

## Narrow FX trading persists

The action across most of the main asset classes was generally subdued yesterday. Investor sentiment was holding a cautious tone. This was evident in the modest falls registered by some of the key equity indices. The Euro Stoxx 50 finished the day 0.4% lower. Meanwhile, at the closing bell on Wall Street last night, the S&P 500 was down around 0.2% on the day.

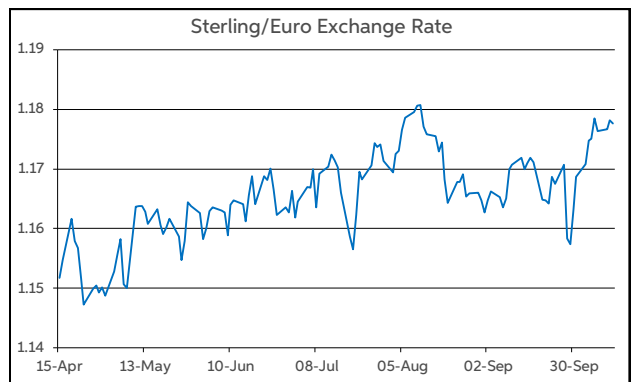
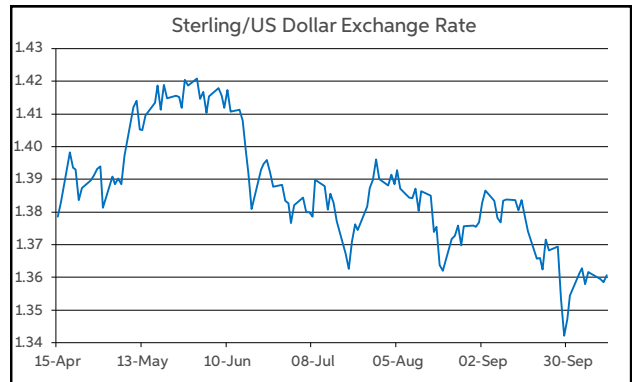
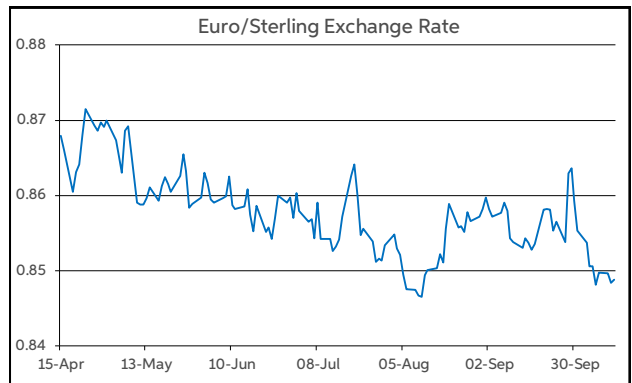
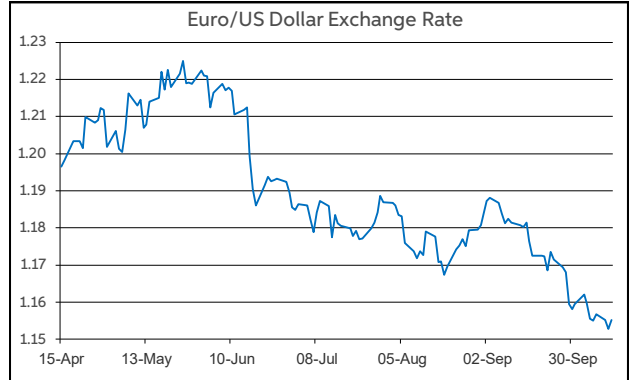
On bond markets, German Bunds continued to experience some selling pressure, with the 10 year yield rising by a further 2bps to -0.10%, edging closer to positive territory. However, the recent sell-off in UK gilts took a breather yesterday, with the 10 year yield falling by 4bps to 1.15%. Meanwhile, the 10-year US Treasury yield also fell by 4bps to back below the 1.6% level.

On the currency front, the main pairs remained confined to tight ranges. While the data calendar was busier compared to Monday, there was no reaction from the majors to the macro newsflow.

As a result, the key euro pairs open this morning showing very little change compared to 24 hours earlier. EUR/GBP continues to trade within a narrow corridor near to the 85p threshold. Meantime, EUR/USD opens at the midpoint of \$1.15-1.16. Elsewhere, GBP/USD continues to operate near to the \$1.36 mark.

Already this morning, we have got UK GDP data. GDP rose 0.4% in August, just below expectations for a 0.5% growth rate. Later today, the focus will shift to the US. CPI data for September is due, with headline inflation forecast to remain unchanged at 5.3%. Meanwhile, the Fed minutes from its September meeting, where it gave guidance that QE tapering could be announced in November, are also out (after the European close).

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.155	-0.04	-5.43
EUR/GBP	0.8488	-0.12	-5.02
GBP/USD	1.3606	0.07	-0.49
GBP/EUR	1.1776	0.12	5.29
USD/JPY	113.47	0.11	9.91
EUR/JPY	131.06	0.08	3.88

\* v Previous Day's European Open

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Opening Interest Rates						
	Base Rate	Money Market		Swap Rates		
		1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	0.125	0.09	0.13	0.18	0.49	1.17
EUR	0.00	-0.56	-0.55	-0.49	-0.37	-0.07
GBP	0.10	0.07	0.12	0.62	0.92	1.14

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

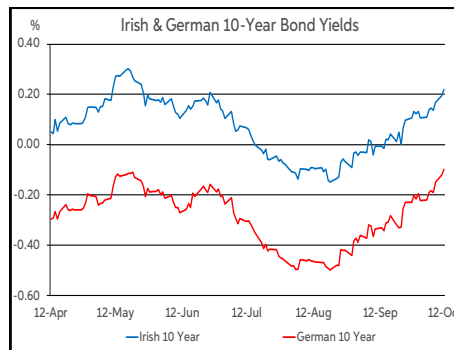
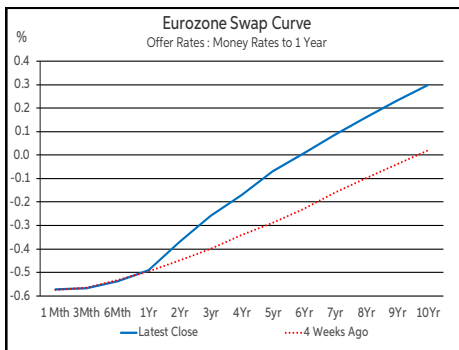
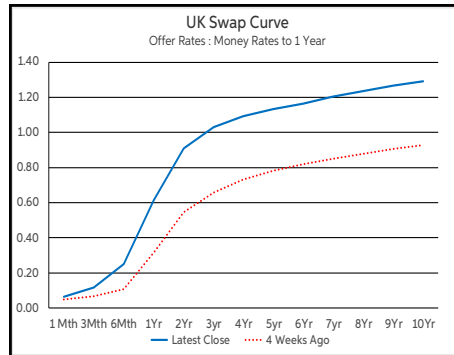
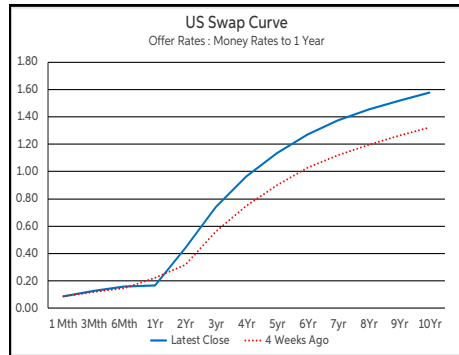
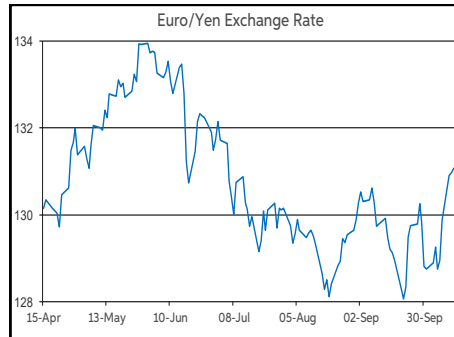
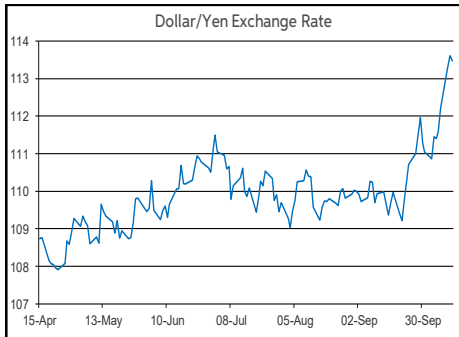
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

Wednesday 13 October 2021  
07:22 am



Euro		Sterling		Dollar	
EUR/GBP	0.8488	GBP/EUR	1.1777	USD/JPY	113.47
EUR/USD	1.155	GBP/USD	1.3606	USD/CAD	1.2458
EUR/JPY	131.06	GBP/CAD	1.695	USD/CHF	0.9291
EUR/SEK	10.1262	GBP/NZD	1.9614	USD/CNY	6.4476
EUR/DKK	7.4406	GBP/JPY	154.39	USD/BRL	5.5325
EUR/NOK	9.8635	GBP/SEK	11.9218	USD/RUB	71.802
EUR/CHF	1.0734	GBP/DKK	8.7623	USD/INR	75.468
EUR/AUD	1.5737	GBP/NOK	11.6134	AUD/USD	0.7339
EUR/HKD	8.986	GBP/CHF	1.2642	NZD/USD	0.6934
EUR/CAD	1.439	GBP/AUD	1.8536		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
<b>10 Year Yield %</b>				
US	1.57	-4	+29	+66
Germany	-0.10	+2	+24	+48
UK	1.15	-4	+41	+95
<b>5 Year Swap %</b>				
US	1.14	+1	+27	+71
Eurozone	-0.07	+4	+23	+39
UK	1.13	-2	+36	+94
<b>2 Year Swap %</b>				
US	0.44	+2	+15	+25
Eurozone	-0.37	+2	+9	+16
UK	0.91	-1	+37	+88
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	38	+0	-1	+11
Belgium	31	+0	+0	+12
France	34	+0	+1	+10
Italy	102	-2	+3	-8
Spain	63	-1	-2	-0
Portugal	51	-1	-4	-13
Greece	103	-1	-7	-17

Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	83.42	-0.27	+13.34	+61.04
West Texas Oil	80.75	+0.14	+14.49	+67.01
Gold \$	1759.9	+0.35	-2.46	-7.20

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