

Cautious Mood on Markets

Markets were very much in a “risk-off” mood last week, as equities lost 2-5%, bond yields fell and safe haven currencies were in the ascendency. Negative investor sentiment has been largely driven by the resurgence of Covid cases, and the tighter social restrictions they bring with them. The moves on forex markets saw the yen and dollar strengthen, with the greenback rising by close to 2% against the main pairs.

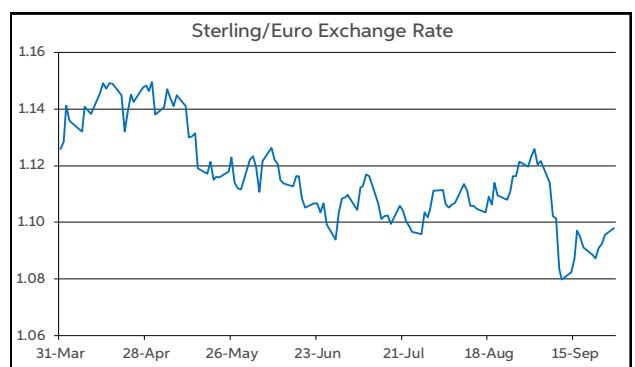
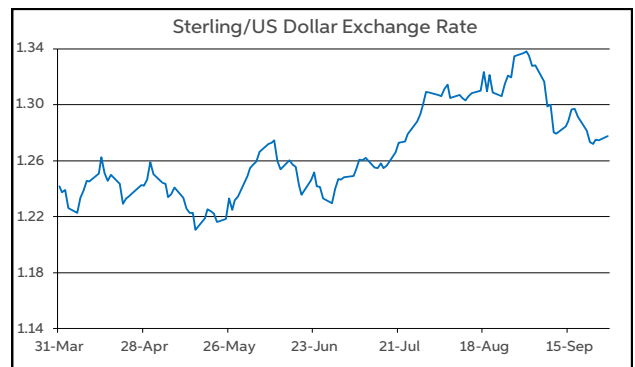
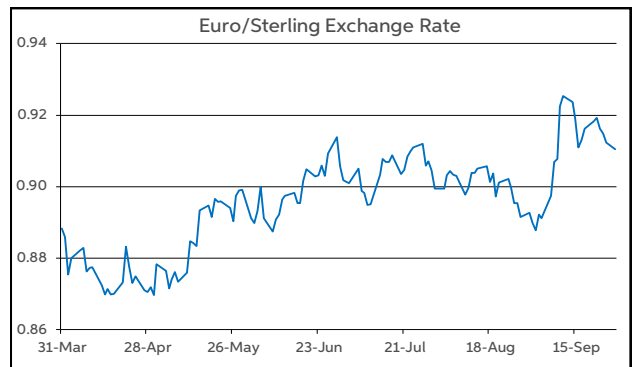
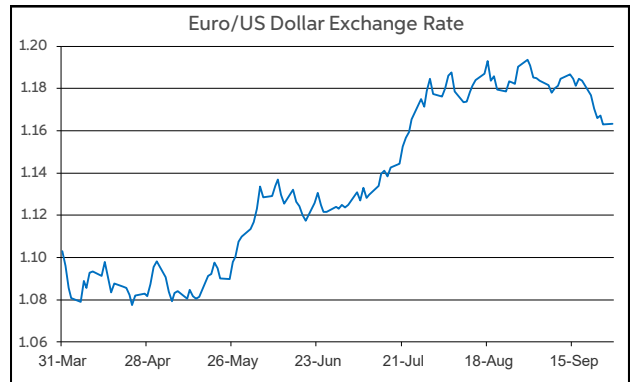
The firmer dollar tone is evident in EUR/USD starting the week in the bottom half of the \$1.16-1.17 range. Meanwhile EUR/GBP opens slightly lower than this time last week, hovering just above 91p. GBP/USD is trading in the upper half of the \$1.27-1.28 band.

Ahead this week, for the dollar all eyes will be on September’s payroll data. The market is expecting to see that jobs growth has slowed. The August print of consumption data will also be of interest, as this was the first month in which many households were not in receipt of enhanced income benefits. The consumer confidence measure for September is also due.

For the Eurozone, the flash reading of the HICP for September will be the main focus, with the headline measure expected to remain at -0.2%. EC sentiment indices will also be closely watched, with another increase pencilled in for the headline index. Meanwhile, ECB President Christine Lagarde appears before the European parliament today.

House price data are the highlight in the UK this week. However, Brexit related headlines are more likely to have an impact on sterling. The trade talks are at a crucial stage, with some speculation in the UK media that progress was made last week.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.1631	-0.30	3.76
EUR/GBP	0.9108	-0.38	7.74
GBP/USD	1.2769	0.09	-3.70
GBP/EUR	1.0976	0.38	-7.18
USD/JPY	105.35	-0.03	-3.00
EUR/JPY	122.53	-0.35	0.57

* 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	0.21	0.24	0.35
EUR	0.00	-0.52	-0.50	-0.49	-0.47	-0.41
GBP	0.10	0.05	0.06	0.07	0.07	0.17

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

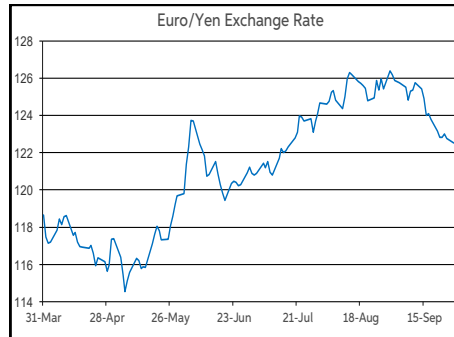
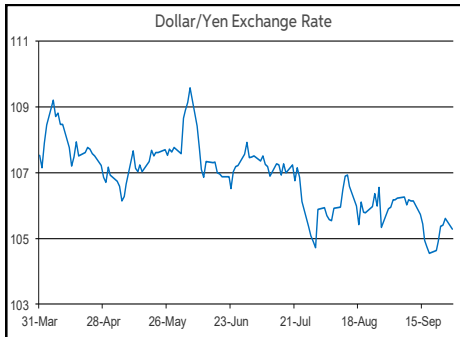
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

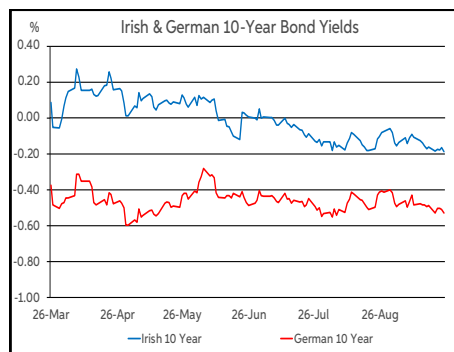
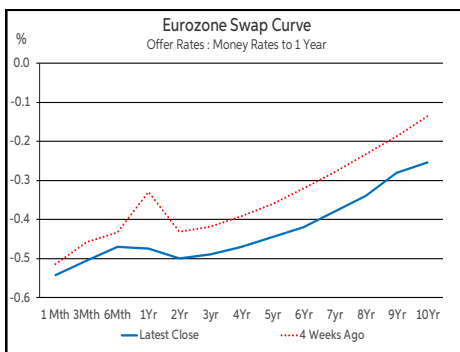
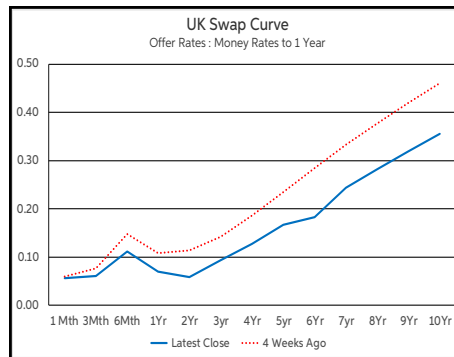
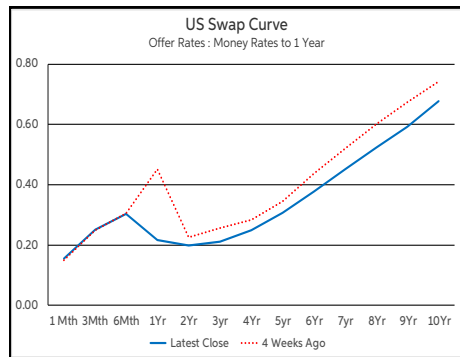
Monday 28 September 2020
07:33 am



Euro		Sterling		Dollar	
EUR/GBP	0.9108	GBP/EUR	1.0976	USD/JPY	105.35
EUR/USD	1.1631	GBP/USD	1.2769	USD/CAD	1.3384
EUR/JPY	122.53	GBP/CAD	1.7084	USD/CHF	0.9291
EUR/SEK	10.6023	GBP/NZD	1.949	USD/CNY	6.8242
EUR/DKK	7.4455	GBP/JPY	134.52	USD/BRL	5.561
EUR/NOK	11.1127	GBP/SEK	11.636	USD/RUB	78.0588
EUR/CHF	1.0807	GBP/DKK	8.1728	USD/INR	73.5825
EUR/AUD	1.6497	GBP/NOK	12.1944		
EUR/HKD	9.0136	GBP/CHF	1.1863	AUD/USD	0.705
EUR/CAD	1.5567	GBP/AUD	1.8109	NZD/USD	0.6549



Debt Markets				
	Close	Day	4 Weeks	End 19
10 Year Yield %				
US	0.66	-1	-7	-126
Germany	-0.53	-2	-12	-34
UK	0.19	-3	-12	-64
Ireland	-0.15	-2	-11	-27
Belgium	-0.29	-2	-13	-38
France	-0.25	-2	-15	-37
Italy	0.90	+2	-20	-53
Spain	0.25	+0	-14	-22
Portugal	0.28	-0	-13	-17
Greece	1.02	+0	-7	-43
5 Year Swap %				
US	0.31	-2	-3	-140
Eurozone	-0.45	-3	-8	-32
UK	0.17	-1	-6	-71
2 Year Swap %				
US	0.20	-1	-2	-146
Eurozone	-0.50	-2	-6	-20
UK	0.06	-0	-4	-74
10 Year Government Bond Spreads to Benchmark bps				
Ireland	37	+0	+1	+7
Belgium	24	+0	-2	-5
France	28	+0	-3	-3
Italy	142	+4	-9	-19
Spain	78	+2	-2	+12
Portugal	80	+2	-1	+17
Greece	155	+2	+4	-10



Commodities				
	Close	Day	4 Weeks	End 19
Brent Oil	41.92	-0.05	-6.95	-36.48
West Texas Oil	40.06	-0.12	-6.75	-34.48
Gold \$	1860.1	-0.43	-5.32	+22.61

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