

## Euro regains some momentum

The currency market action over the past 24 hours, has been for the most part confined to relatively tight ranges. Of the limited moves to register over the period, the euro has regained some upward momentum following a softer patch earlier in the week.

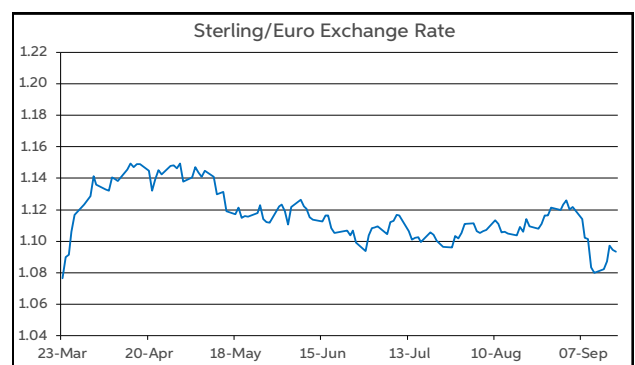
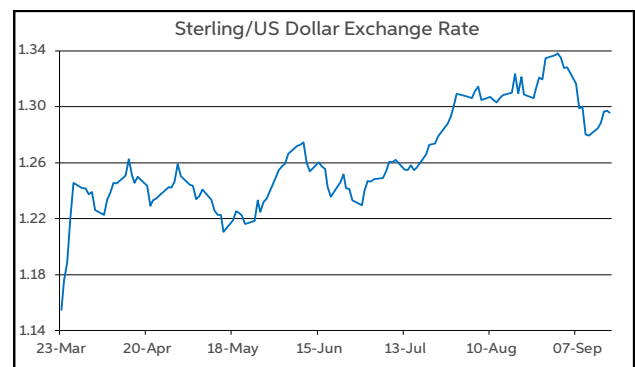
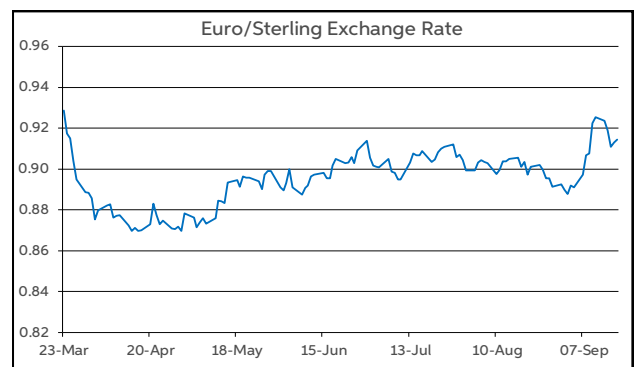
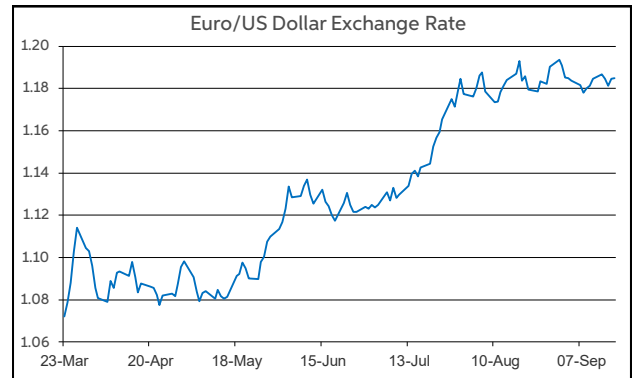
The main event of note yesterday was the BoE meeting for September. As expected, the central bank left its policy unchanged. It continued to emphasise the highly uncertain UK economic outlook owing to both Covid and Brexit related risks. As a result, it retains a bias to ease policy further if required. From a sterling perspective, there was no major BoE impact. Meanwhile, it was a quiet day of Brexit newsflow for sterling watchers to digest.

Data-wise, both the Eurozone and UK calendars were very sparse yesterday. There was a busier diary in the US. Overall, the results were mixed in nature. Housing starts for August missed to the downside of forecasts, weekly initial jobless claims were slightly above expectations, while the Philly Fed survey for September was in line with projections. Overall though, there was no notable reaction from the dollar to any of these releases.

The firmer tone to the euro is reflected in EUR/USD trading this morning back up in \$1.18-1.19 territory, while EUR/GBP has regained the 91p threshold. Meanwhile, GBP/USD continues to trade near the midpoint of \$1.29-1.30.

In terms of today's calendar, already this morning we got UK retail sales (Aug). The figures printed slightly ahead of forecasts but have not resulted in any immediate sterling reaction. The only other data highlight is US consumer sentiment (Sept). So given the quiet data diary, the main FX pairs may remain in relatively narrow ranges.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.185	0.79	5.71
EUR/GBP	0.9146	0.55	8.19
GBP/USD	1.2957	0.26	-2.28
GBP/EUR	1.0931	-0.55	-7.57
USD/JPY	104.79	-0.26	-3.52
EUR/JPY	124.2	0.53	1.95

\* 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	0.16	0.23	0.20	0.24	0.34
EUR	0.00	-0.53	-0.49	-0.48	-0.47	-0.42
GBP	0.10	0.05	0.05	0.04	0.03	0.14

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

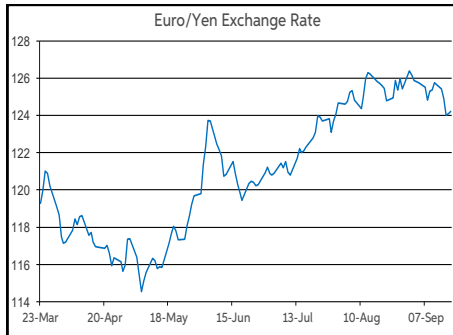
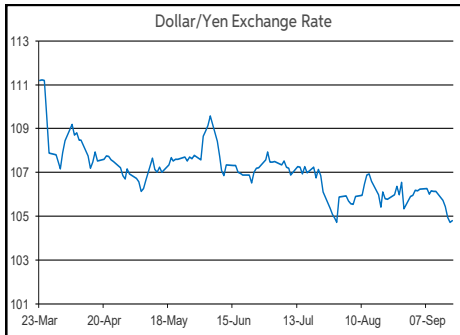
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

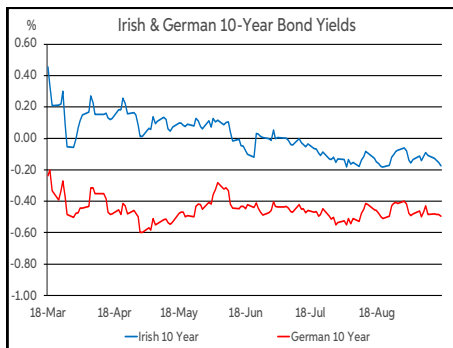
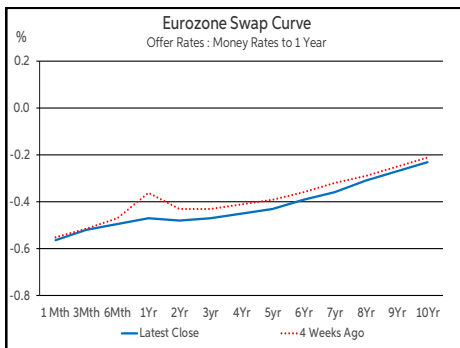
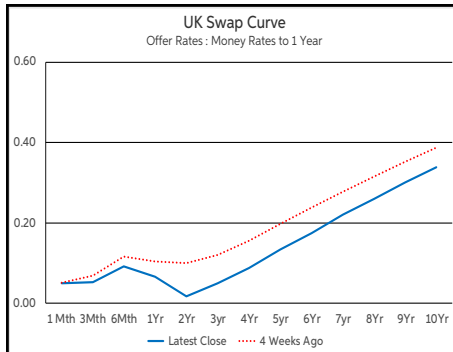
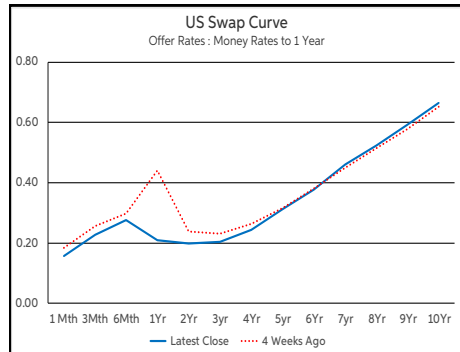
Friday 18 September 2020  
07:30 am



Euro		Sterling		Dollar	
EUR/GBP	0.9146	GBP/EUR	1.0931	USD/JPY	104.79
EUR/USD	1.185	GBP/USD	1.2957	USD/CAD	1.316
EUR/JPY	124.2	GBP/CAD	1.7049	USD/CHF	0.9085
EUR/SEK	10.3986	GBP/NZD	1.9074	USD/CNY	6.7566
EUR/DKK	7.441	GBP/JPY	135.78	USD/BRL	5.2394
EUR/NOK	10.7083	GBP/SEK	11.3679	USD/RUB	75.0145
EUR/CHF	1.0766	GBP/DKK	8.1347	USD/INR	73.3
EUR/AUD	1.6198	GBP/NOK	11.7043	AUD/USD	0.7312
EUR/HKD	9.183	GBP/CHF	1.1772	NZD/USD	0.6789
EUR/CAD	1.5597	GBP/AUD	1.7709		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 19
<b>10 Year Yield %</b>				
US	0.69	-1	+4	-123
Germany	-0.49	-1	+0	-31
UK	0.19	-3	-4	-64
<b>Ireland</b>				
Ireland	-0.13	-2	+2	-25
Belgium	-0.26	-1	-4	-36
France	-0.23	-1	-3	-35
Italy	0.96	-2	-2	-47
Spain	0.27	+1	-3	-20
Portugal	0.29	-1	-6	-16
Greece	1.07	+0	-3	-39
<b>5 Year Swap %</b>				
US	0.31	-0	+0	-140
Eurozone	-0.43	-2	-3	-31
UK	0.13	-5	-6	-74
<b>2 Year Swap %</b>				
US	0.20	+0	-0	-146
Eurozone	-0.48	-1	-4	-18
UK	0.02	-5	-7	-78
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	36	-0	+2	+5
Belgium	23	+0	-4	-6
France	26	+1	-3	-5
Italy	145	-1	-3	-17
Spain	76	+2	-3	+10
Portugal	78	+1	-6	+15
Greece	156	+2	-3	-8



Commodities				
	% Change			
	Close	Day	4 Weeks	End 19
Brent Oil	43.3	+2.56	-3.56	-34.39
West Texas Oil	40.99	+2.04	-3.82	-32.96
Gold \$	1942.6	-0.85	+0.00	+28.05

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