

US inflation in focus today

After last week's risk averse mood to investor sentiment, there continued to be a somewhat cautious tone yesterday. Although the main equity indices on both sides of the Atlantic managed not to lose any further ground and edge slightly higher on the day. In Europe, the Euro Stoxx 50 was up 0.5%. Meanwhile at the closing bell on Wall Street last night, the S&P 500 was up a modest 0.2% on the day.

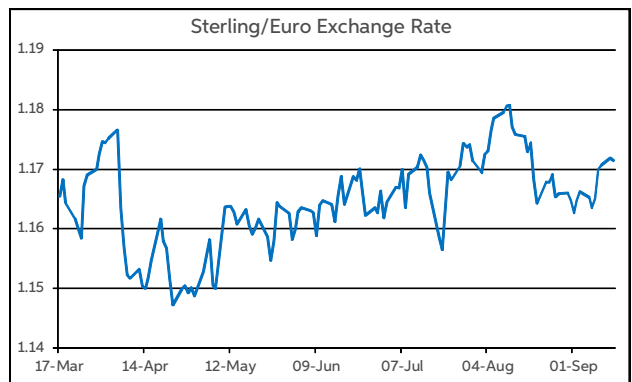
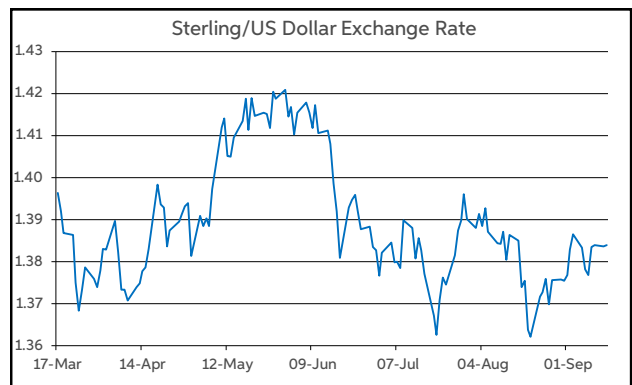
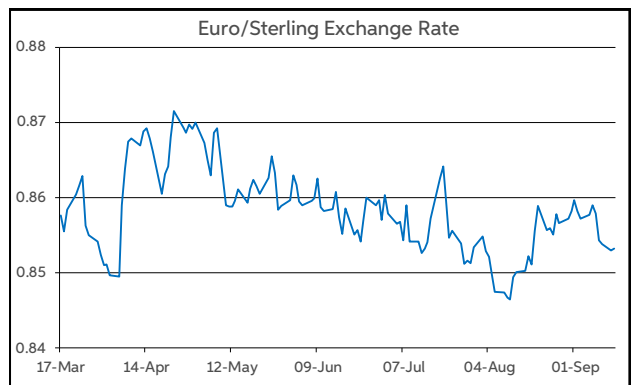
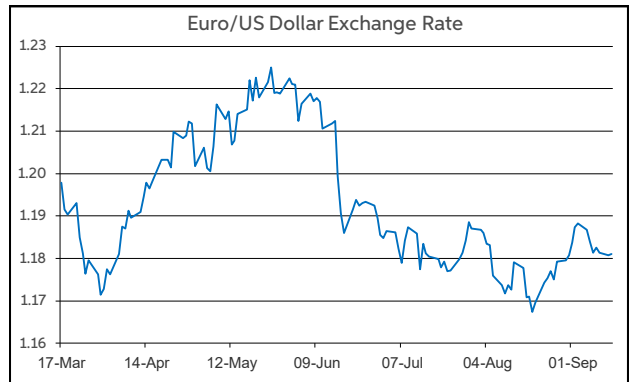
The macro data/event calendar was very quiet. Indeed, there were no releases of any note from either the Eurozone, US or UK. From a currency viewpoint, given this quiet backdrop, there was no newsflow/developments for the majors to digest.

As a result, the main pairs were confined to very tight ranges. The dearth of action has continued in overnight trading. This is evident in the most of the key pairs opening this morning showing very little movement compared to 24 hours earlier.

In level terms, EUR/USD remains in a very narrow range close to the \$1.18 threshold. Meanwhile, EUR/GBP is pinned down in the lower half of the 85-86p trading band. Elsewhere, GBP/USD continues to change hands within \$1.38-1.39.

Today's macro diary has a busier schedule of releases. Already this morning, we have had a raft of UK labour market data. This included the unemployment rate printing in line with expectations, at 4.6% (from 4.7%) in the three months to July. Meanwhile, later today, the focus will be on US inflation with the CPI readings for August due. In July, inflation remained elevated at multi-year highs. The headline rate is expected to edge moderately lower to 5.3%, while the core rate is forecast at 4.2%.

John Fahey, Senior Economist, AIB



| Today's Opening FX Rates | | | |
|--------------------------|--------|----------|----------|
| | | % Change | |
| | | Day * | End 2020 |
| EUR/USD | 1.181 | 0.14 | -3.30 |
| EUR/GBP | 0.8532 | 0.01 | -4.53 |
| GBP/USD | 1.3839 | 0.11 | 1.21 |
| GBP/EUR | 1.1716 | -0.01 | 4.75 |
| USD/JPY | 110.07 | 0.10 | 6.62 |
| EUR/JPY | 129.98 | 0.20 | 3.03 |

* 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 | 0.12 | 0.16 | 0.34 | 0.92 |
| EUR | 0.00 | -0.56 | -0.54 | -0.51 | -0.45 | -0.28 |
| GBP | 0.10 | 0.05 | 0.07 | 0.32 | 0.53 | 0.77 |

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

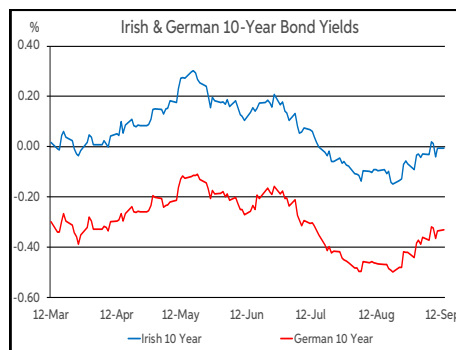
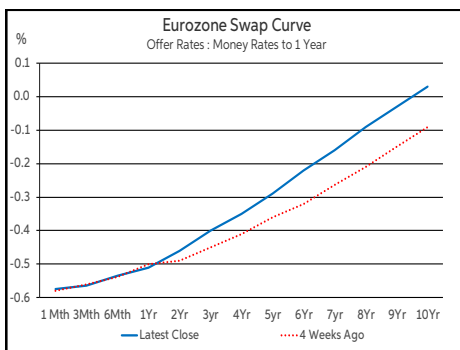
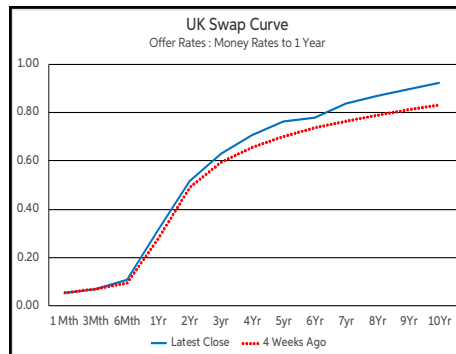
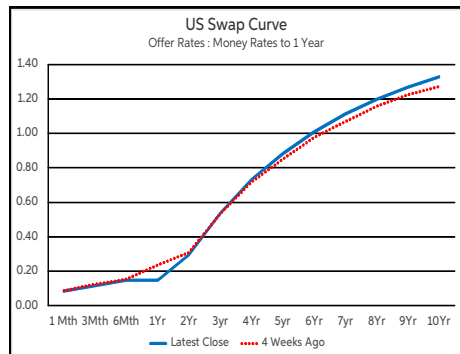
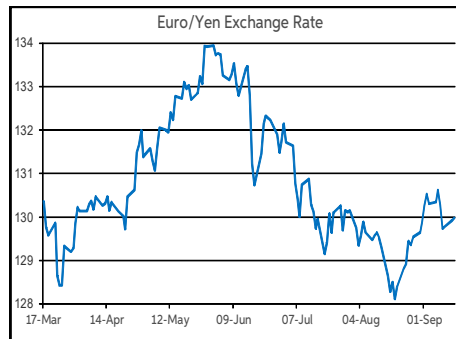
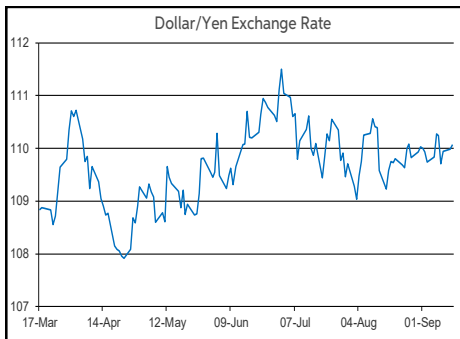
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Opening Levels

Tuesday 14 September 2021
07:26 am



| Euro | | Sterling | | Dollar | |
|---------|---------|----------|---------|---------|---------|
| EUR/GBP | 0.8532 | GBP/EUR | 1.1716 | USD/JPY | 110.07 |
| EUR/USD | 1.181 | GBP/USD | 1.3839 | USD/CAD | 1.2652 |
| EUR/JPY | 129.98 | GBP/CAD | 1.7509 | USD/CHF | 0.9217 |
| EUR/SEK | 10.1708 | GBP/NZD | 1.9465 | USD/CNY | 6.4474 |
| EUR/DKK | 7.436 | GBP/JPY | 152.33 | USD/BRL | 5.2144 |
| EUR/NOK | 10.2094 | GBP/SEK | 11.9116 | USD/RUB | 72.7661 |
| EUR/CHF | 1.0888 | GBP/DKK | 8.7125 | USD/INR | 73.605 |
| EUR/AUD | 1.6103 | GBP/NOK | 11.9575 | AUD/USD | 0.7333 |
| EUR/HKD | 9.1867 | GBP/CHF | 1.2754 | NZD/USD | 0.7106 |
| EUR/CAD | 1.4935 | GBP/AUD | 1.8864 | | |



| | Close | Change bps | | |
|---|-------|------------|---------|--------|
| | | Day | 4 Weeks | End 20 |
| 10 Year Yield % | | | | |
| US | 1.33 | -2 | +6 | +41 |
| Germany | -0.33 | +0 | +14 | +25 |
| UK | 0.75 | -1 | +17 | +55 |
| 5 Year Swap % | | | | |
| US | 0.88 | -1 | +6 | +46 |
| Eurozone | -0.29 | -0 | +8 | +17 |
| UK | 0.76 | -0 | +7 | +57 |
| 2 Year Swap % | | | | |
| US | 0.30 | -0 | +3 | +10 |
| Eurozone | -0.46 | +0 | +4 | +7 |
| UK | 0.52 | +0 | +3 | +49 |
| 10 Year Government Bond Spreads to Benchmark bps | | | | |
| Ireland | 39 | -1 | -2 | +12 |
| Belgium | 31 | -1 | -2 | +12 |
| France | 33 | -1 | -2 | +10 |
| Italy | 102 | -2 | -2 | -8 |
| Spain | 67 | -1 | -3 | +4 |
| Portugal | 56 | -2 | -3 | -8 |
| Greece | 109 | -2 | +7 | -11 |

| | Commodities | | | |
|----------------|-------------|-------|---------|--------|
| | % Change | | | |
| | Close | Day | 4 Weeks | End 20 |
| Brent Oil | 73.51 | +0.81 | +5.75 | +41.91 |
| West Texas Oil | 70.54 | +1.03 | +4.60 | +45.89 |
| Gold \$ | 1793.5 | +0.34 | +0.35 | -5.43 |

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