

EUR/GBP back below 86p

There was a mixed mood across financial markets last Friday. The Euro Stoxx 50 lost 0.3%, while the S&P 500 finished up 1.1% for the day. Meantime, on bond markets, benchmark sovereign yields moved 2-3bps lower across the board. Currency-wise, sterling recovered some of its losses from earlier in the week, gaining circa 0.6% against the euro and the dollar.

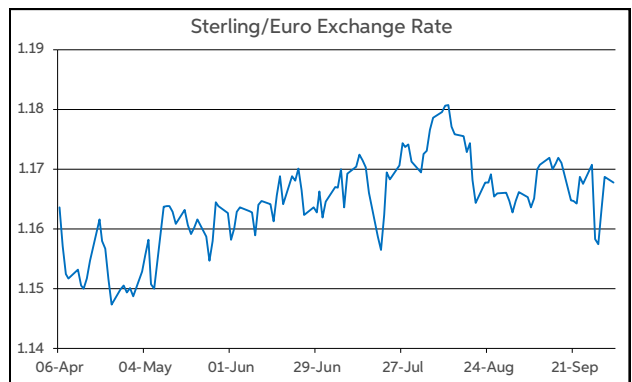
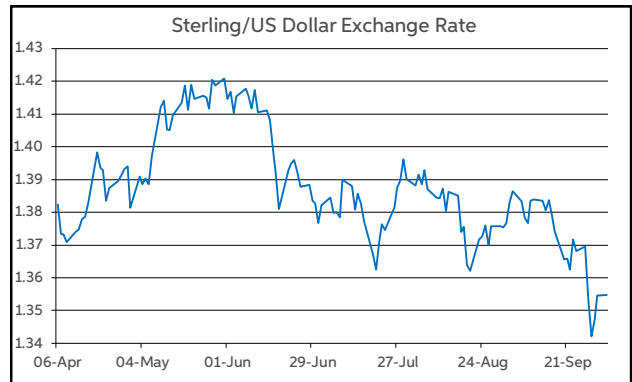
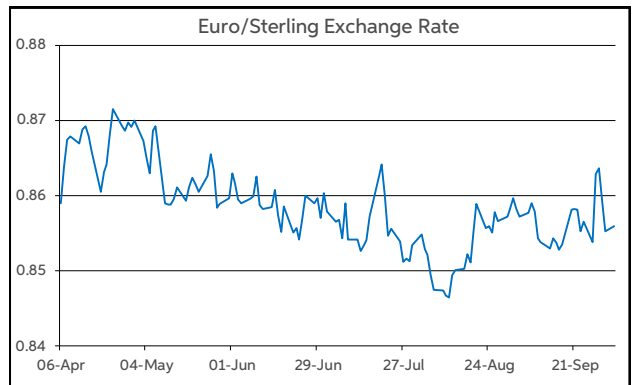
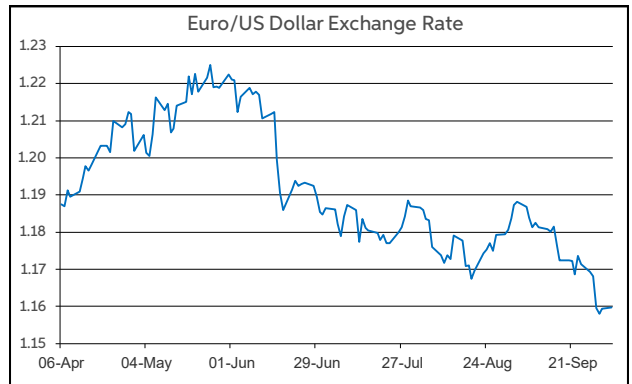
Meanwhile, inflation data from the US and Eurozone were broadly in-line with expectations on Friday. Core-PCE inflation matched the consensus, printing at 3.6% for the third month in-a-row in August. Elsewhere, Eurozone HICP rose to 3.4% in September, slightly above the 3.3% forecast. As the data were close to the forecasts, they did not impact proceedings on forex markets.

However, the overall cautious tone to investor sentiment last week did effect currency markets, resulting in a stronger dollar on the exchanges. The greenback gained around 1% against the euro and sterling, with both EUR/USD and GBP/USD hitting fresh year to date lows, below \$1.16 and \$1.35 respectively. Although, as mentioned above, sterling did stage a modest rebound on Friday.

In level terms, having traded below the midpoint of \$1.34-1.35 last week, GBP/USD opens today at the midpoint of the \$1.35-1.36 range. The firmer tone to sterling on Friday is also reflected in EUR/GBP starting the week back under the 86p threshold, at the heart of the 85-86p band. Elsewhere, EUR/USD is operating at the \$1.16 handle.

Ahead this week, all eyes will be on the US labour market data due Friday. Meanwhile, the ECB minutes from the September monetary policy meeting are also due.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1599	0.17	-5.03
EUR/GBP	0.8559	-0.52	-4.23
GBP/USD	1.3549	0.68	-0.91
GBP/EUR	1.1678	0.53	4.42
USD/JPY	111.03	-0.12	7.55
EUR/JPY	128.79	0.05	2.08

* 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	0.08	0.13	0.16	0.39	1.03
EUR	0.00	-0.56	-0.55	-0.52	-0.42	-0.19
GBP	0.10	0.05	0.08	0.44	0.71	1.00

All rates quoted are indicative market rates

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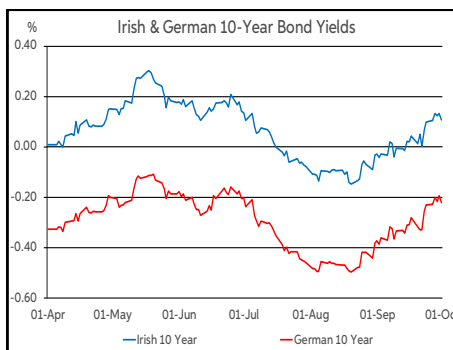
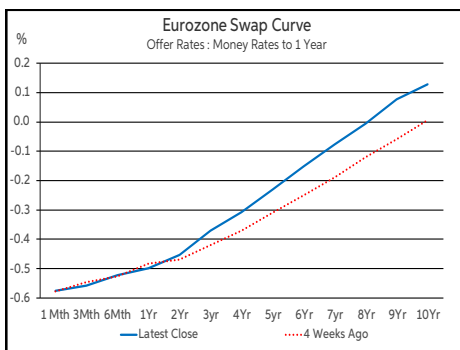
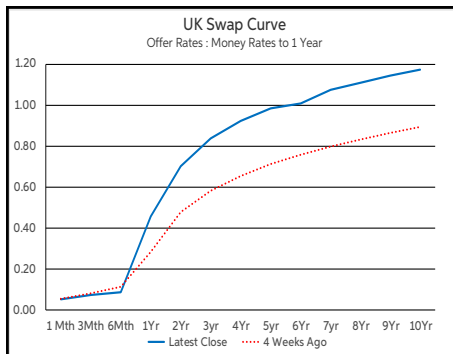
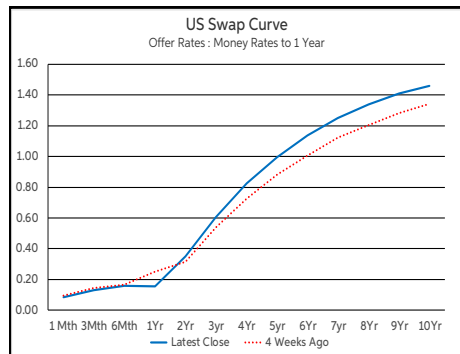
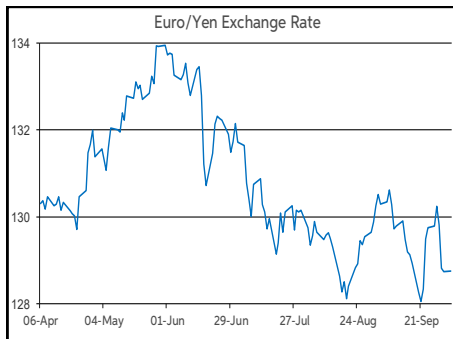
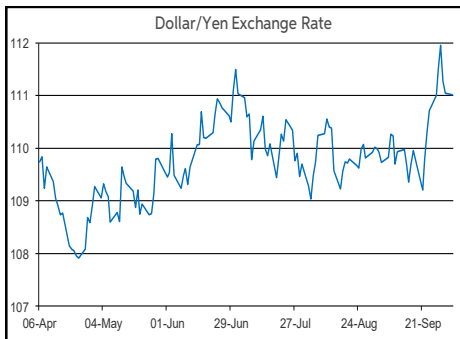
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		Equity Options	Gary Luff				

Opening Levels

Monday 04 October 2021
07:31 am



Euro		Sterling		Dollar	
EUR/GBP	0.8559	GBP/EUR	1.1678	USD/JPY	111.03
EUR/USD	1.1599	GBP/USD	1.3549	USD/CAD	1.263
EUR/JPY	128.79	GBP/CAD	1.7111	USD/CHF	0.9303
EUR/SEK	10.1431	GBP/NZD	1.9516	USD/CNY	6.4452
EUR/DKK	7.4367	GBP/JPY	150.42	USD/BRL	5.3634
EUR/NOK	10.019	GBP/SEK	11.8483	USD/RUB	72.8122
EUR/CHF	1.0791	GBP/DKK	8.6855	USD/INR	74.2425
EUR/AUD	1.5961	GBP/NOK	11.6991	AUD/USD	0.7266
EUR/HKD	9.0303	GBP/CHF	1.2606	NZD/USD	0.694
EUR/CAD	1.4648	GBP/AUD	1.8645		



Debt Markets				
	Close	Day	4 Weeks	End 20
10 Year Yield %				
US	1.47	-3	+14	+55
Germany	-0.22	-3	+14	+36
UK	1.00	-2	+29	+81
5 Year Swap %				
US	1.00	-3	+15	+57
Eurozone	-0.23	-4	+9	+23
UK	0.99	-1	+28	+80
2 Year Swap %				
US	0.35	-1	+7	+16
Eurozone	-0.45	-2	+3	+7
UK	0.70	-2	+23	+68
10 Year Government Bond Spreads to Benchmark bps				
Ireland	39	+0	-0	+12
Belgium	32	+0	+0	+13
France	35	+0	+1	+11
Italy	104	-1	-3	-6
Spain	65	-0	-5	+2
Portugal	55	-1	-3	-9
Greece	106	+2	-8	-15

Commodities				
	Close	Day	4 Weeks	End 20
Brent Oil	79.28	+0.97	+9.19	+53.05
West Texas Oil	76.01	+1.05	+9.62	+57.21
Gold \$	1760.4	+0.21	-3.60	-7.18

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