

Main FX pairs little changed

The action on currency markets over the past 24 hours has been muted. A quiet macro-data schedule meant there was little to provide direction to the main pairs. Although, sterling has adopted a marginally softer tone on the back of some negative Brexit related headlines.

This morning, German industrial production was better than expected. Output rose by 0.3% in August, its best performance since March. Positively, the manufacturing sector recorded a 0.7% increase. However, the sector remains in recession, with the yoy growth rate at -4.0%. Euro impact was minimal.

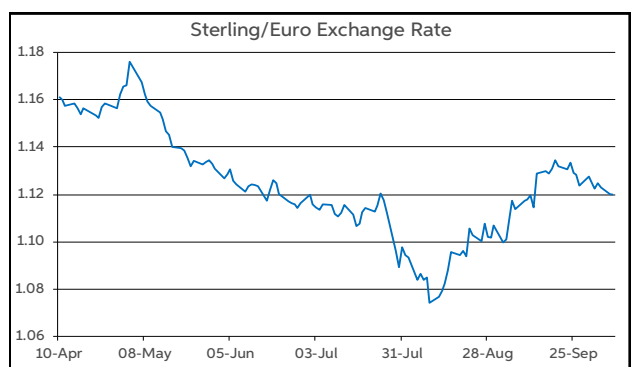
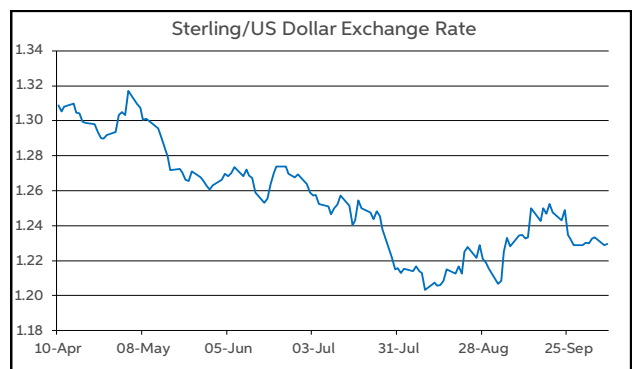
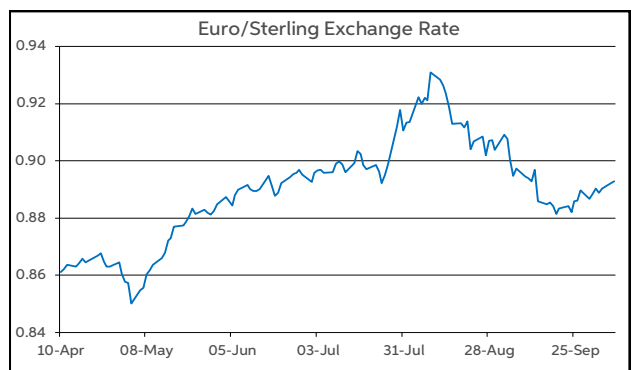
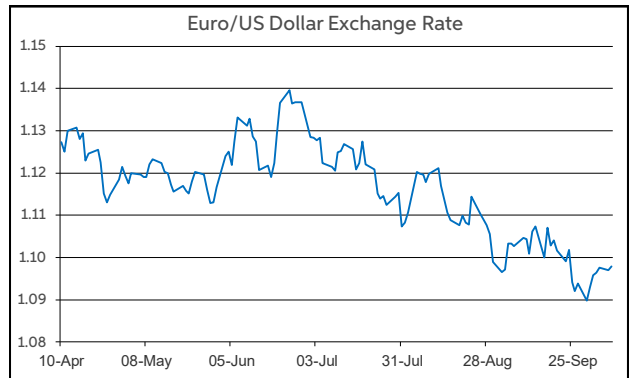
The slightly softer sterling tone is reflected in EUR/GBP opening this morning closer to the midpoint of the 89-90p band. At the same time, cable (GBP/USD) has moved back below the \$1.23 threshold. Meanwhile, EUR/USD continues to change hands in the upper half of the \$1.09-1.10 range.

Elsewhere on financial markets, there was a somewhat muted start to the week. Stock markets were mixed, with the Euro Stoxx 50 gaining 0.7% on the day, while the S&P 500 dipped by 0.4%.

Turning to the day ahead, there are no significant data due for release. There is, however, a busy calendar of central bank speakers, including Fed Chair Powell. His comments may be a potential source of direction for the dollar, given the big move in fed funds futures last week following the release of soft data. The central bank has previously guided policy is now data dependent.

Closer to home, the Minister of Finance will deliver the 2020 Budget speech at 1pm today. It is based on a no-deal Brexit scenario. As a result, no major changes are expected.

Conor Beakey, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2018
EUR/USD	1.098	0.02	-4.26
EUR/GBP	0.893	0.27	-0.60
GBP/USD	1.2294	-0.27	-3.63
GBP/EUR	1.1196	-0.27	0.60
USD/JPY	107.38	0.50	-1.99
EUR/JPY	117.93	0.51	-6.19

* v Previous Day's European Open

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Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	1.875	1.94	2.01	1.87	1.50	1.40
EUR	0.00	-0.47	-0.42	-0.34	-0.47	-0.40
GBP	0.75	0.71	0.76	0.88	0.63	0.58

All rates quoted are indicative market rates

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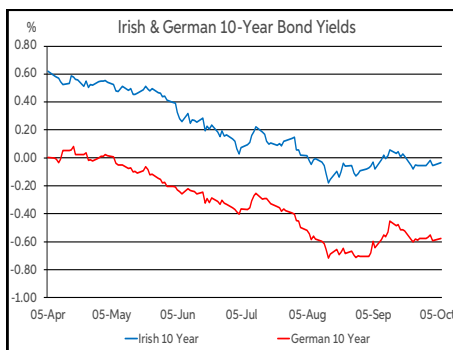
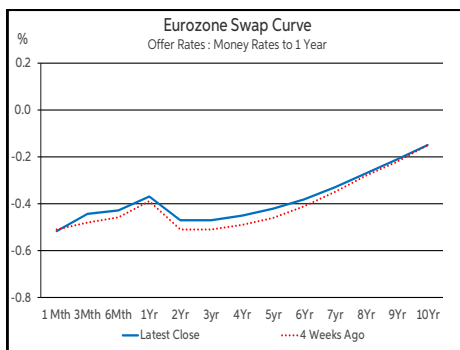
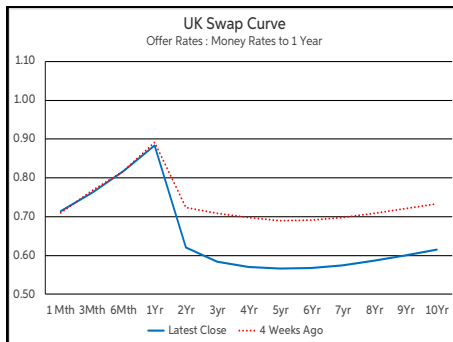
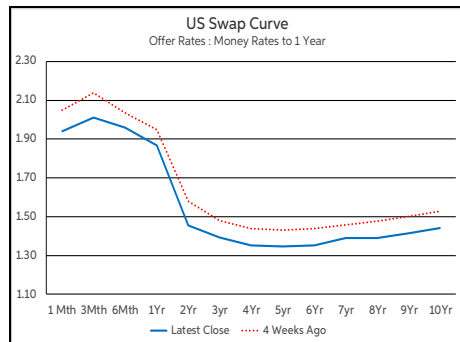
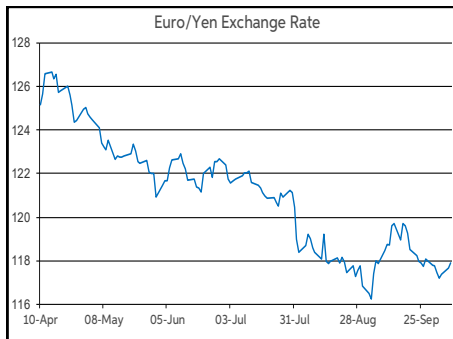
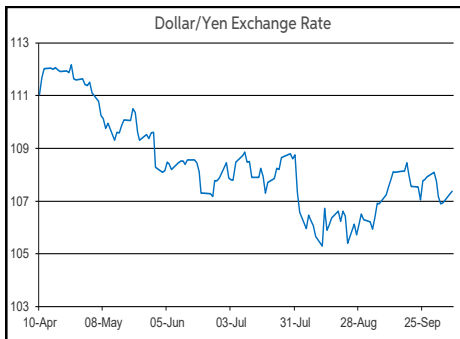
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIB 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

Tuesday 08 October 2019
07:15 am



Euro		Sterling		Dollar	
EUR/GBP	0.893	GBP/EUR	1.1196	USD/JPY	107.38
EUR/USD	1.098	GBP/USD	1.2294	USD/CAD	1.3292
EUR/JPY	117.93	GBP/CAD	1.6338	USD/CHF	0.9944
EUR/SEK	10.8841	GBP/NZD	1.9464	USD/CNY	7.1232
EUR/DKK	7.4689	GBP/JPY	132.01	USD/BRL	4.1063
EUR/NOK	10.0239	GBP/SEK	12.1838	USD/RUB	64.8149
EUR/CHF	1.0921	GBP/DKK	8.3613	USD/INR	70.931
EUR/AUD	1.6267	GBP/NOK	11.2212	AUD/USD	0.6748
EUR/HKD	8.6112	GBP/CHF	1.2225	NZD/USD	0.6314
EUR/CAD	1.4594	GBP/AUD	1.8207		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 18
10 Year Yield %				
US	1.56	+4	-8	-112
Germany	-0.58	+1	+1	-81
UK	0.45	+1	-14	-82
Ireland	-0.03	+2	-2	N/A
Belgium	-0.25	+1	-1	-100
France	-0.28	+1	+1	-98
Italy	0.93	+10	-1	-179
Spain	0.12	+0	-9	-130
Portugal	0.13	+1	-11	-158
Greece	1.38	+7	-17	-292
5 Year Swap %				
US	1.35	+2	-9	-121
Eurozone	-0.42	-0	+4	-65
UK	0.57	-1	-12	-75
2 Year Swap %				
US	1.46	+2	-13	-118
Eurozone	-0.47	-0	+4	-33
UK	0.62	-1	-10	-54
10 Year Government Bond Spreads to Benchmark bps				
Ireland	54	+0	-3	N/A
Belgium	33	-1	-2	-19
France	30	-1	-0	-17
Italy	151	+9	-2	-97
Spain	69	-1	-9	-48
Portugal	70	-1	-12	-77
Greece	196	+6	-18	-210

Commodities				
	% Change			
	Close	Day	4 Weeks	End 18
Brent Oil	58.35	-0.03	-6.77	+8.46
West Texas Oil	52.76	-0.15	-8.85	+16.85
Gold \$	1493.9	-0.73	-0.36	+16.44

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