozone	-0.53	-1	-4	-23
UK	0.06	-1	-0	-74
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	38	+1	+1	+7
Belgium	24	+1	+2	-4
France	29	+1	+1	-2
Italy	132	+1	-7	-30
Spain	77	+2	+1	+12
Portugal	75	+2	-3	+12
Greece	155	+5	-1	-9



Commodities				
	Close	Day	4 Weeks	End 19
Brent Oil	41.2	+1.83	+0.41	-37.58
West Texas Oil	39.34	+2.47	+0.79	-35.66
Gold \$	1906.8	+0.27	+0.48	+25.70

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