

Risk-off tone carries over from last week

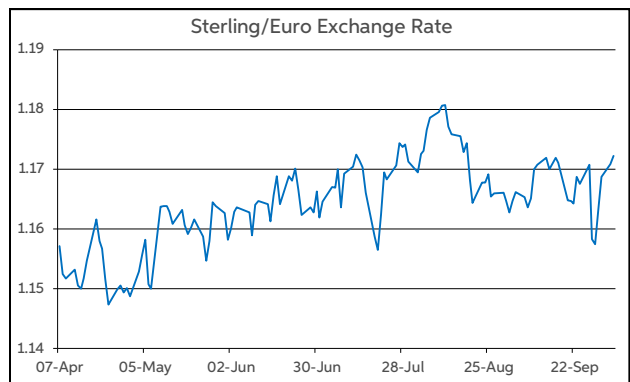
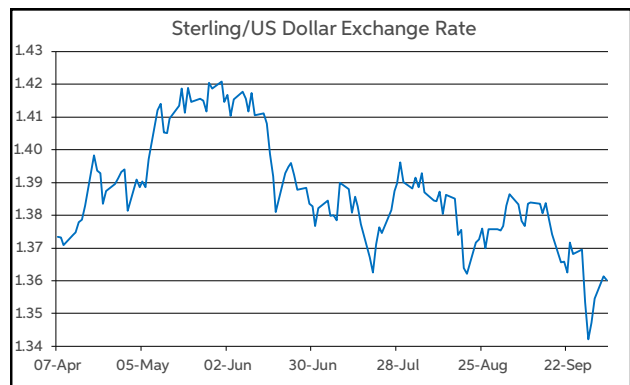
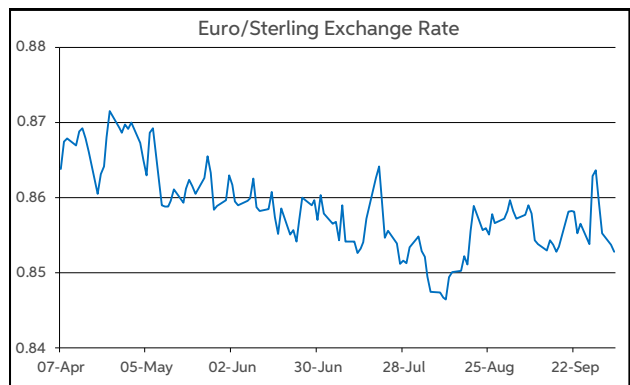
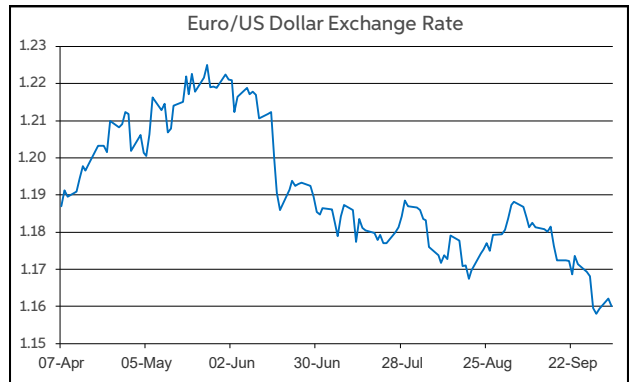
The risk-off tone to investor sentiment on financial markets from last week carried over to yesterday. Equity markets on both sides of the Atlantic finished the day in the red. The Euro Stoxx 50 lost 1%, while at the close on Wall Street, the S&P 500 was down 1.3%. Meanwhile, on bond markets, benchmark sovereign yields were confined to narrow ranges throughout the day.

Currency-wise, the main FX pairs operated in fairly tight trading corridors. A sparse data schedule likely contributed to the muted price action. Of the limited moves to note, sterling continued to regain some momentum on the exchanges, having suffered some heavy losses last week. Elsewhere, oil prices gained over 3%, rising above \$81bbl in the process, as OPEC+ resisted pressure to increase production by more than the planned 400,000 barrels a day from November.

In level terms, the slightly firmer tone to sterling is reflected in cable (GBP/USD) opening at the \$1.36 handle. The pair had been trading as low as circa \$1.345 at one point last week. Meanwhile, EUR/GBP remains confined to the 85-86p corridor, and is currently operating in the bottom half of this range. EUR/USD is changing hands at the \$1.16 mark.

Turning to the day head, in the US, the non-manufacturing ISM is projected to remain well in expansion mode, but to edge lower to 60 from 61.7 in September. The final reading of the services PMIs from the main advanced economies are also due. However, barring any major surprises the data are unlikely to impact on currency markets. From a euro viewpoint though, comments from ECB President Lagarde later today may effect the single currency.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1598	0.03	-5.04
EUR/GBP	0.8525	-0.39	-4.61
GBP/USD	1.3602	0.41	-0.52
GBP/EUR	1.1724	0.39	4.83
USD/JPY	111.17	0.13	7.68
EUR/JPY	128.94	0.15	2.20

* v Previous Day's European Open
See Next Page for More Rates

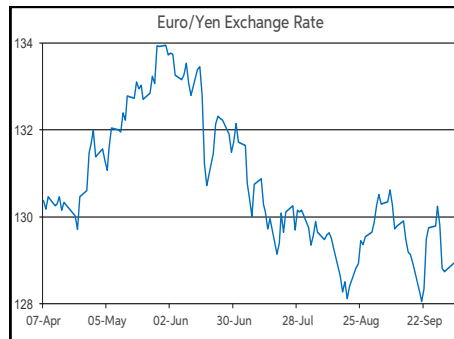
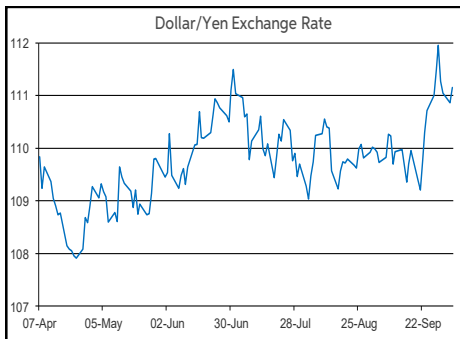
Opening Interest Rates						
	Base Rate	Money Market		Swap Rates		
		1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	0.125	0.08	0.13	0.16	0.39	1.05
EUR	0.00	-0.56	-0.55	-0.52	-0.43	-0.20
GBP	0.10	0.05	0.08	0.43	0.70	0.98

All rates quoted are indicative market rates

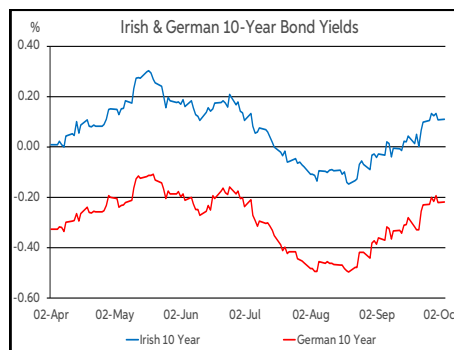
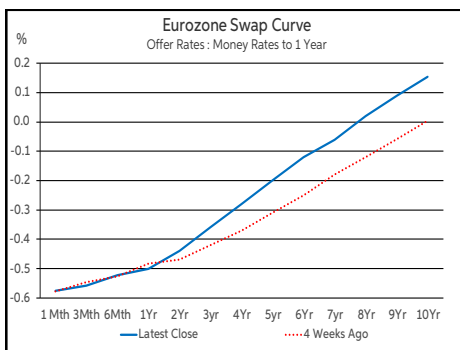
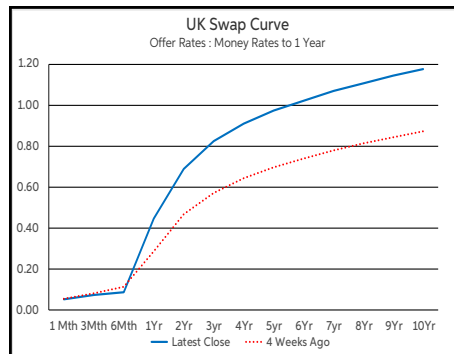
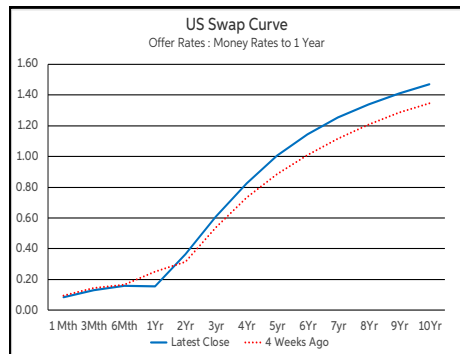
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FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Euro		Sterling		Dollar	
EUR/GBP	0.8528	GBP/EUR	1.1723	USD/JPY	111.16
EUR/USD	1.1599	GBP/USD	1.3599	USD/CAD	1.2609
EUR/JPY	128.93	GBP/CAD	1.715	USD/CHF	0.9261
EUR/SEK	10.1447	GBP/NZD	1.9592	USD/CNY	6.4452
EUR/DKK	7.4376	GBP/JPY	151.17	USD/BRL	5.4548
EUR/NOK	9.9465	GBP/SEK	11.8933	USD/RUB	72.5325
EUR/CHF	1.0743	GBP/DKK	8.7203	USD/INR	74.506
EUR/AUD	1.5975	GBP/NOK	11.6598	AUD/USD	0.726
EUR/HKD	9.0286	GBP/CHF	1.2597	NZD/USD	0.6937
EUR/CAD	1.4627	GBP/AUD	1.8727		



Debt Markets				
	Close	Day	4 Weeks	End 20
10 Year Yield %				
US	1.48	+2	+15	+56
Germany	-0.22	+0	+15	+36
UK	1.01	+1	+31	+81
Ireland	0.18	+0	+14	+48
Belgium	0.10	+0	+15	+48
France	0.13	+0	+16	+47
Italy	0.83	+1	+14	+31
Spain	0.44	+1	+11	+38
Portugal	0.34	+1	+13	+28
Greece	0.85	+2	+5	+23
5 Year Swap %				
US	1.01	+1	+15	+59
Eurozone	-0.20	+1	+12	+26
UK	0.97	-1	+28	+78
2 Year Swap %				
US	0.36	+1	+8	+17
Eurozone	-0.44	+0	+4	+9
UK	0.69	-1	+23	+66
10 Year Government Bond Spreads to Benchmark bps				
Ireland	39	+0	-1	+12
Belgium	32	+0	+0	+13
France	35	+0	+1	+12
Italy	104	+1	-1	-5
Spain	66	+0	-4	+3
Portugal	55	+0	-2	-8
Greece	107	+2	-10	-13



Commodities				
	Close	Day	4 Weeks	End 20
Brent Oil	81.26	+2.50	+12.52	+56.87
West Texas Oil	77.68	+2.20	+12.03	+60.66
Gold \$	1769.5	+0.52	-2.94	-6.70

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