

## Quiet FX action, euro slightly softer

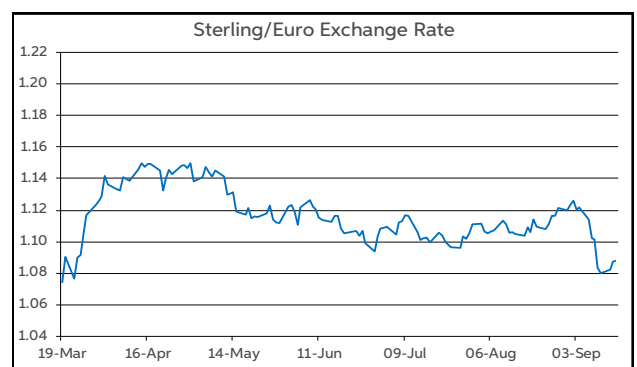
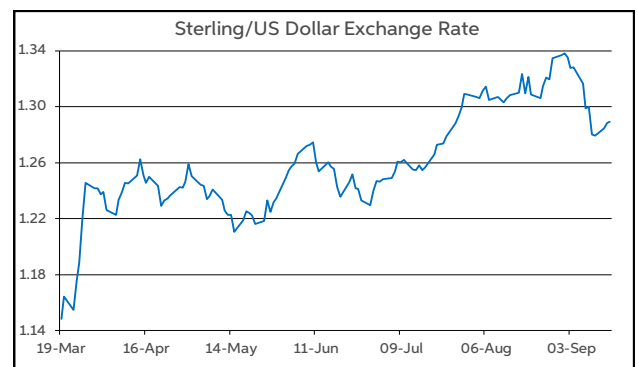
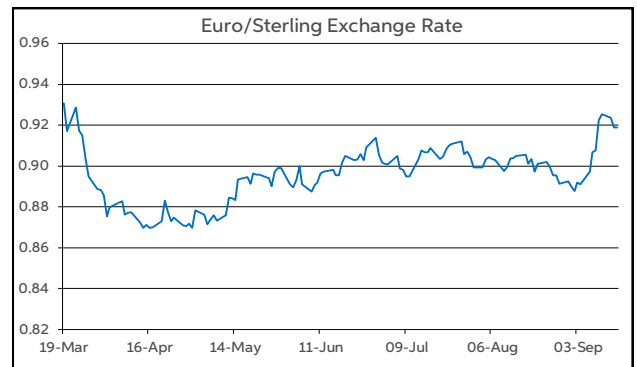
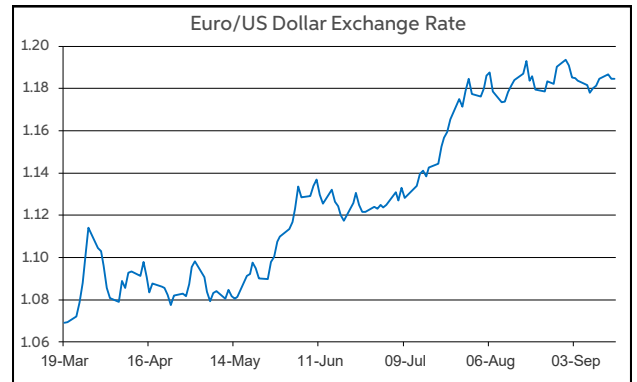
The action on currency markets yesterday was generally uneventful. Sterling managed to hold its ground for a second consecutive day. It was helped in this endeavour by a quiet day on the Brexit front, with no major new negative newsflow for sterling watchers to digest. Of the limited moves to register, there was a modestly weaker tone to the euro.

Data-wise, for the Euro, the main highlight was the German ZEW for September, which printed ahead of expectations. But given the low tier grade of the release, not surprisingly, it had no impact on the euro. The US macro diary produced somewhat of a mixed bag of results. Industrial production for August disappointed versus forecasts, registering monthly growth of just 0.4% (f'cast +1.0). The headline number was impacted by a drop in oil/gas extraction (bad weather). Meanwhile, the NY Fed/Empire manufacturing survey for September came in ahead of projections. Overall though, there was no noticeable impact on the dollar from the data.

As trading gets underway this morning the slightly softer euro tint to proceedings over the past 24 hours is reflected in EUR/USD edging down towards the lower half of its recent \$1.18-1.19 trading band. Meantime, EUR/GBP is operating back just below the 92p mark. Elsewhere, GBP/USD continues to change hands in the upper half of \$1.28-1.29.

Today, the conclusion of the Fed meeting (after close in Europe) poses some event risk for the dollar. While no policy changes are envisaged, the market will be looking for further insight into the recent changes to the FOMC's policy framework. The main data release is also US centric, with retail sales figures for August due. Meanwhile, sterling remains sensitive to Brexit related headlines.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.1847	-0.38	5.68
EUR/GBP	0.9188	-0.64	8.68
GBP/USD	1.2891	0.23	-2.78
GBP/EUR	1.0878	0.64	-7.99
USD/JPY	105.34	-0.31	-3.01
EUR/JPY	124.8	-0.71	2.44

\* 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	0.25	0.21	0.22	0.33
EUR	0.00	-0.53	-0.48	-0.49	-0.46	-0.41
GBP	0.10	0.05	0.06	0.06	0.07	0.18

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

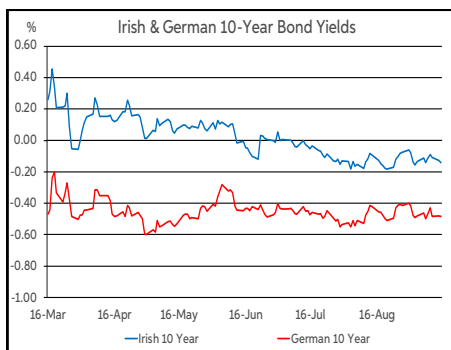
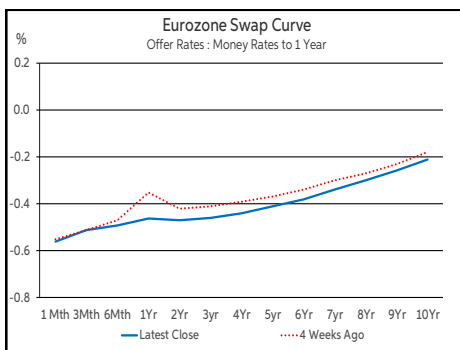
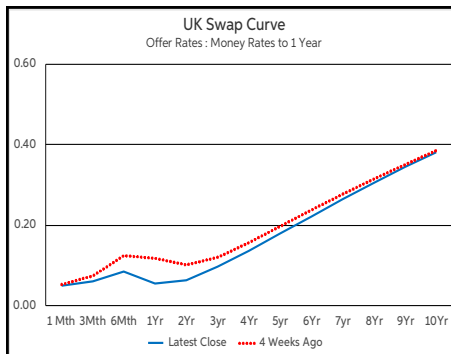
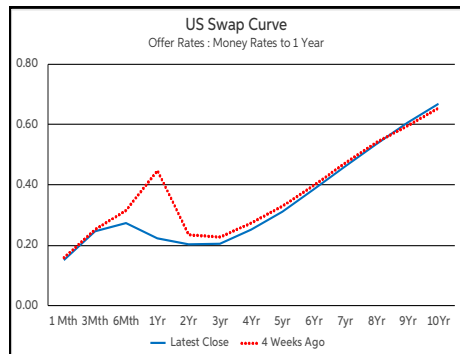
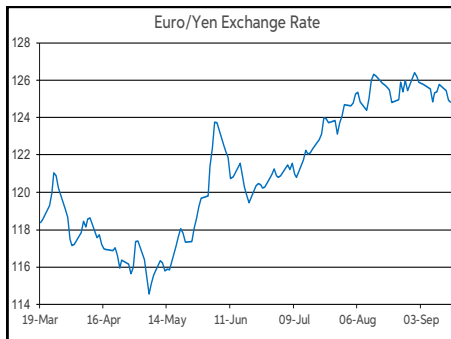
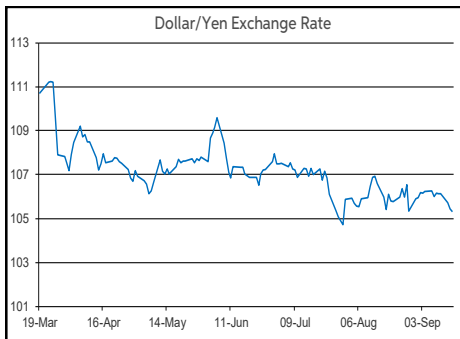
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

Wednesday 16 September 2020  
07:27 am



Euro		Sterling		Dollar	
EUR/GBP	0.9188	GBP/EUR	1.0878	USD/JPY	105.34
EUR/USD	1.1847	GBP/USD	1.2891	USD/CAD	1.3181
EUR/JPY	124.8	GBP/CAD	1.6992	USD/CHF	0.9078
EUR/SEK	10.4051	GBP/NZD	1.9159	USD/CNY	6.7724
EUR/DKK	7.4393	GBP/JPY	135.79	USD/BRL	5.2758
EUR/NOK	10.675	GBP/SEK	11.3221	USD/RUB	75.0625
EUR/CHF	1.0755	GBP/DKK	8.0935	USD/INR	73.75
EUR/AUD	1.6202	GBP/NOK	11.616	AUD/USD	0.7311
EUR/HKD	9.1817	GBP/CHF	1.1704	NZD/USD	0.6726
EUR/CAD	1.5616	GBP/AUD	1.7629		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 19
<b>10 Year Yield %</b>				
US	0.68	+0	+1	-124
Germany	-0.48	-0	-3	-29
UK	0.22	+2	+0	-61
Ireland	-0.09	-1	+3	-21
Belgium	-0.24	-1	-6	-34
France	-0.21	-1	-4	-33
Italy	1.00	-2	+1	-43
Spain	0.27	-1	-4	-20
Portugal	0.30	-1	-6	-14
Greece	1.09	+0	-0	-36
<b>5 Year Swap %</b>				
US	0.31	+0	+1	-140
Eurozone	-0.41	+1	-3	-29
UK	0.18	+2	-1	-70
<b>2 Year Swap %</b>				
US	0.20	+0	-0	-146
Eurozone	-0.47	-0	-4	-17
UK	0.06	+2	-3	-73
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	39	-1	+6	+8
Belgium	24	-1	-3	-4
France	27	-1	-2	-4
Italy	148	-2	+3	-13
Spain	75	-0	-2	+10
Portugal	78	-0	-4	+15
Greece	157	+1	+2	-7

Commodities				
	% Change			
	Close	Day	4 Weeks	End 19
Brent Oil	40.53	+2.32	-10.84	-38.59
West Texas Oil	38.29	+2.85	-10.73	-37.37
Gold \$	1955.5	-0.04	-2.27	+28.91

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