

## Quiet FX market action

The market action yesterday was relatively muted across all the main asset classes. This was not overly surprising given the quiet data calendar. Indeed, the only release of any note on either side of the Atlantic yesterday was US housing starts for September. They printed below expectations (for +0.3%) registering a 1.6% fall in the month. However, the data did not generate much of a reaction from US markets.

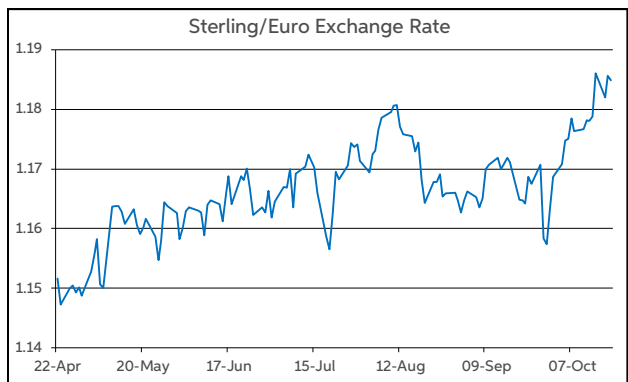
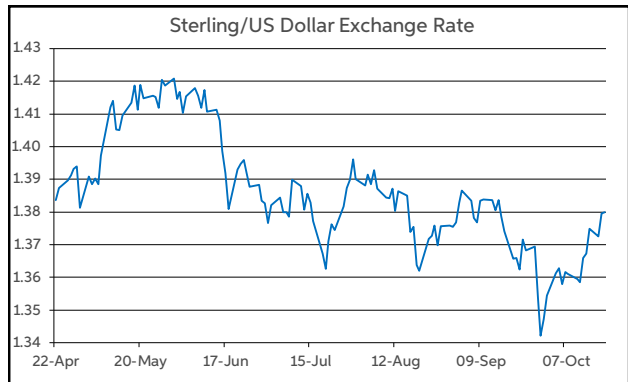
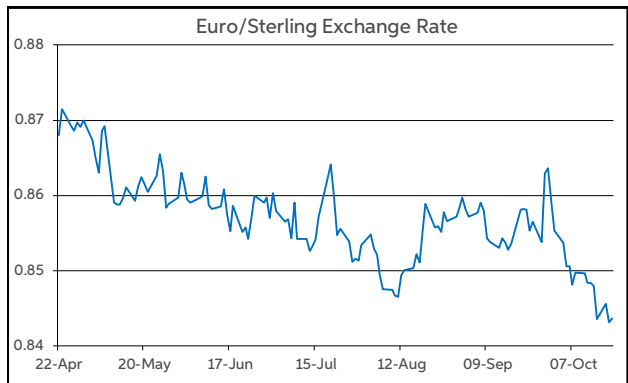
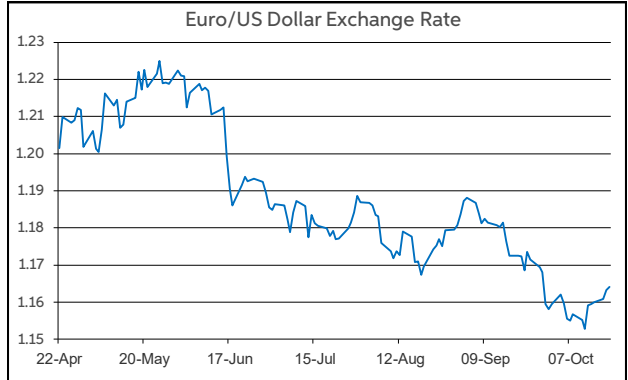
In terms of equity markets, the main European indices were in sideways mode for much of their trading day. However, the mood was more optimistic on Wall Street, with sentiment supported by encouraging corporate earnings newsflow. At the close last night, the S&P 500 was up 0.7% on the day.

Yesterday's speeches from a raft of BoE policy makers did not generate any noteworthy headlines. As a result, UK interest rate markets had a much less eventful session compared to the previous day, when the policy sensitive 2-year rate jumped over 20bps.

Currency-wise, given the sparse macro diary, the main pairs were confined to tight ranges. This has continued in overnight trading, meaning the majors open this morning showing only minor changes compared to 24 hours earlier. In level terms, EUR/USD continues to trade near to the midpoint of \$1.16-1.17. Meanwhile, EUR/GBP remains in and around the halfway mark of the 84-85p trading band.

Already this morning we have had the main data release of the day. UK CPI figures for September showed headline inflation printing at 3.1%, slightly below its 3.2% forecast.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1643	0.00	-4.67
EUR/GBP	0.8436	-0.24	-5.61
GBP/USD	1.3799	0.22	0.92
GBP/EUR	1.1849	0.24	5.94
USD/JPY	114.48	0.27	10.89
EUR/JPY	133.3	0.26	5.66

\* 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	0.13	0.23	0.58	1.24
EUR	0.00	-0.56	-0.55	-0.48	-0.33	-0.04
GBP	0.10	0.12	0.22	0.84	1.15	1.26

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

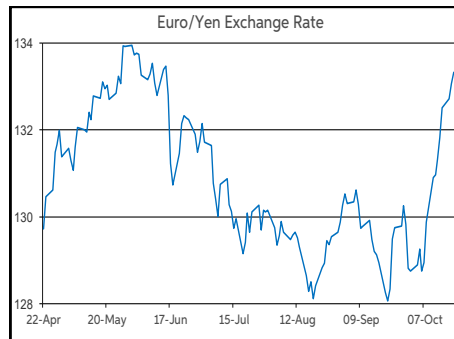
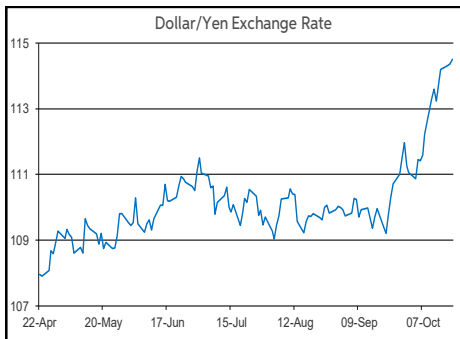
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

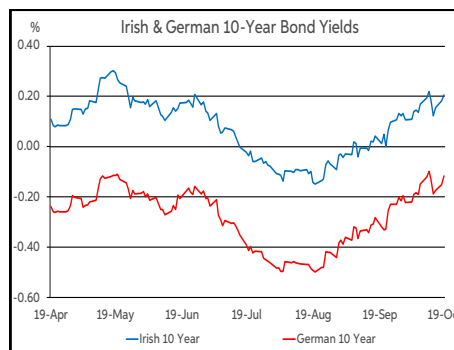
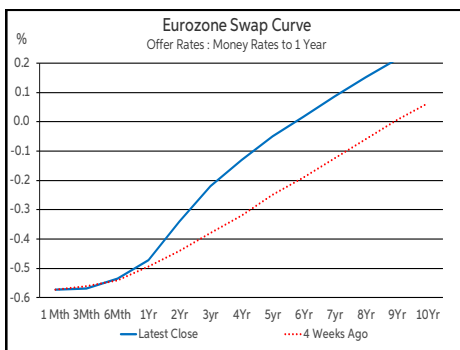
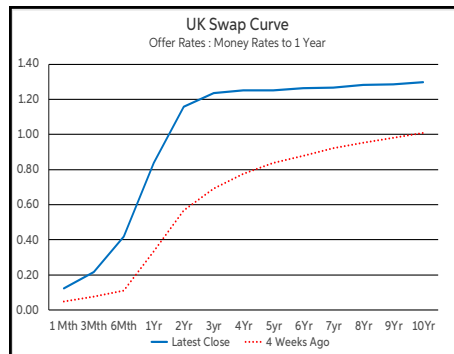
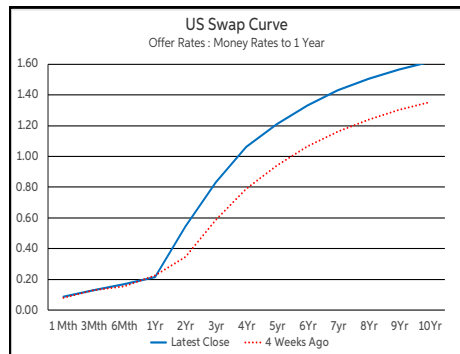
Wednesday 20 October 2021  
07:15 am



Euro		Sterling		Dollar	
EUR/GBP	0.8436	GBP/EUR	1.185	USD/JPY	114.48
EUR/USD	1.1643	GBP/USD	1.3798	USD/CAD	1.2338
EUR/JPY	133.3	GBP/CAD	1.7024	USD/CHF	0.9239
EUR/SEK	10.0332	GBP/NZD	1.9227	USD/CNY	6.3875
EUR/DKK	7.4408	GBP/JPY	157.96	USD/BRL	5.5846
EUR/NOK	9.7247	GBP/SEK	11.888	USD/RUB	70.9327
EUR/CHF	1.076	GBP/DKK	8.8168	USD/INR	75.1
EUR/AUD	1.5534	GBP/NOK	11.5224	AUD/USD	0.7494
EUR/HKD	9.0532	GBP/CHF	1.2752	NZD/USD	0.7174
EUR/CAD	1.4369	GBP/AUD	1.841		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
<b>10 Year Yield %</b>				
US	1.64	+5	+31	+72
Germany	-0.11	+3	+21	+46
UK	1.17	+3	+36	+97
<b>5 Year Swap %</b>				
US	1.21	+0	+30	+79
Eurozone	-0.05	+2	+21	+41
UK	1.25	+4	+42	+106
<b>2 Year Swap %</b>				
US	0.54	-2	+23	+35
Eurozone	-0.34	+1	+11	+19
UK	1.16	+1	+60	+113
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	39	-1	-1	+12
Belgium	32	+1	-0	+13
France	35	+1	+1	+12
Italy	106	+2	+4	-3
Spain	65	+1	-1	+2
Portugal	52	-1	-4	-11
Greece	112	-0	+5	-8



Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	85.08	+0.89	+14.42	+64.25
West Texas Oil	83.19	+0.69	+17.98	+72.06
Gold \$	1768.9	+0.24	-0.30	-6.73

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