

Cautious tone continues

The mood on markets remained cautious yesterday with a mixed performance by stocks, as US equities finished down over 2%. On forex markets, sterling regained some ground throughout the day, while the dollar continued to hold the upper hand against the euro. However, sterling could not hold onto these gains overnight.

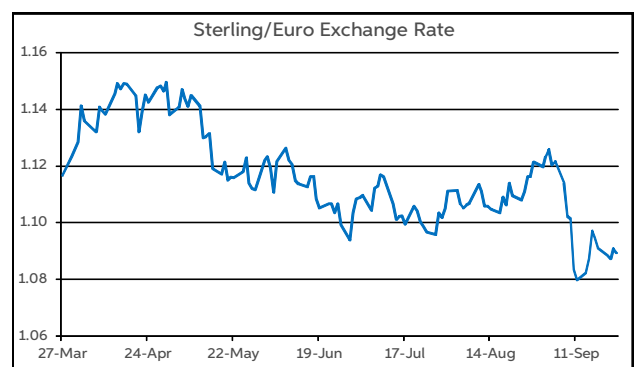
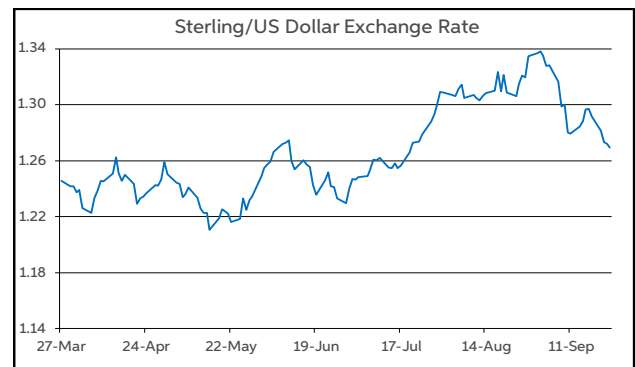
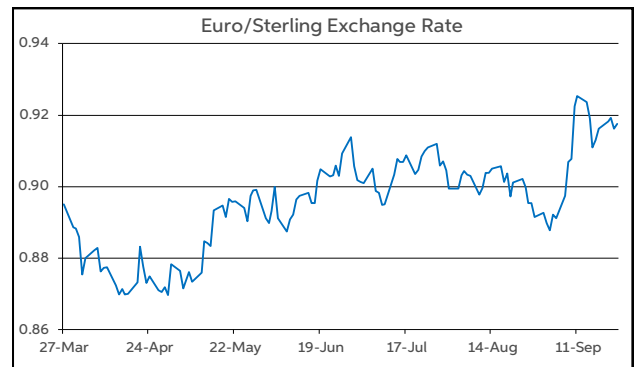
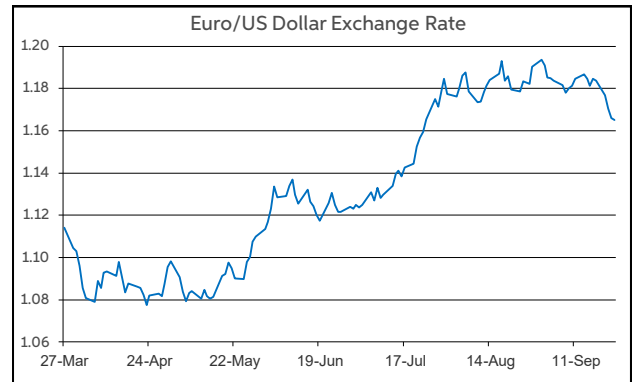
In level terms, EUR/GBP is near to flat on yesterdays open, beginning the day in the upper half of the 91-92p range. Meanwhile EUR/USD remains below \$1.17, with the pair moving to the halfway mark of the \$1.16-1.17 band. Cable (GBP/USD) is changing hands just below \$1.27.

Yesterday saw the release of the PMI data for the Eurozone, the UK and US, for September. The Eurozone services index moved back into contractionary mode as the sector continues to struggle with Covid restrictions. However, the manufacturing index surprised higher, with the sector better able to cope with social distancing measures.

In the UK, the composite index fell by more than expected, although, it remained at quite a high level. Meanwhile in the US, both the services and manufacturing were little changed from a month previous, at 54.7 and 53.1 respectively.

Today, the key release is the German Ifo. The index is forecast to rise to 93.8 from 92.6 in August, although, this would still be below its pre-Covid levels. Initial claims data in the US are also due, with claims on a slowing downward trend over the past few weeks. However, barring any surprises neither release is likely to have much impact, as the resurgence in Covid cases continues to be the main focus on markets.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.165	-0.23	3.93
EUR/GBP	0.9176	-0.07	8.54
GBP/USD	1.2693	-0.19	-4.27
GBP/EUR	1.0893	0.07	-7.87
USD/JPY	105.31	0.23	-3.04
EUR/JPY	122.7	0.01	0.71

* 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	0.22	0.22	0.24	0.35
EUR	0.00	-0.53	-0.51	-0.48	-0.48	-0.43
GBP	0.10	0.05	0.07	0.07	0.07	0.19

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

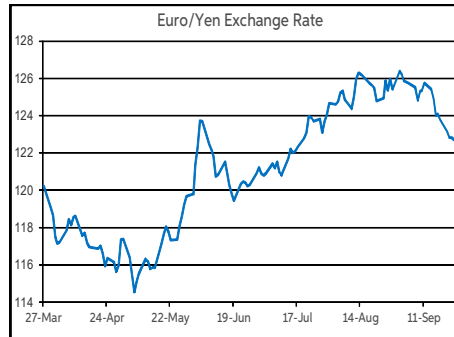
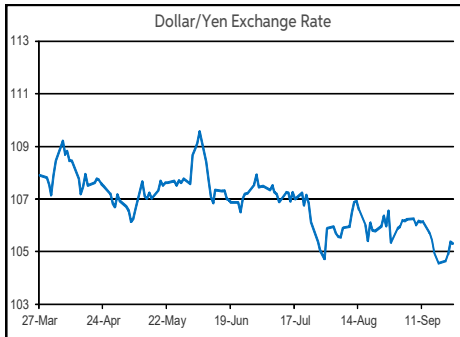
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

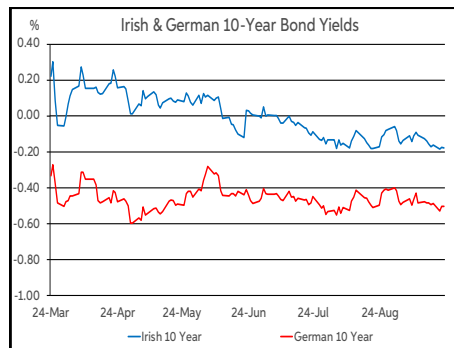
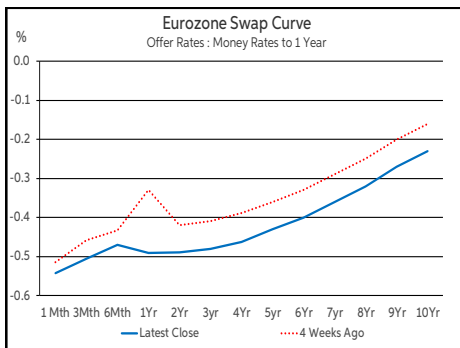
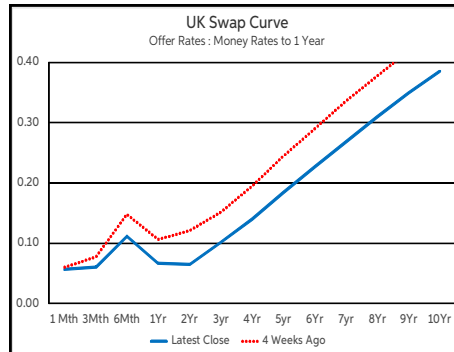
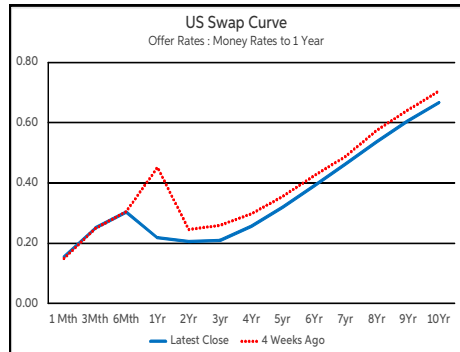
Thursday 24 September 2020
07:36 am



Euro		Sterling		Dollar	
EUR/GBP	0.9177	GBP/EUR	1.0893	USD/JPY	105.31
EUR/USD	1.165	GBP/USD	1.2694	USD/CAD	1.3408
EUR/JPY	122.7	GBP/CAD	1.7014	USD/CHF	0.924
EUR/SEK	10.531	GBP/NZD	1.945	USD/CNY	6.8243
EUR/DKK	7.4421	GBP/JPY	133.68	USD/BRL	5.5931
EUR/NOK	11.1106	GBP/SEK	11.4704	USD/RUB	77.1935
EUR/CHF	1.0765	GBP/DKK	8.1082	USD/INR	73.94
EUR/AUD	1.6564	GBP/NOK	12.1024	AUD/USD	0.7031
EUR/HKD	9.0282	GBP/CHF	1.173	NZD/USD	0.6523
EUR/CAD	1.5622	GBP/AUD	1.8046		



Debt Markets				
	Close	Day	4 Weeks	End 19
10 Year Yield %				
US	0.68	+1	-1	-124
Germany	-0.50	+0	-9	-32
UK	0.22	+1	-9	-61
Ireland	-0.14	+1	-6	-26
Belgium	-0.28	-1	-13	-37
France	-0.24	-0	-12	-36
Italy	0.85	-2	-23	-58
Spain	0.23	-1	-15	-24
Portugal	0.25	-1	-16	-19
Greece	1.01	-4	-11	-44
5 Year Swap %				
US	0.32	+1	+0	-139
Eurozone	-0.43	+0	-6	-31
UK	0.18	+1	-6	-69
2 Year Swap %				
US	0.21	+1	-1	-146
Eurozone	-0.49	-0	-6	-19
UK	0.07	+1	-5	-73
10 Year Government Bond Spreads to Benchmark bps				
Ireland	36	+1	+3	+5
Belgium	23	-1	-4	-6
France	26	-0	-3	-5
Italy	135	-2	-14	-26
Spain	73	-1	-6	+8
Portugal	76	-1	-7	+12
Greece	152	-4	-2	-13



Commodities				
	Close	Day	4 Weeks	End 19
Brent Oil	41.77	+0.12	-8.48	-36.71
West Texas Oil	39.92	+0.94	-7.61	-34.71
Gold \$	1863.5	-1.88	-4.60	+22.84

This publication is for information purposes and is not an invitation to deal. The information is believed to be reliable but is not guaranteed. Any expressions of opinions are subject to change without notice. This publication is not to be reproduced in whole or in part without prior permission. In the Republic of Ireland it is distributed by Allied Irish Banks, p.l.c. In the UK it is distributed by Allied Irish Banks, p.l.c. and Allied Irish Bank (GB). In Northern Ireland it is distributed by First Trust Bank. In the United States of America it is distributed by Allied Irish Banks, p.l.c. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland. Allied Irish Bank (GB) and First Trust Bank are trade marks used under licence by AIB Group (UK) p.l.c. (a wholly owned subsidiary of Allied Irish Banks, p.l.c.), incorporated in Northern Ireland. Registered Office 92 Ann Street, Belfast BT1 3HH. Registered Number NI018800. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In the United States of America, Allied Irish Banks, p.l.c., New York Branch, is a branch licensed by the New York State Department of Financial Services. Deposits and other investment products are not FDIC insured, they are not guaranteed by any bank and they may lose value. Please note that telephone calls may be recorded in line with market practice.