

EUR/USD at low for the year

Equity markets recovered some ground yesterday, although, investor sentiment remained cautious. The Euro Stoxx 50 and the S&P 500 recouped 0.5% and 0.2% respectively. Meantime, benchmark sovereign bond yields inched slightly lower across the board, having risen considerably over the past week.

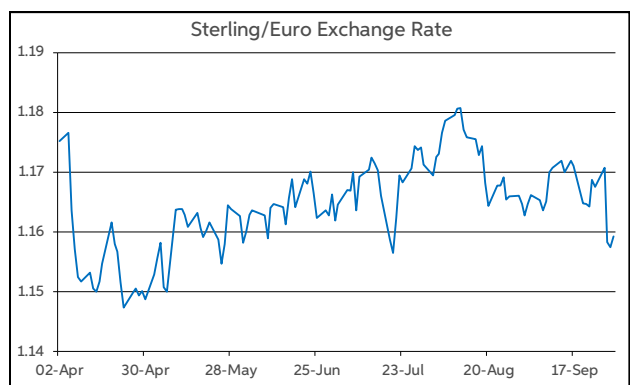
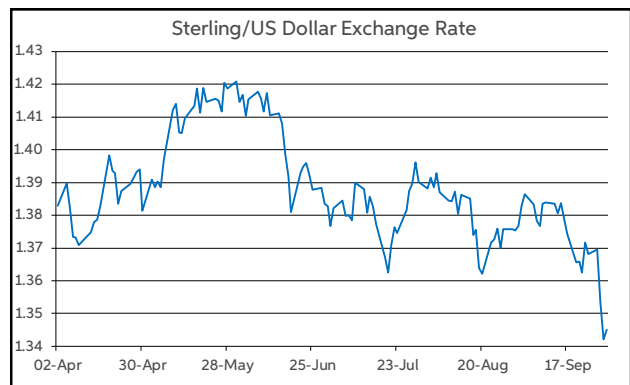
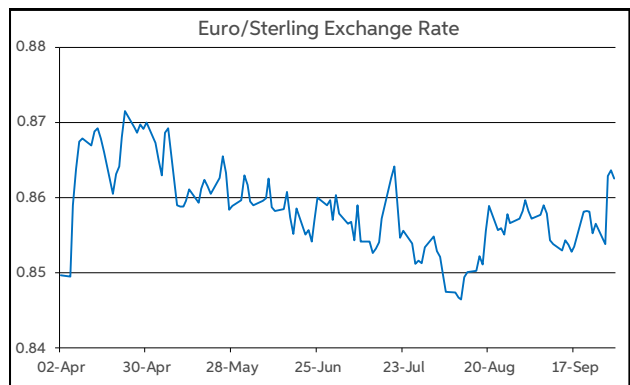
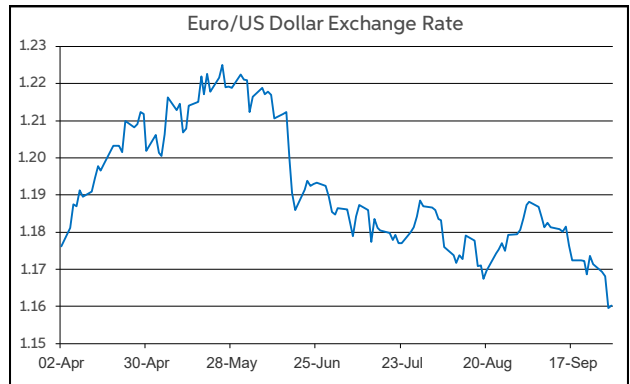
Currency-wise, the dollar held the upper hand, registering further gains against the euro, sterling and yen. The firmer tone to the dollar saw EUR/USD fall to its lowest level so far this year, just below \$1.16. The dollar likely benefitted from the subdued risk appetite on markets and the diverging interest rate outlook against the euro and the yen. Meanwhile, sterling continued to be weighed down by concerns of acute supply shortages in the UK.

Yesterday evening, the Heads of the Central Bank's in the main advanced economies took part in a discussion on monetary policy. However, their remarks had little impact on currency markets. Similarly, the latest EC sentiment indices, which showed an improvement in the industrial sector and a deterioration in the services sector, did not effect the euro.

In level terms, the firm tone to the dollar is reflected in EUR/USD starting today at the \$1.16 handle. Cable (GBP/USD) is changing hands down at the midpoint of \$1.34-1.35, having started yesterday above \$1.35. Meanwhile, EUR/GBP continues to operate in the bottom half of 86-87p.

Turning to the day ahead, the main release of note, the Eurozone unemployment rate is forecast to continue to edged lower to 7.5% in August from 7.6% in July. However, the release is unlikely to impact on the single currency.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1601	-0.72	-5.01
EUR/GBP	0.8623	-0.02	-3.51
GBP/USD	1.3451	-0.71	-1.62
GBP/EUR	1.1591	0.02	3.64
USD/JPY	111.97	0.44	8.46
EUR/JPY	129.92	-0.29	2.98

* 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	0.17	0.42	1.10
EUR	0.00	-0.56	-0.54	-0.50	-0.41	-0.18
GBP	0.10	0.05	0.09	0.46	0.74	0.99

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

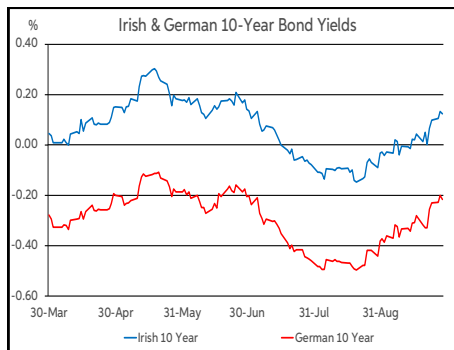
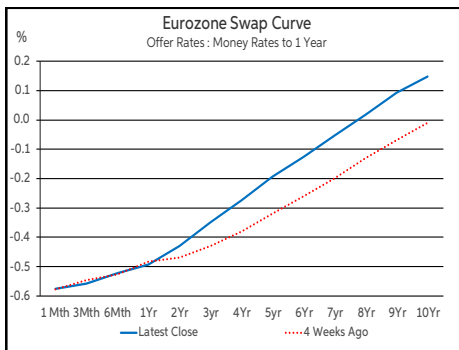
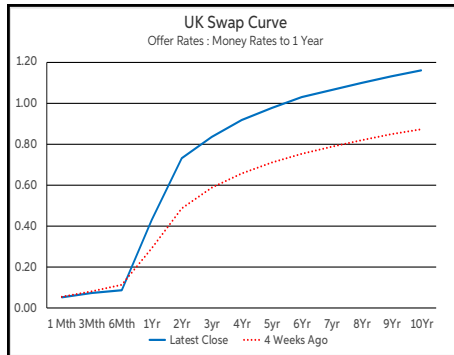
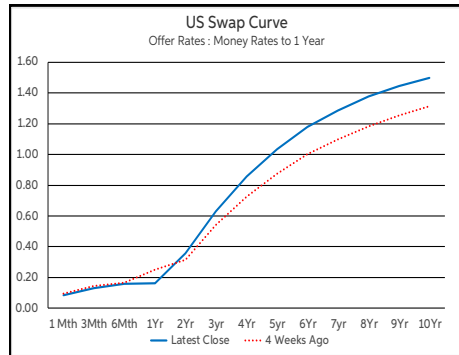
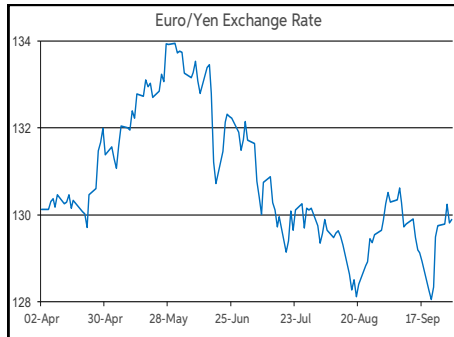
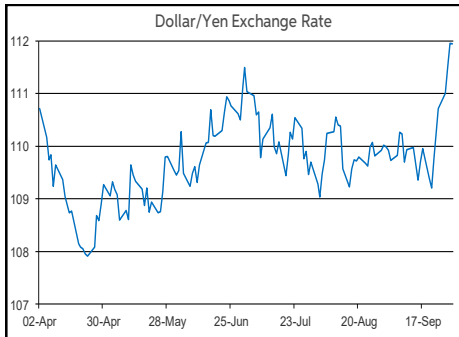
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

Thursday 30 September 2021
07:59 am



Euro		Sterling		Dollar	
EUR/GBP	0.8623	GBP/EUR	1.1591	USD/JPY	111.97
EUR/USD	1.1601	GBP/USD	1.3451	USD/CAD	1.272
EUR/JPY	129.92	GBP/CAD	1.7114	USD/CHF	0.934
EUR/SEK	10.2024	GBP/NZD	1.9536	USD/CNY	6.4644
EUR/DKK	7.4358	GBP/JPY	150.61	USD/BRL	5.4152
EUR/NOK	10.175	GBP/SEK	11.8263	USD/RUB	72.624
EUR/CHF	1.0837	GBP/DKK	8.6194	USD/INR	74.2525
EUR/AUD	1.6104	GBP/NOK	11.7966	AUD/USD	0.7203
EUR/HKD	9.0357	GBP/CHF	1.2563	NZD/USD	0.6881
EUR/CAD	1.4762	GBP/AUD	1.8672		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.52	-2	+22	+61
Germany	-0.21	-2	+16	+36
UK	0.99	-0	+30	+80
5 Year Swap %				
US	1.03	-3	+20	+61
Eurozone	-0.19	-1	+14	+27
UK	0.98	+0	+27	+79
2 Year Swap %				
US	0.36	-2	+7	+16
Eurozone	-0.43	-0	+5	+10
UK	0.73	+3	+25	+70
10 Year Government Bond Spreads to Benchmark bps				
Ireland	40	+1	-0	+13
Belgium	32	+0	-1	+13
France	35	-0	+0	+12
Italy	104	-1	-2	-5
Spain	66	+1	-6	+3
Portugal	56	+1	-3	-8
Greece	104	-1	-9	-16

Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	78.64	-0.57	+9.85	+51.81
West Texas Oil	75.06	-0.50	+9.37	+55.24
Gold \$	1726.1	-0.44	-4.83	-8.98

This publication is for information purposes and is not an invitation to deal. The information is believed to be reliable but is not guaranteed. Any expressions of opinions are subject to change without notice. This publication is not to be reproduced in whole or in part without prior permission. In the Republic of Ireland it is distributed by Allied Irish Banks, p.l.c. In the UK it is distributed by Allied Irish Banks, p.l.c. and Allied Irish Bank (GB). In Northern Ireland it is distributed by Allied Irish Bank (NI). In the United States of America it is distributed by Allied Irish Banks, p.l.c. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland. Allied Irish Bank (GB) and AIB (NI) are trade marks used under licence by AIB Group (UK) p.l.c. (a wholly owned subsidiary of Allied Irish Banks, p.l.c.), incorporated in Northern Ireland. Registered Office 92 Ann Street, Belfast BT1 3HH. Registered Number NI018800. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In the United States of America, Allied Irish Banks, p.l.c., New York Branch, is a branch licensed by the New York State Department of Financial Services. Deposits and other investment products are not FDIC insured, they are not guaranteed by any bank and they may lose value. Please note that telephone calls may be recorded in line with market practice.