

Quiet start to the week

There was a relatively quiet start to the week on markets yesterday. Both the Euro Stoxx 50 and the S&P 500 finished close to flat for the day. On bond markets, US Treasury yields fell by 4-11bps along the curve. In the Eurozone, the 10-year BTP-Bund spread narrowed somewhat, to circa 220bps. Meanwhile, oil prices fell by around 3.5%, moving back below \$100 per barrel.

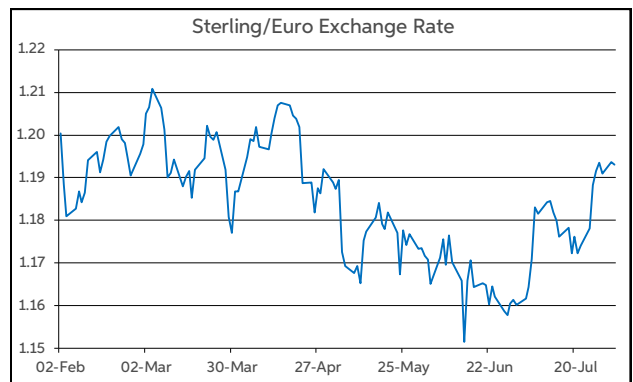
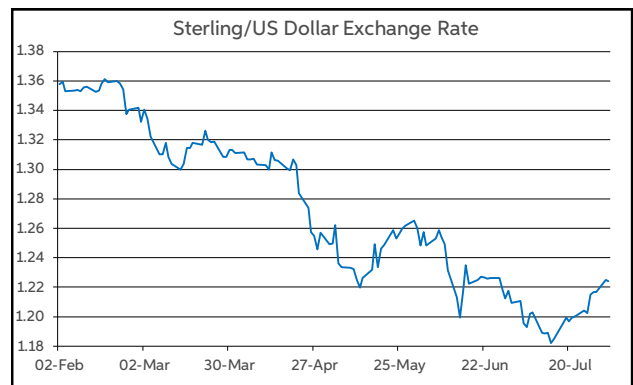
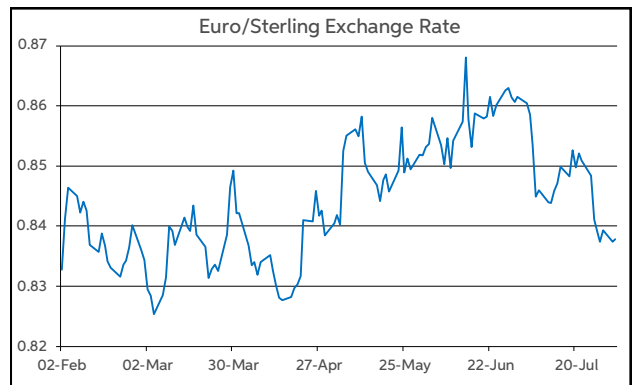
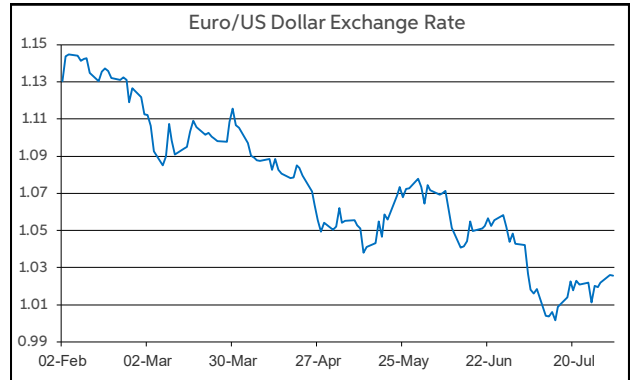
Data-wise, the US manufacturing ISM edged lower to 52.8, but printed above the consensus (52.0) in July. However, this was still its lowest level since June 2020, and the new orders sub-component remained in contraction mode. Meanwhile, the Chinese manufacturing PMI for July was revised lower to 50.4 from 51.5 previously. Elsewhere, the Eurozone unemployment rate was unchanged at 6.6% in June.

However, the data releases yesterday appeared to have had little bearing on currency markets. The main pairs operated in fairly tight ranges throughout the day. Of the limited moves to register, the dollar remained on the defensive, while sterling was holding a slightly firmer tone also.

In level terms, EUR/USD opens this morning at the midpoint of the \$1.02-1.03 range. EUR/GBP is operating in the top half of the 83-84p corridor. GBP/USD is changing hands in the lower half of \$1.22-1.23. Elsewhere, USD/JPY is trading back below ¥131, for the first time in seven weeks.

The only release of note today, US job openings data, is projected to show that vacancies remained at elevated levels, but continued to decline in June. Barring any major surprises though, the data are unlikely to impact on currency markets.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.0253	0.29	-9.81
EUR/GBP	0.8377	-0.17	-0.27
GBP/USD	1.2237	0.46	-9.55
GBP/EUR	1.1929	0.17	0.27
USD/JPY	130.9	-1.27	13.75
EUR/JPY	134.23	-0.98	2.57

* v Previous Day's European Open
See Next Page for More Rates

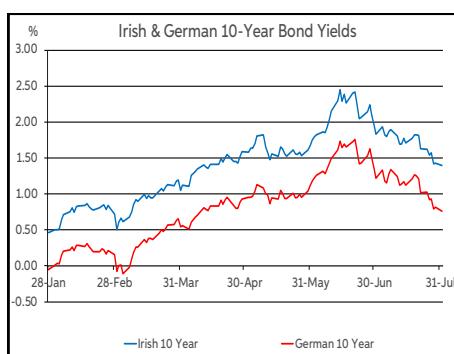
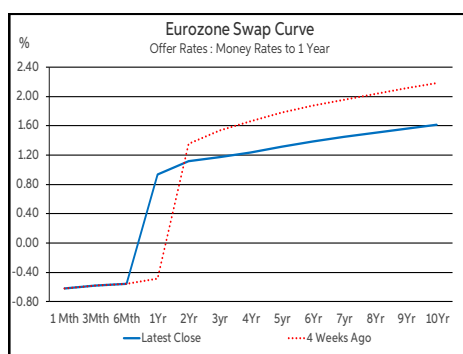
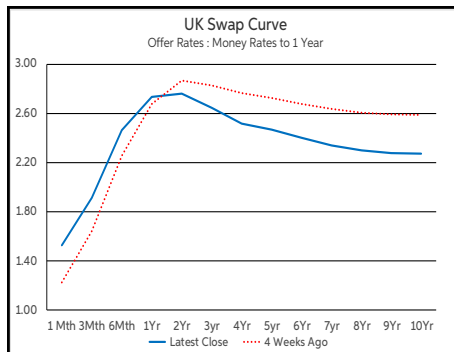
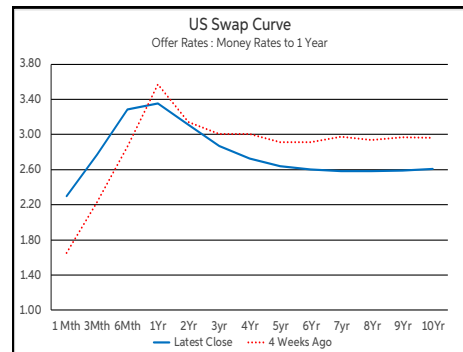
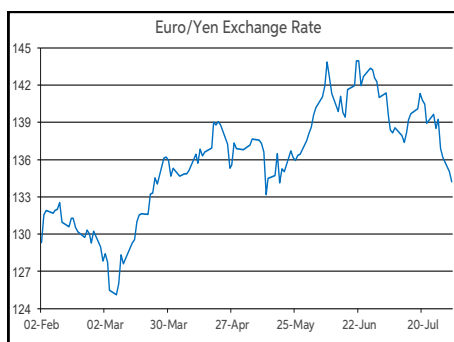
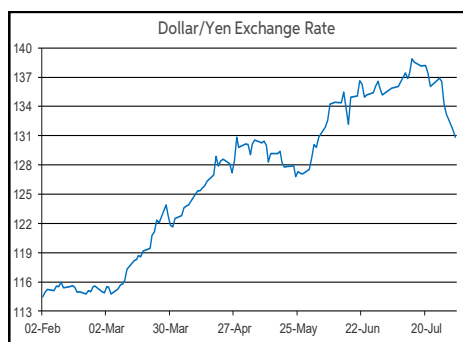
Opening Interest Rates						
	Base Rate	Money Market		Swap Rates		
		1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	2.375	2.36	2.79	3.30	3.13	2.65
EUR	0.50	-0.07	0.23	0.90	1.08	1.29
GBP	1.25	1.58	1.94	2.75	2.77	2.47

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

FX Spot	Karl Cooke Shane Gargan Ian Burke	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Euro		Sterling		Dollar	
EUR/GBP	0.8379	GBP/EUR	1.1931	USD/JPY	130.89
EUR/USD	1.0254	GBP/USD	1.2236	USD/CAD	1.2862
EUR/JPY	134.23	GBP/CAD	1.5739	USD/CHF	0.9511
EUR/SEK	10.4028	GBP/NZD	1.941	USD/CNY	6.7661
EUR/DKK	7.4448	GBP/JPY	160.17	USD/BRL	5.1852
EUR/NOK	9.9118	GBP/SEK	12.4149	USD/RUB	60.2
EUR/CHF	0.9751	GBP/DKK	8.8832	USD/INR	78.606
EUR/AUD	1.4734	GBP/NOK	11.8309		
EUR/HKD	8.0491	GBP/CHF	1.1637	AUD/USD	0.6956
EUR/CAD	1.3187	GBP/AUD	1.7584	NZD/USD	0.6302



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	2.59	-7	-30	+108
Germany	0.76	-6	-58	+94
UK	1.81	-4	-39	+84
Ireland	1.43	-2	-55	+118
Belgium	1.38	-4	-64	+120
France	1.35	-4	-59	+115
Italy	2.99	-16	-36	+180
Spain	1.86	-7	-56	+126
Portugal	1.79	-7	-63	+130
Greece	2.92	-8	-62	+160
5 Year Swap %				
US	2.64	-4	-24	+131
Eurozone	1.32	-3	-45	+131
UK	2.47	-0	-25	+119
2 Year Swap %				
US	3.11	+1	+0	+217
Eurozone	1.11	-3	-23	+141
UK	2.76	+3	-10	+157
10 Year Government Bond Spreads to Benchmark bps				
Ireland	67	+4	+3	+24
Belgium	62	+2	-6	+26
France	59	+3	-1	+21
Italy	223	-10	+22	+86
Spain	110	-0	+2	+32
Portugal	102	-1	-6	+36
Greece	216	-1	-5	+66

Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	100.03	-9.07	-11.87	+28.61
West Texas Oil	96.59	-4.66	-12.43	+28.22
Gold \$	1771.7	+0.37	-2.07	-3.10

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