

## Narrow Range Trading in FX Markets

The busier schedule to yesterday's macro calendar helped at least temporarily to take some of the focus away from political difficulties in both Italy and the US. In the UK, we got the first of this week's PMI's releases. While the headline manufacturing index came in below market expectations and fell for the first time in seven months, the index level of 56.7 still represented its second highest reading in over 2 years. In terms of the eurozone, there was some mildly positive news on the labour market with data showing that the unemployment rate was slightly down from its peak (12.1%) to 12% in both July and August. Meanwhile, in the US, the manufacturing ISM for September provided an upside surprise to market expectations, increasing to its best level since mid-2011 and in the process suggests that the pace of growth accelerated in the sector as the third quarter came to a close.

However, while there was plenty of macro news yesterday, currency markets had a fairly muted day with most of the major currency pairs trading within narrow ranges. Looking at the picture over the last 24 hours, the dollar is holding a slightly firmer tone against both the euro and sterling. In level terms, the GBP/USD pair opens this morning below the \$1.62 mark, while EUR/USD is trading at the lower end of the \$1.35-1.36 range.

Today the spotlight will be on the ECB meeting and the Italian parliament (vote of no-confidence expected to take place). No change in interest rates is expected from the ECB. However, there has been some speculation that the ECB could announce further long term refinancing operations (LTROs) before year-end, as they look to ease pressure on rates and maintain adequate liquidity in the eurozone. ECB President Mario Draghi is likely to be questioned on the issue. Any indications that a new LTRO could be in the pipeline may weigh on the euro.

**John Fahey, Senior Economist, AIB**

### Today's Opening Rates

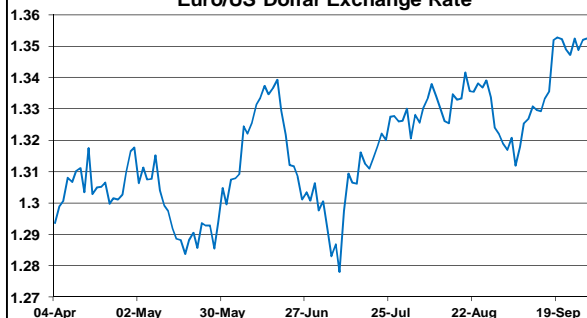
		% Change	
		Day *	End 2012
<b>EUR/USD</b>	1.3596	0.38	3.05
<b>EUR/GBP</b>	0.8371	0.37	3.17
<b>GBP/USD</b>	1.6241	0.03	-0.06
<b>GBP/EUR</b>	1.1945	-0.37	-3.07
<b>USD/JPY</b>	97.32	-0.86	12.20
<b>EUR/JPY</b>	132.28	-0.52	15.58

\* v Previous Day's European Open

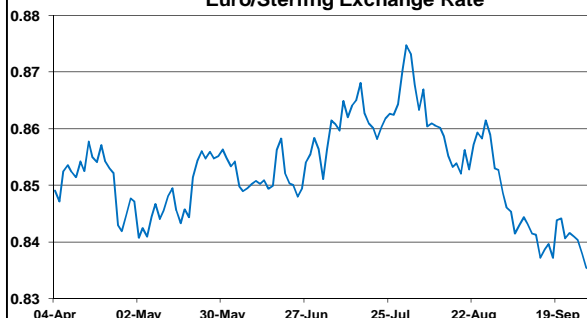
See Next Page for More Rates



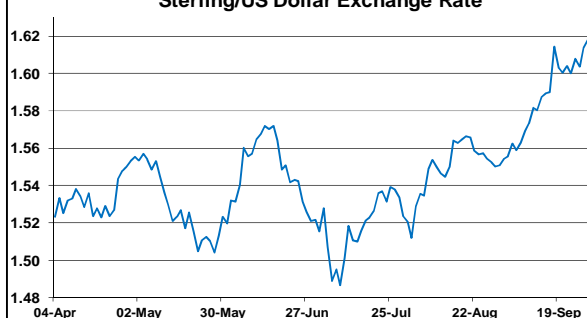
### Euro/US Dollar Exchange Rate



### Euro/Sterling Exchange Rate



### Sterling/US Dollar Exchange Rate



### Opening Interest Rates

	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	0-0.25	0.18	0.24	0.62	0.46	1.56
EUR	0.50	0.13	0.23	0.54	0.59	1.29
GBP	0.50	0.49	0.52	0.87	0.85	1.77

### Equity Indices

	Latest Close	% Changes	
		on Day	End 2012 to Date
Dow Jones	15191.7	+0.41	+15.93
S&P 500	1695	+0.80	+18.85
FTSE 100	6460.01	-0.03	+9.53
DJ Stoxx 50	2933.02	+1.38	+11.27
ISEQ	4282.89	+1.05	+26.09
Nikkei	14170.49	-2.17	+36.32

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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# Opening Levels

Wednesday 02 October 2013

02:28 PM

## Euro

EUR/GBP	0.8371
EUR/USD	1.3596
EUR/JPY	132.28
EUR/SEK	8.6495
EUR/DKK	7.4588
EUR/NOK	8.1424
EUR/CHF	1.2237
EUR/AUD	1.4534
EUR/HKD	10.5433
EUR/CAD	1.4059

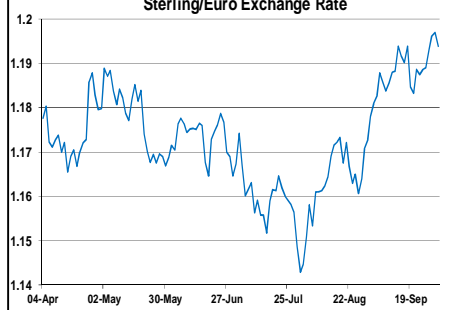
## Sterling

GBP/EUR	1.1945
GBP/USD	1.6241
GBP/CAD	1.6789
GBP/NZD	1.9697
GBP/JPY	157.99
GBP/SEK	10.33
GBP/DKK	8.9085
GBP/NOK	9.7248
GBP/CHF	1.4615
GBP/AUD	1.736

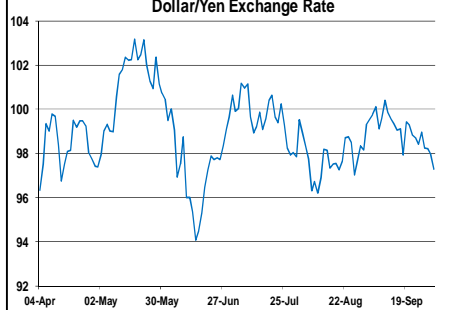
## Dollar

USD/JPY	97.32
USD/CAD	1.0341
USD/CHF	0.9
USD/CNY	6.12
USD/BRL	2.213
USD/RUB	32.2005
USD/INR	62.45
AUD/USD	0.9352
NZD/USD	0.8242

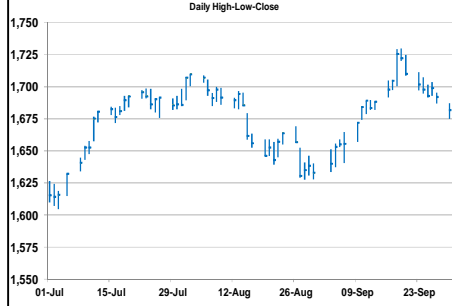
Sterling/Euro Exchange Rate



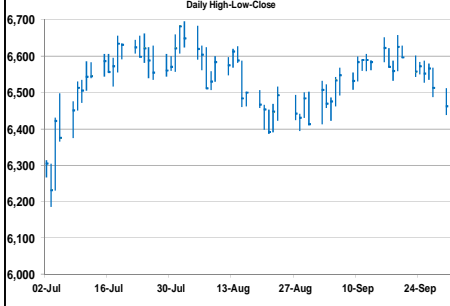
Dollar/Yen Exchange Rate



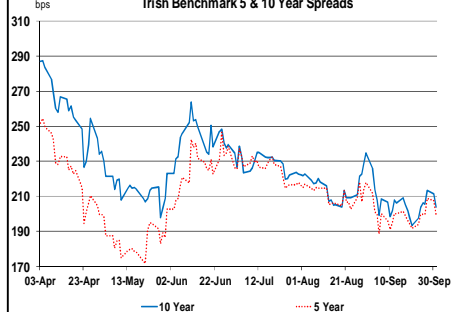
S&P 500  
Daily High-Low-Close



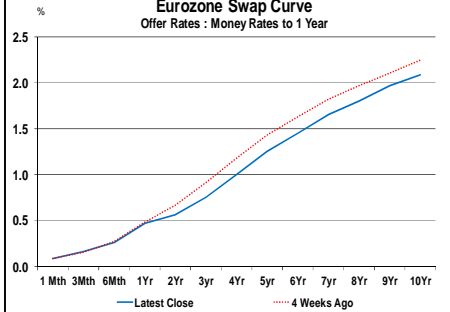
FTSE 100  
Daily High-Low-Close



Irish Benchmark 5 & 10 Year Spreads



Eurozone Swap Curve  
Offer Rates : Money Rates to 1 Year



## Debt Markets

	Close	Day	4 Weeks	End 12
<b>10 Year Yield %</b>				
US	2.65	+3	-21	+89
Germany	1.80	+2	-14	+50
UK	2.71	-0	-17	+89
Ireland	3.84	+6	-17	N/A
Belgium	2.56	-1	-23	+52
France	2.32	+1	-19	+34
Italy	4.47	-12	+13	+1
Spain	4.17	-13	-28	-98
Portugal	6.44	-10	-11	-28
Greece	9.45	-4	-58	-221
<b>5 Year Swap %</b>				
US	1.53	-3	-31	+65
Eurozone	1.25	+3	-18	+47
UK	1.73	-1	-10	+69
<b>2 Year Swap %</b>				
US	0.44	-4	-15	+3
Eurozone	0.56	-0	-11	+18
UK	0.83	-1	-5	+10
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	204	-8	-10	-151
Belgium	78	-2	-7	+4
France	53	-2	-5	-15
Italy	267	-13	+27	-55
Spain	239	-15	-13	-174
Portugal	481	-12	+2	-88
Greece	767	-34	-83	-294

## Commodities

	Close	Day	4 Weeks	End 12
Brent Oil	107.94	-0.40	-6.69	-2.85
West Texas Oil	102.09	-0.26	-6.06	+11.17
CRB - All Commodities	284.02	-0.53	-2.99	-3.72
CRB - Food	403.32	+1.34	-1.47	-4.85
Gold \$	1287.2	-3.08	-8.92	-23.18



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