

Payrolls Data Help Lift Sentiment

Friday's better than expected US non-farm payrolls report for August (the payroll fell by 54,000, a much smaller drop than the predicted 100,000) is helping risk appetite, with high yielders and risk sensitive currencies like the euro benefiting as a result versus both the dollar and yen as fears of a double dip recession ease a little. The dollar/euro rate has started the week above the \$1.29 level, with traders looking to see if it will test resistance at \$1.2920-35, levels which capped it in mid August.

There are no data of note to provide direction for markets today, which will no doubt leave equities to set the tone. Indeed, it is a much less crucial week in terms of US data overall, with trading also likely to get off to a slow start given today's Labour Day holiday in the US. Worth watching however, will be Wednesday's release of the Fed's Beige Book, as well as weekly jobless claims. It is also a sparse week in terms of eurozone data, with just a number of national industrial production reports for July due for release. Markets though will be looking to comments from ECB council members scheduled to speak over the course of the week.

It could be an important week for sterling with the Bank of England meeting to discuss monetary policy on Wednesday and Thursday and a number of important data releases scheduled, including trade and industrial production for July. Ahead of the key events the UK currency has started the week close to \$1.55 versus the USD as it benefits from the general improvement in risk appetite. Versus the euro meanwhile modest gains were seen overnight relative to Friday's close but sterling remains well off recent highs seen versus the single currency.

Geraldine Concagh, AIB Global Treasury

Today's Opening Rates (Mid-Rate)

USD/EUR	1.291	NOK/EUR	7.8618
GBP/EUR	0.8337	CHF/EUR	1.311
USD/GBP	1.548	AUD/EUR	1.408
JPY/USD	84.29	NZD/EUR	1.787
JPY/EUR	108.85	HKD/EUR	10.03
SEK/EUR	9.2972	CAD/EUR	1.3394
DKK/EUR	7.4446	EUR/GBP	1.1989

Indices			Dow	10447.93	126.01
FTSE	5428.15	57.11	ISEQ	2799.9	61.98
Nikkei	9097.59	-6.78	Nasdaq	2233.75	5.79

SHORT TERM INTEREST RATES

Months	1	3	6	12
USD	0.26	0.29	0.49	0.83
JPY	0.15	0.23	0.44	0.67
EUR	0.62	0.88	1.13	1.41
GBP	0.57	0.73	1.03	1.47

LONG TERM INTEREST RATES

Term	EURO (Annual)	GBP
2 Years	1.33	1.29
3 Years	1.52	1.58
4 Years	1.70	1.87
5 Years	1.89	2.14

Economic Indicators this week . . .

(full listing on our "Weekly Market Brief" on www.fxcentre.com)

Date	G7	Time	Statistics	Previous	Forecast	Rank
Mon 6 th Sept	EU-16	09.30	Sentix Investor Sentiment (Sept)	8.5	8.0	High
Tue 7 th Sept	JPN	-	BoJ Rate Announcement (Sept)	0.1%	0.1%	High
Tue 7 th Sept	AUS	05.30	RBA Interest Rate Announcement	4.50%	4.50%	High
Wed 8 th Sept	UK	09.30	Industrial Production (July)	-0.5% (+1.3%)	+0.3%(+1.9%)	High
Wed 8 th Sept	UK	15.00	NIESR GDP Estimate (3 Mths to August)	+0.9%	-	High
Wed 8 th Sept	US	19.00	Federal Reserve Bank Publishes Beige Book	-	-	High
Thurs 9 th Sept	UK	12.00	BoE Interest Rate Announcement	0.5%	0.5%	High
Fri 10 th Sept	JPN	00.50	GDP Revised (Q2)	+0.1%/+0.4% s.a.a.r	+0.4%/+1.5%	High
Fri 10 th Sept	UK	09.30	PPI Input (August)	-1.0%(+10.8%)	+0.1% (+8.9%)	High



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