

## Sterling gains, euro weaker

Sterling managed to register some gains yesterday. The currency was aided by reports of some progress in the trade talks, including some concessions by the UK in relation to fisheries. At the same time, the euro was generally holding a weaker tone across the board, with no specific catalyst for this.

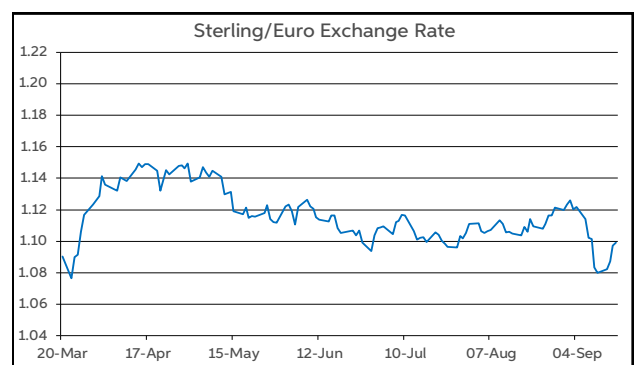
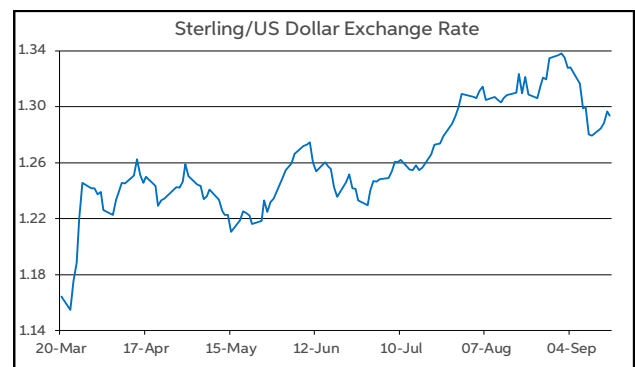
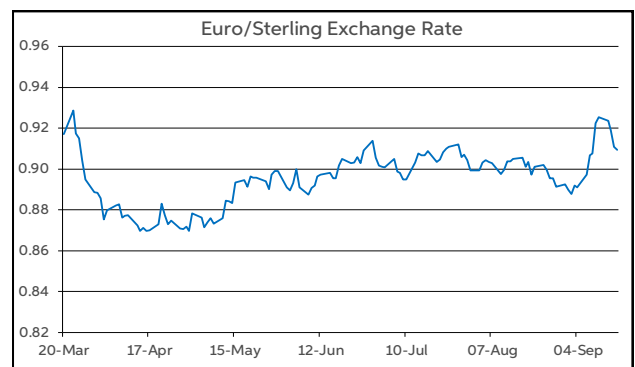
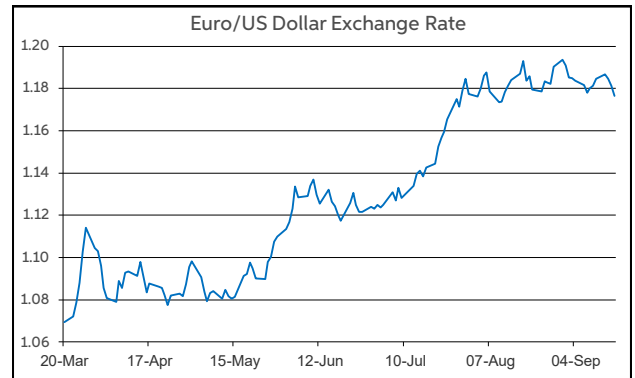
The main scheduled event of note yesterday was the conclusion of the two day Fed policy setting meeting for September. As expected there were no changes to interest rates. The Fed did update its forward guidance to incorporate its new policy framework. Meanwhile, its updated interest rate projections show that the median expectation is that rates will remain unchanged, at current levels, through to the end of 2023. The dollar did rise somewhat in the immediate aftermath of the meeting.

The main data highlight yesterday was also from the US, with retail sales for August released. The figures disappointed versus expectations. Total retail sales rose by 0.6% m/m (vs. f'cast for +1.0%). Overall the data suggest some loss of momentum on the consumer spending front. From a currency viewpoint, there was no major reaction from the dollar to the release.

As trading gets underway this morning, the firmer tone to sterling is reflected in EUR/GBP back below the 91p threshold. At the same time, sterling has also regained ground against the dollar with GBP/USD back up in \$1.29 territory. Elsewhere, the EUR/USD pair has moved back down into the \$1.17-1.18 trading band.

Today, the BoE meeting is generally expected to be a non-event from a sterling perspective. However, the currency remains sensitive to Brexit related newsflow.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.1765	-0.68	4.95
EUR/GBP	0.9094	-0.99	7.57
GBP/USD	1.2937	0.32	-2.43
GBP/EUR	1.0992	1.00	-7.04
USD/JPY	104.96	-0.30	-3.36
EUR/JPY	123.51	-0.99	1.38

\* v Previous Day's European Open

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Opening Interest Rates						
		Money Market		Swap Rates		
	Base Rate	1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	0.125	0.15	0.23	0.21	0.23	0.34
EUR	0.00	-0.52	-0.49	-0.47	-0.47	-0.41
GBP	0.10	0.05	0.05	0.07	0.08	0.19

All rates quoted are indicative market rates

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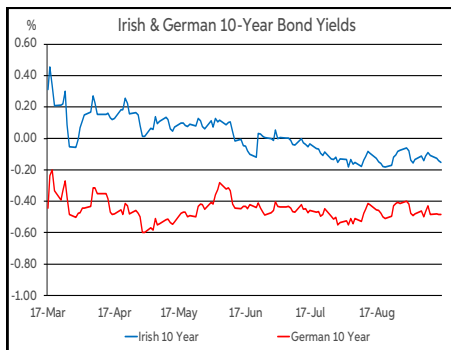
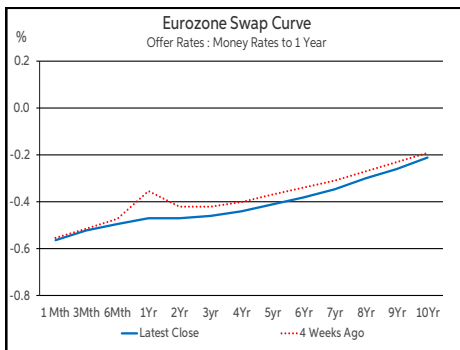
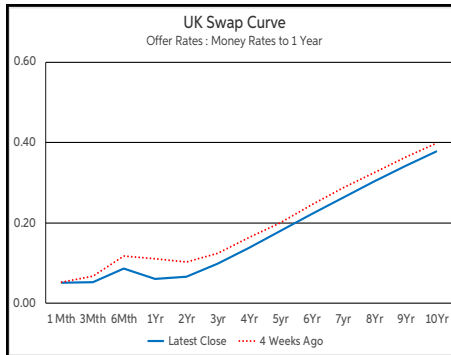
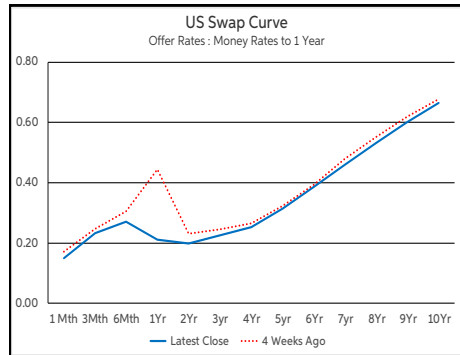
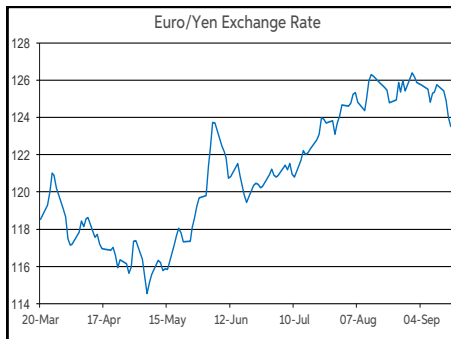
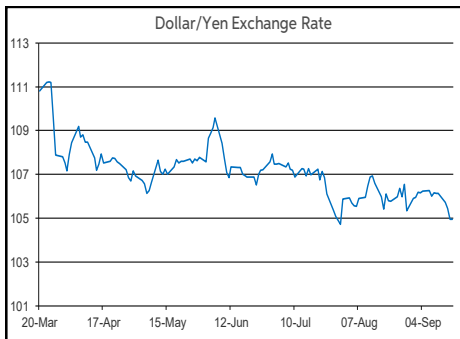
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		Equity Options	Gary Luff				

# Opening Levels

Thursday 17 September 2020  
07:27 am



Euro		Sterling		Dollar	
EUR/GBP	0.9094	GBP/EUR	1.0992	USD/JPY	104.96
EUR/USD	1.1765	GBP/USD	1.2937	USD/CAD	1.324
EUR/JPY	123.51	GBP/CAD	1.7129	USD/CHF	0.9128
EUR/SEK	10.41	GBP/NZD	1.9364	USD/CNY	6.7714
EUR/DKK	7.439	GBP/JPY	135.77	USD/BRL	5.2376
EUR/NOK	10.7143	GBP/SEK	11.4403	USD/RUB	75.2297
EUR/CHF	1.0741	GBP/DKK	8.1769	USD/INR	73.735
EUR/AUD	1.6206	GBP/NOK	11.7776	AUD/USD	0.7259
EUR/HKD	9.1182	GBP/CHF	1.1809	NZD/USD	0.6678
EUR/CAD	1.558	GBP/AUD	1.7816		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 19
<b>10 Year Yield %</b>				
US	0.70	+2	+1	-122
Germany	-0.48	+0	-1	-29
UK	0.21	-1	-3	-61
<b>5 Year Swap %</b>				
US	0.32	+1	-0	-139
Eurozone	-0.41	-0	-3	-29
UK	0.18	+0	-1	-70
<b>2 Year Swap %</b>				
US	0.20	-1	-0	-146
Eurozone	-0.47	-0	-4	-17
UK	0.07	+0	-3	-73
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	37	-2	+3	+6
Belgium	23	-2	-4	-6
France	26	-1	-3	-5
Italy	145	-3	+0	-16
Spain	74	-1	-3	+9
Portugal	78	-1	-4	+14
Greece	155	-3	-2	-10

Commodities				
	% Change			
	Close	Day	4 Weeks	End 19
Brent Oil	42.22	+4.17	-6.94	-36.03
West Texas Oil	40.17	+4.91	-6.39	-34.30
Gold \$	1959.3	+0.19	+1.54	+29.16

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