

Mixed tone to investor sentiment

There was a mixed tone to investor sentiment on equity markets, yesterday. The Euro Stoxx 50 recorded a 1.3% loss as inflation concerns continued to weigh on sentiment. Although, oil prices fell back off their peaks yesterday, as data from the US showed an increase in crude inventories. Nonetheless, oil remains well above \$80/bbl. Having treaded water throughout the European session, the S&P 500 finished the day up 0.4%.

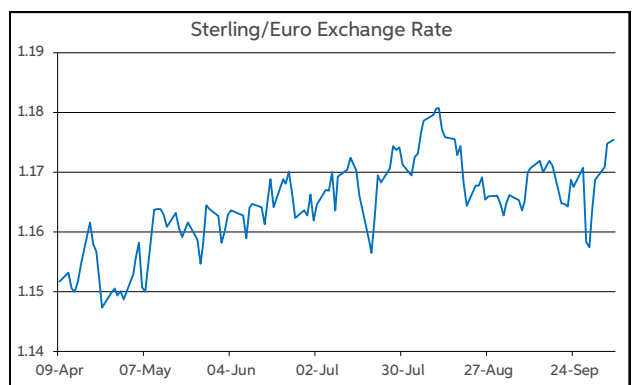
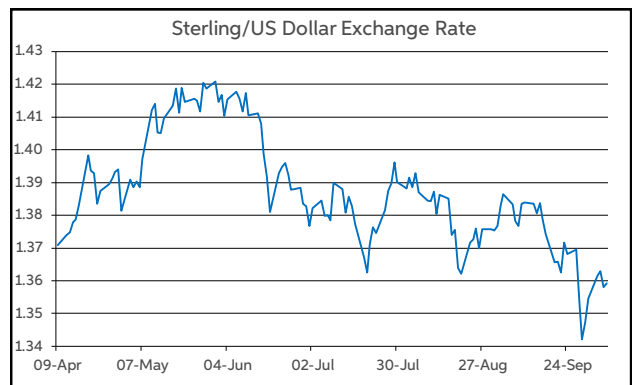
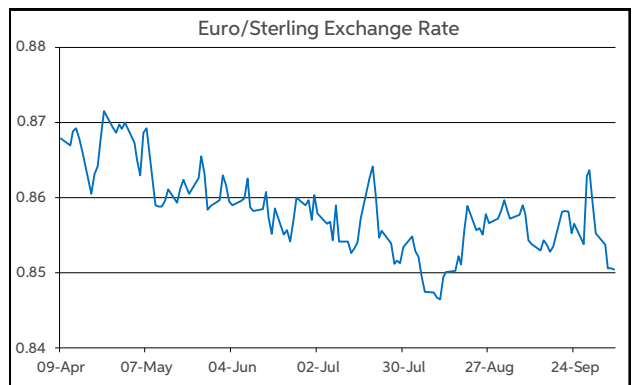
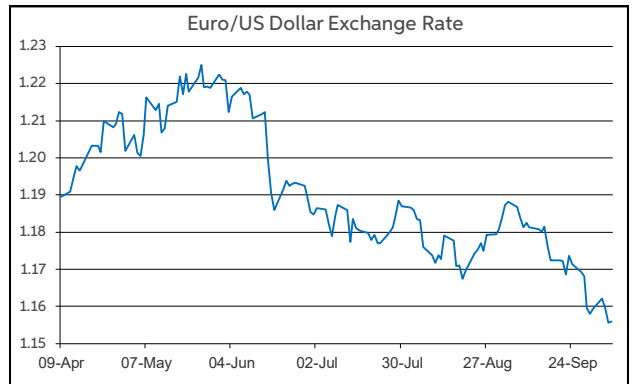
Currency-wise, the dollar was holding a slightly firmer tone on the exchanges. The greenback was likely supported by the risk-off mood on markets. EUR/USD fell to a fresh YTD low in the process below the midpoint of the \$1.15-1.16 range. Overnight though, the dollar handed back most of its gains as risk appetite improved.

In terms of data yesterday, Eurozone retail sales printed below the consensus, rising by 0.3% in August (vs 0.8% f'cast). In the US, the ADP employment report beat expectations, registering a 568k increase, ahead of the non-farm payrolls report on Friday.

In level terms, EUR/USD starts today just above the midpoint of the \$1.15-1.16 corridor. Meantime, EUR/GBP is changing hands at the 85p threshold. GBP/USD is operating at the \$1.36 mark, little changed from 24 hours ago.

Already this morning, German industrial production data shows that output fell by 4.0% in August (vs. -0.4% f'cast). However, the release has not impacted the euro so far in early trading. Later today, the ECB Governing Council meeting minutes for September are due. An otherwise quiet data schedule suggests that, risk appetite and pre-payrolls positioning will likely be the biggest drivers of any action on currency markets.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1564	-0.17	-5.31
EUR/GBP	0.8506	-0.09	-4.82
GBP/USD	1.3595	-0.07	-0.57
GBP/EUR	1.1752	0.09	5.07
USD/JPY	111.37	-0.33	7.87
EUR/JPY	128.82	-0.49	2.11

* 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	0.12	0.15	0.42	1.07
EUR	0.00	-0.57	-0.55	-0.50	-0.42	-0.17
GBP	0.10	0.05	0.08	0.49	0.77	1.04

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

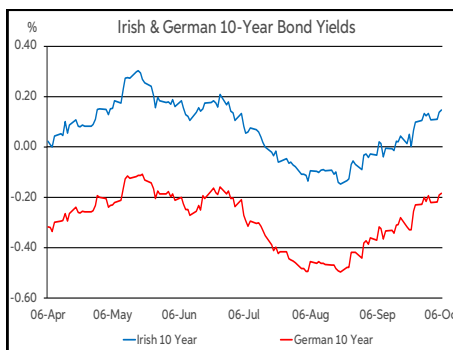
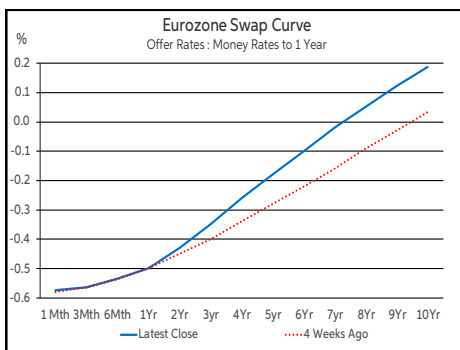
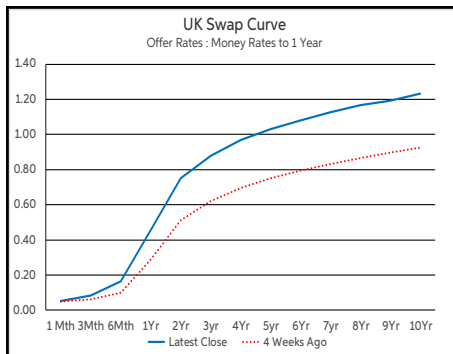
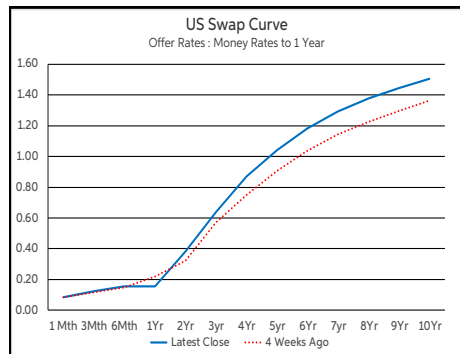
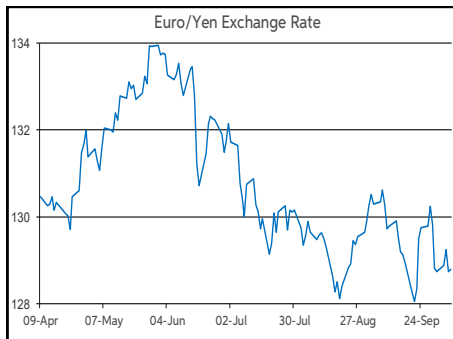
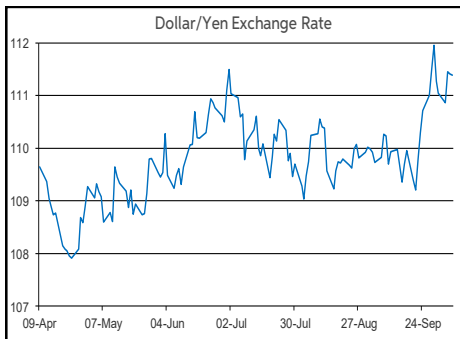
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

Thursday 07 October 2021
07:38 am



Euro		Sterling		Dollar	
EUR/GBP	0.8506	GBP/EUR	1.1752	USD/JPY	111.37
EUR/USD	1.1564	GBP/USD	1.3595	USD/CAD	1.2564
EUR/JPY	128.82	GBP/CAD	1.7083	USD/CHF	0.9262
EUR/SEK	10.1591	GBP/NZD	1.9611	USD/CNY	6.4452
EUR/DKK	7.4393	GBP/JPY	151.41	USD/BRL	5.4932
EUR/NOK	9.9219	GBP/SEK	11.9392	USD/RUB	72.321
EUR/CHF	1.0713	GBP/DKK	8.7438	USD/INR	74.765
EUR/AUD	1.5854	GBP/NOK	11.6632	AUD/USD	0.7292
EUR/HKD	9.0039	GBP/CHF	1.2594	NZD/USD	0.6931
EUR/CAD	1.4526	GBP/AUD	1.8638		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.53	+0	+19	+61
Germany	-0.18	+1	+14	+39
UK	1.07	-2	+33	+88
Ireland	0.21	+1	+13	+52
Belgium	0.13	+1	+14	+52
France	0.17	+1	+15	+51
Italy	0.89	+3	+13	+37
Spain	0.47	+1	+10	+42
Portugal	0.37	+1	+11	+31
Greece	0.91	+5	+5	+28
5 Year Swap %				
US	1.04	+2	+16	+62
Eurozone	-0.18	-0	+11	+28
UK	1.03	-1	+29	+84
2 Year Swap %				
US	0.38	+2	+9	+19
Eurozone	-0.43	+0	+3	+10
UK	0.75	+1	+25	+73
10 Year Government Bond Spreads to Benchmark bps				
Ireland	40	+0	-0	+12
Belgium	32	+0	+0	+13
France	35	+0	+1	+12
Italy	107	+2	-0	-2
Spain	65	+1	-4	+2
Portugal	56	+1	-2	-8
Greece	109	+4	-9	-11

Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	81.08	-1.79	+11.68	+56.53
West Texas Oil	77.66	-1.91	+11.97	+60.62
Gold \$	1762.5	+0.14	-1.48	-7.07

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