

Sterling halts its slide

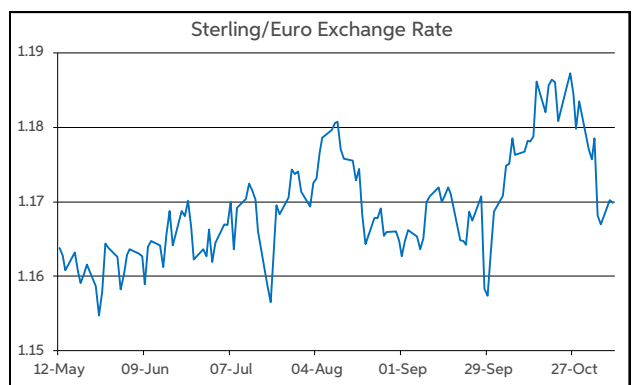
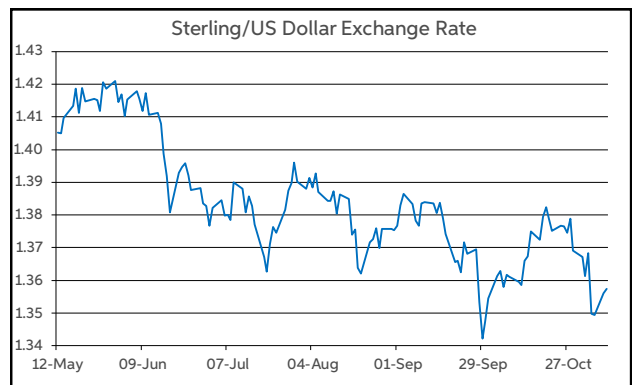
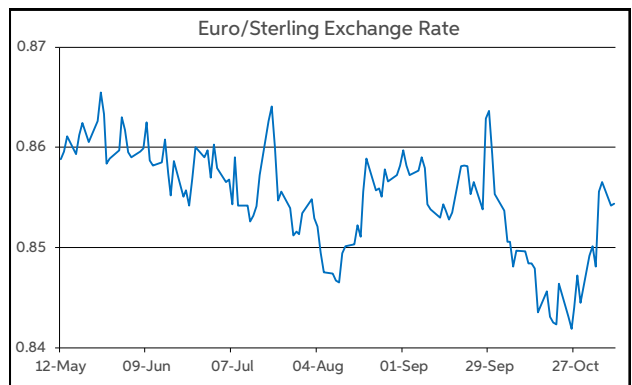
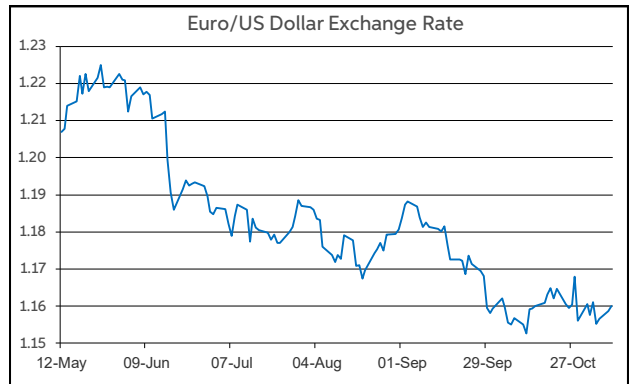
There was a fairly muted start to the trading week on financial markets yesterday. The action across all of the main asset classes was largely uneventful. This was not overly surprising given the dearth of data releases on both sides of the Atlantic. In Europe, the Euro Stoxx 50 was marginally lower. Meanwhile, at the closing bell on Wall Street last night, the S&P 500 was flat on the day. On bond markets, the main benchmark yields generally moved within a 2-4bps corridor.

Currency-wise, the majors were also confined to fairly tight ranges yesterday. Of the limited action to register, sterling, which had come into the week on the defensive following last Thursday's unexpected no change from the BoE, managed to halt its slide. Indeed, it regained some ground against the dollar and the euro. At the same time, the dollar was holding a slightly softer tone.

As trading gets underway this morning, the slightly firmer tone to sterling over the past 24 hours is reflected in EUR/GBP edging back down towards the midpoint of the 85-86p trading band. Meanwhile, cable (GBP/USD) has moved back up into \$1.35-1.36 territory. Elsewhere on the currency front, EUR/USD starts this morning's European session at the upper end of its recent \$1.15-1.16 range.

Today's macro diary is lacking in top tier releases. The only release of note in Europe is the German ZEW survey (Nov). In the US, the NFIB 'small business optimism' (Oct) is the main highlight. None of these releases is likely to generate much interest on forex markets. Meanwhile, both Fed Chair Powell and BoE Governor Bailey are speaking at the same conference, although they are not expected to provide any new policy insight.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1601	0.35	-5.01
EUR/GBP	0.8547	-0.28	-4.36
GBP/USD	1.3571	0.62	-0.75
GBP/EUR	1.1697	0.28	4.56
USD/JPY	112.81	-0.66	9.27
EUR/JPY	130.89	-0.30	3.75

* 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	0.15	0.25	0.63	1.18
EUR	0.00	-0.57	-0.57	-0.51	-0.34	-0.12
GBP	0.10	0.05	0.11	0.72	1.00	1.10

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

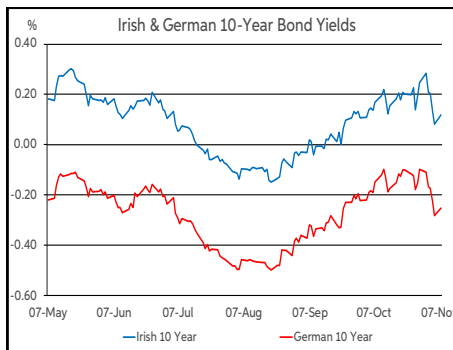
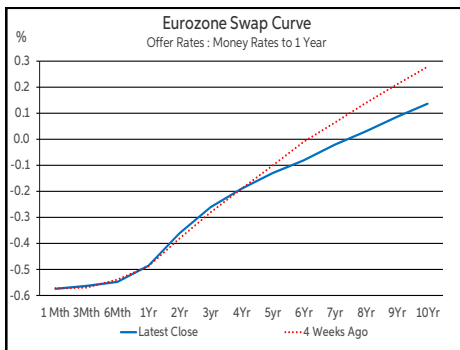
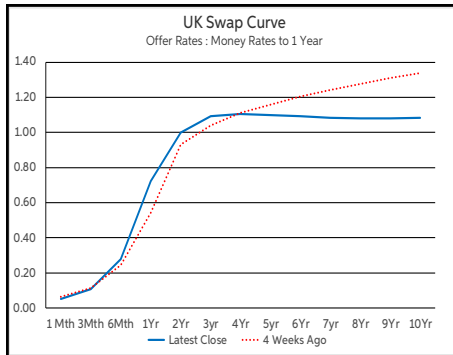
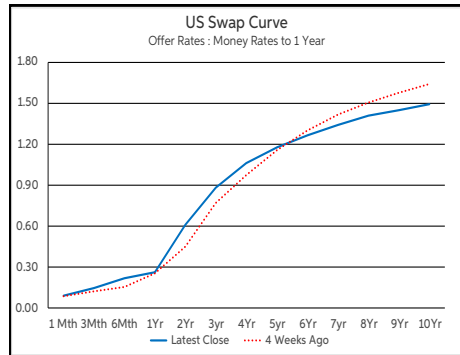
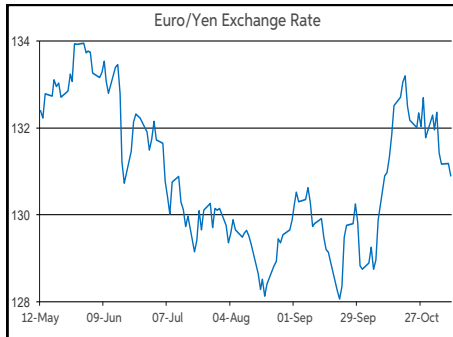
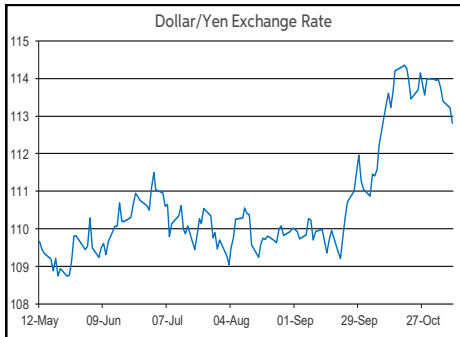
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

Tuesday 09 November 2021
07:13 am



Euro		Sterling		Dollar	
EUR/GBP	0.8547	GBP/EUR	1.1695	USD/JPY	112.82
EUR/USD	1.16	GBP/USD	1.3571	USD/CAD	1.244
EUR/JPY	130.89	GBP/CAD	1.6887	USD/CHF	0.9118
EUR/SEK	9.9315	GBP/NZD	1.8942	USD/CNY	6.393
EUR/DKK	7.4384	GBP/JPY	153.11	USD/BRL	5.544
EUR/NOK	9.8392	GBP/SEK	11.6168	USD/RUB	71.319
EUR/CHF	1.0578	GBP/DKK	8.7	USD/INR	73.99
EUR/AUD	1.5622	GBP/NOK	11.5052	AUD/USD	0.7426
EUR/HKD	9.0364	GBP/CHF	1.2376	NZD/USD	0.7165
EUR/CAD	1.4433	GBP/AUD	1.8274		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.49	+4	-12	+58
Germany	-0.25	+3	-13	+33
UK	0.86	+1	-33	+66
5 Year Swap %				
US	1.18	+6	+5	+75
Eurozone	-0.13	+4	-2	+33
UK	1.10	+2	-5	+91
2 Year Swap %				
US	0.61	+3	+19	+42
Eurozone	-0.36	+2	+3	+17
UK	1.00	+6	+8	+97
10 Year Government Bond Spreads to Benchmark bps				
Ireland	43	+0	+5	+16
Belgium	31	+0	+0	+12
France	34	+0	+0	+11
Italy	114	-2	+11	+4
Spain	68	-0	+5	+5
Portugal	59	-1	+7	-5
Greece	134	-4	+29	+14

Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	83.43	+0.83	-0.26	+61.06
West Texas Oil	81.96	+0.87	+1.64	+69.51
Gold \$	1824.3	+0.41	+4.01	-3.81

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 Allied Irish Bank (NI). 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 AIB (NI) 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.