

## Quieter calendar this week

Currency markets experienced some heightened level of activity last week. Sterling fell by around 1.5% on the exchanges. This followed the BoE failing to follow through on its hawkish signalling to markets, instead leaving the Bank rate unchanged, at 0.1%. The outcome also resulted in a steeping of the UK gilt curve, including the policy sensitive 2 year yield falling by around 30bps. Markets are now expecting a 25bps rate hike by Feb'22.

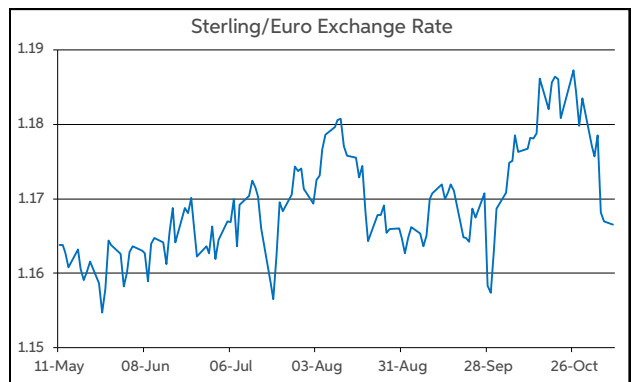
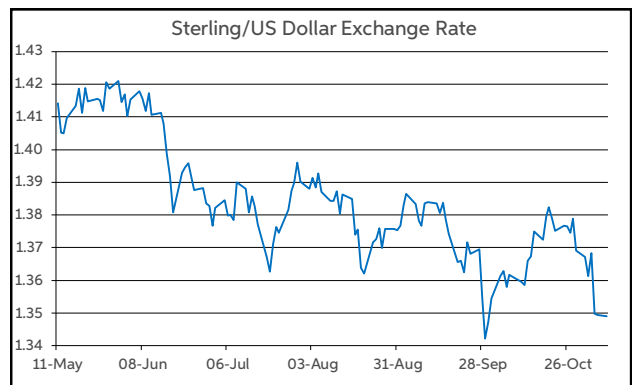
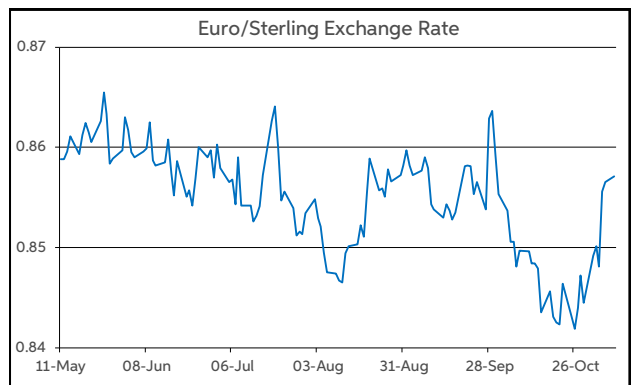
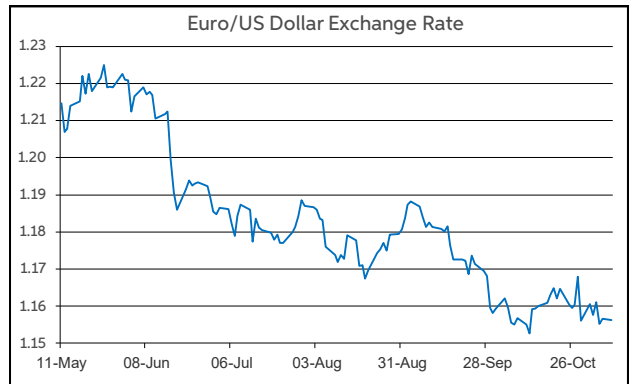
In contrast, the US Fed showed the way in terms of good market signalling. It announced, as expected, a start to QE tapering, consistent with the guidance it provided in September. As a result, the policy change passed off without much incident for markets. This included limited reaction from the dollar.

Data-wise, the main focus last week was the US payrolls number for October. After a few months of falling below expectations, last month's number surprised to the upside of the consensus (+531k vs. f'cast for 450K). There was also a big upward revision to the August-September period. The macro news provided some upside support to the dollar heading into the weekend.

As trading gets underway this morning, the post-BoE weaker tone to sterling is reflected in EUR/GBP in the upper half of the 85-86p band (compared to last Monday's open of 84.5p). Meantime, GBP/USD is trading just below \$1.35. Elsewhere, EUR/USD remains within a narrow range near to the midpoint of \$1.15-1.16.

This week one of the main data highlights is UK GDP for Q3. It is expected to confirm the slowdown in the recovery, with 1.5% q/q growth being pencilled in (vs. +5.5% in Q2). Meanwhile, the other notable release is US CPI for October (forecast for +5.8%/y).

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1563	0.10	-5.32
EUR/GBP	0.8569	0.08	-4.12
GBP/USD	1.349	0.00	-1.34
GBP/EUR	1.1666	-0.08	4.29
USD/JPY	113.54	-0.09	9.98
EUR/JPY	131.31	0.02	4.08

\* 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	0.09	0.14	0.26	0.63	1.16
EUR	0.00	-0.57	-0.57	-0.49	-0.36	-0.13
GBP	0.10	0.05	0.10	0.72	0.95	1.09

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

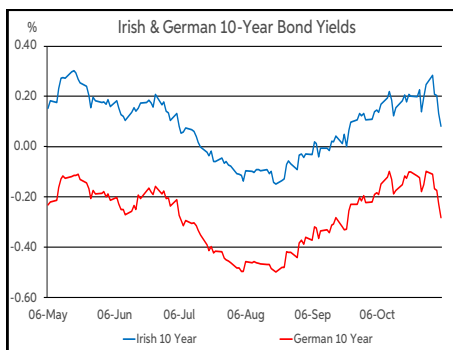
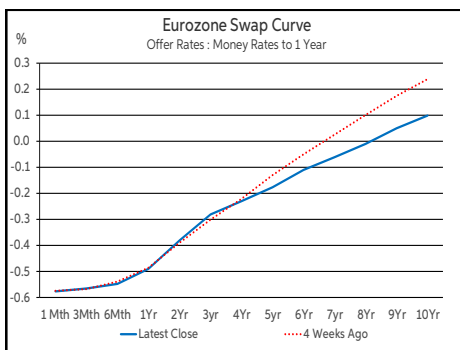
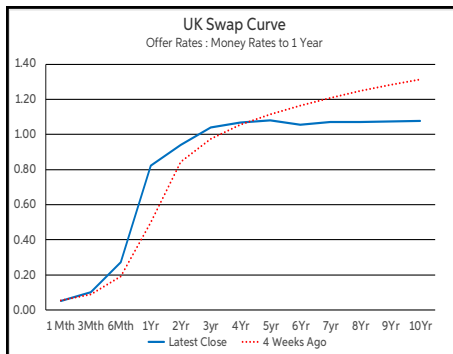
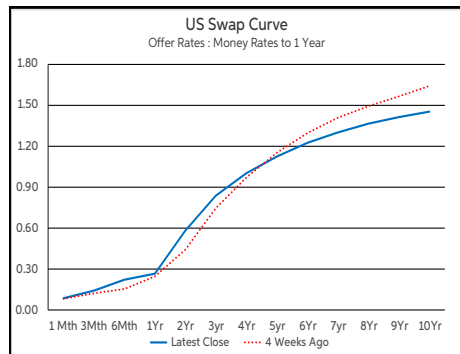
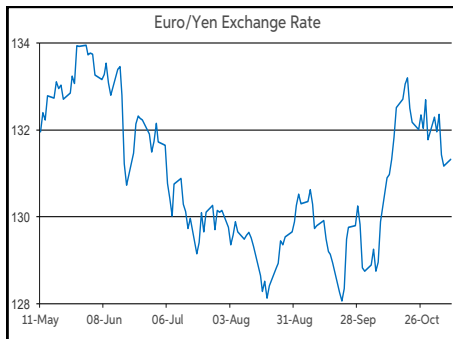
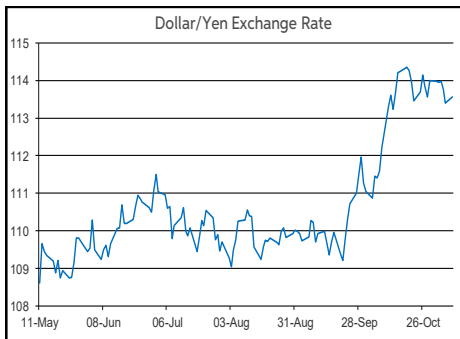
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		Equity Options	Gary Luff				

# Opening Levels

Monday 08 November 2021  
07:29 am



Euro		Sterling		Dollar	
EUR/GBP	0.8569	GBP/EUR	1.1666	USD/JPY	113.54
EUR/USD	1.1563	GBP/USD	1.349	USD/CAD	1.2441
EUR/JPY	131.31	GBP/CAD	1.6779	USD/CHF	0.9131
EUR/SEK	9.9139	GBP/NZD	1.8878	USD/CNY	6.3973
EUR/DKK	7.4379	GBP/JPY	153.17	USD/BRL	5.5428
EUR/NOK	9.8751	GBP/SEK	11.564	USD/RUB	71.3975
EUR/CHF	1.056	GBP/DKK	8.6764	USD/INR	74.025
EUR/AUD	1.5611	GBP/NOK	11.5159	AUD/USD	0.7405
EUR/HKD	9.0019	GBP/CHF	1.2321	NZD/USD	0.7143
EUR/CAD	1.4385	GBP/AUD	1.8213		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
<b>10 Year Yield %</b>				
US	1.45	-7	-16	+54
Germany	-0.28	-6	-13	+30
UK	0.85	-10	-31	+65
<b>5 Year Swap %</b>				
US	1.13	-6	+0	+71
Eurozone	-0.18	-4	-4	+28
UK	1.08	-8	-3	+89
<b>2 Year Swap %</b>				
US	0.58	-1	+17	+39
Eurozone	-0.38	-1	+2	+15
UK	0.94	-8	+11	+91
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	43	+1	+5	+16
Belgium	31	+0	-1	+11
France	34	+0	-0	+11
Italy	116	-0	+13	+6
Spain	69	-0	+4	+6
Portugal	59	+1	+7	-4
Greece	138	+3	+34	+18

Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	82.74	+2.73	+0.42	+59.73
West Texas Oil	81.25	+3.00	+2.14	+68.05
Gold \$	1816.7	+1.40	+3.42	-4.21

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