

Quiet week on data front

The action on currency markets last week saw sterling regain some ground, as there was no new negative Brexit newsflow to hinder the currency. Elsewhere, markets were in a cautious mood, with equity markets down by up to 1%.

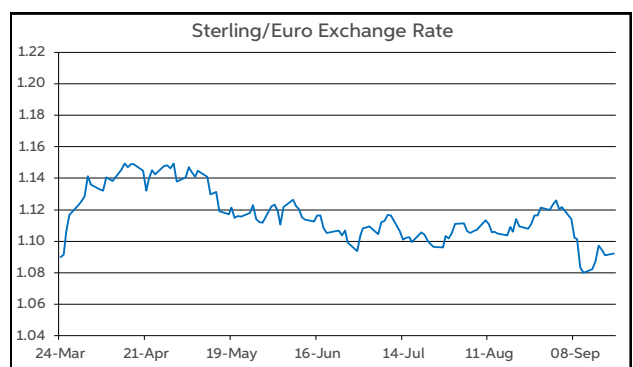
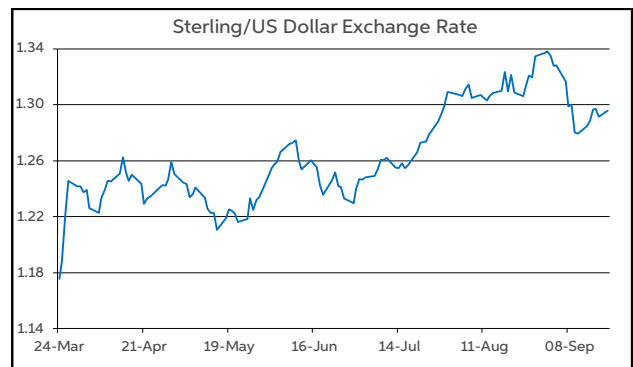
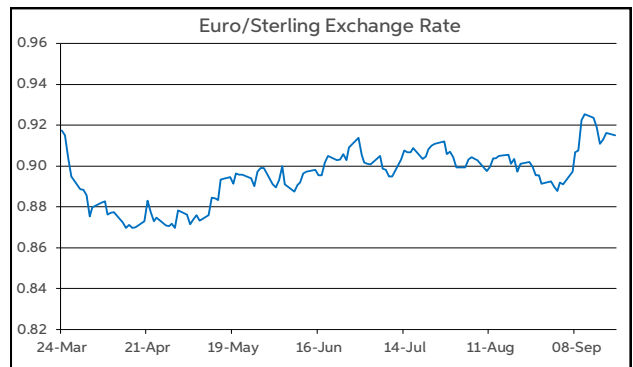
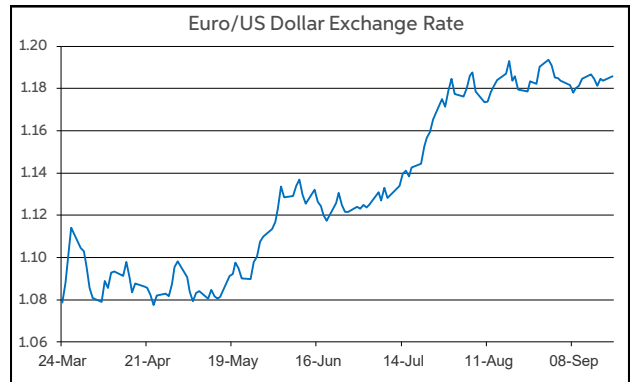
In level terms, the firmer sterling tone is reflected in EUR/GBP opening up at the midpoint of 91-92p this morning. Meanwhile, cable (GBP/USD) is trading around the midpoint of \$1.29-1.30. At the same time, EUR/USD is changing hands between £1.18-1.19.

This week may pose further risk to sterling however, as the currency is likely to remain sensitive to Brexit related headlines. Indeed late on Friday the EU stated that it was “not intimidated” by the UK’s position regarding the Internal Market Bill, which would override parts of the Withdrawal Agreement. Large differences remain between both sides on key elements of a deal such as fisheries and state aid rules.

This week markets will be looking to the PMI surveys in the UK, Eurozone and US for signs of a continuing recovery in activity in September. The strong rebound throughout the summer saw all three of their central bank’s raise their forecasts for growth in the second half of the year.

Today, a sparse macro calendar means there is no new release out to impact markets. Thus, any moves are likely to be sentiment driven. Fears of more restrictions to control the spread of the virus in the UK may put some pressure on sterling. While in the US, there are hopes that Congress can agree a fiscal package that would secure government funding until the end of the year.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.1859	0.11	5.79
EUR/GBP	0.9151	0.10	8.24
GBP/USD	1.2956	-0.01	-2.29
GBP/EUR	1.0923	-0.10	-7.62
USD/JPY	104.32	-0.46	-3.95
EUR/JPY	123.71	-0.36	1.54

* v Previous Day's European Open

See Next Page for More Rates

Opening Interest Rates						
		Money Market		Swap Rates		
	Base Rate	1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	0.125	0.16	0.23	0.20	0.24	0.35
EUR	0.00	-0.52	-0.50	-0.50	-0.49	-0.41
GBP	0.10	0.05	0.05	0.04	0.04	0.13

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

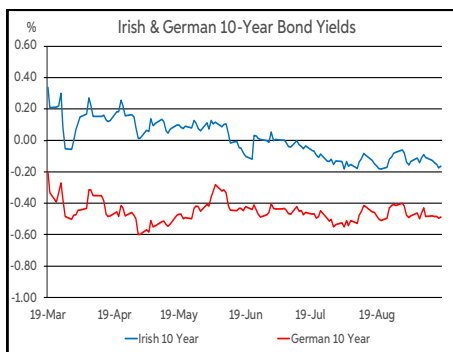
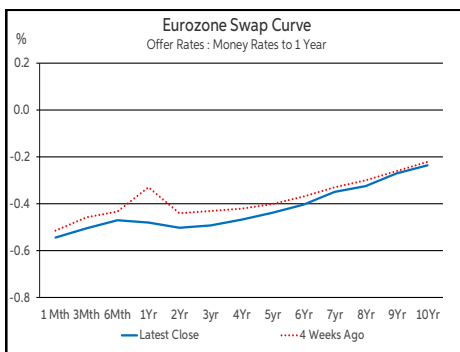
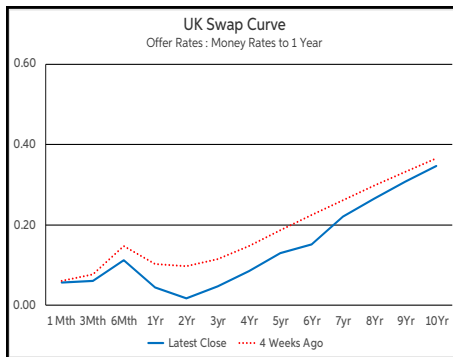
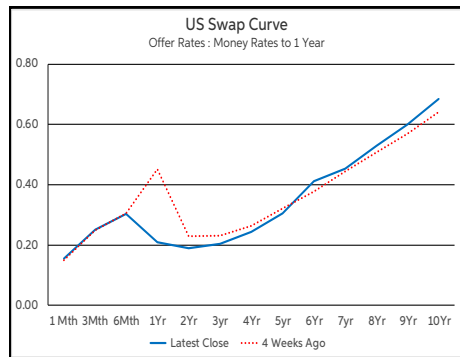
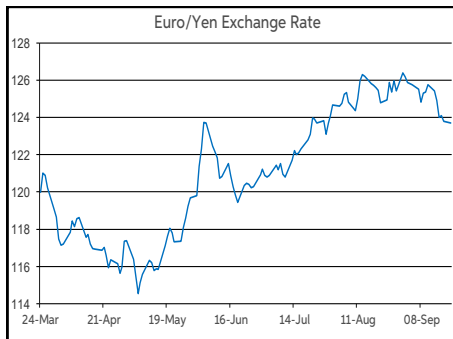
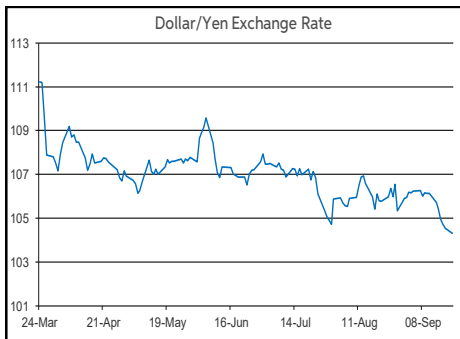
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

Monday 21 September 2020
07:40 am



Euro		Sterling		Dollar	
EUR/GBP	0.9151	GBP/EUR	1.0923	USD/JPY	104.32
EUR/USD	1.1858	GBP/USD	1.2957	USD/CAD	1.3188
EUR/JPY	123.71	GBP/CAD	1.709	USD/CHF	0.9102
EUR/SEK	10.3846	GBP/NZD	1.9142	USD/CNY	6.7591
EUR/DKK	7.4402	GBP/JPY	135.17	USD/BRL	5.3895
EUR/NOK	10.776	GBP/SEK	11.3444	USD/RUB	75.6614
EUR/CHF	1.0795	GBP/DKK	8.129	USD/INR	73.34
EUR/AUD	1.6209	GBP/NOK	11.7737	AUD/USD	0.7315
EUR/HKD	9.1896	GBP/CHF	1.1791	NZD/USD	0.6767
EUR/CAD	1.5641	GBP/AUD	1.771		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 19
10 Year Yield %				
US	0.70	+1	+6	-122
Germany	-0.48	+1	+3	-30
UK	0.19	-0	-2	-64
Ireland	-0.12	+2	+4	-24
Belgium	-0.26	+1	-3	-35
France	-0.22	+1	-2	-34
Italy	0.97	+1	-4	-46
Spain	0.28	+2	-2	-19
Portugal	0.31	+2	-4	-14
Greece	1.07	+0	-2	-38
5 Year Swap %				
US	0.31	-1	+0	-140
Eurozone	-0.44	-1	-3	-32
UK	0.13	-0	-5	-75
2 Year Swap %				
US	0.19	-0	-2	-147
Eurozone	-0.50	-2	-5	-21
UK	0.02	-0	-7	-78
10 Year Government Bond Spreads to Benchmark bps				
Ireland	37	+1	+1	+6
Belgium	23	-0	-6	-6
France	26	+0	-5	-5
Italy	145	+0	-6	-16
Spain	77	+1	-4	+11
Portugal	79	+1	-6	+16
Greece	156	-1	-5	-9

Commodities				
	% Change			
	Close	Day	4 Weeks	End 19
Brent Oil	43.15	-0.35	-2.71	-34.62
West Texas Oil	41.09	+0.24	-2.91	-32.79
Gold \$	1949.7	+0.37	+0.53	+28.52

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