

Main FX pairs confined to narrow ranges

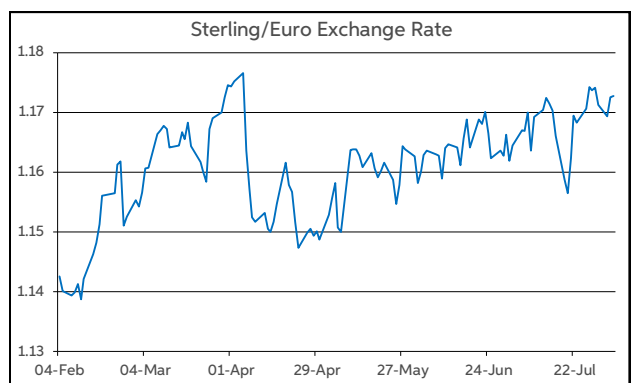
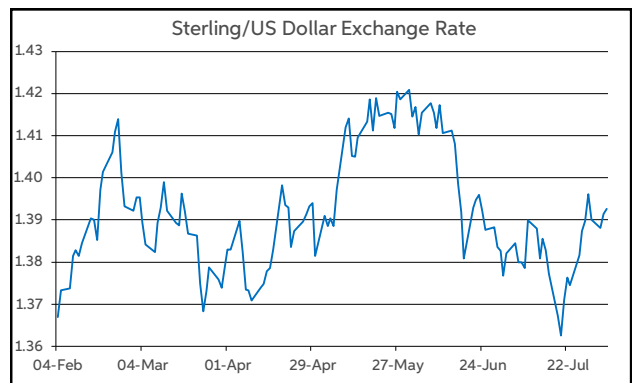
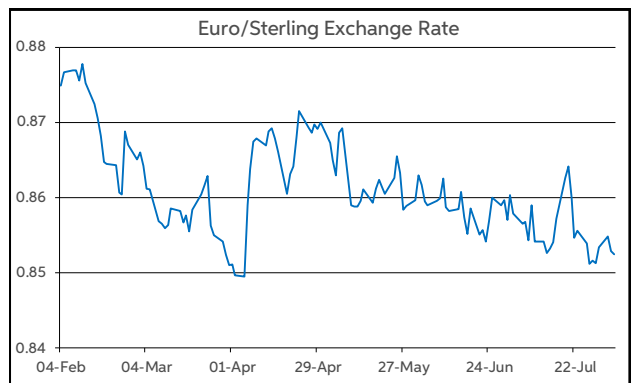
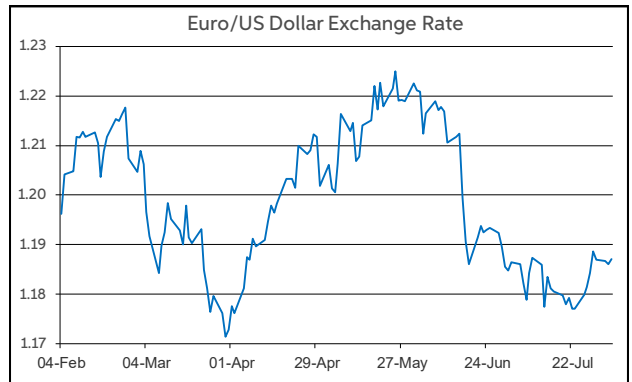
There was a quiet day yesterday across financial markets. Risk appetite was somewhat subdued, although it did improve after the close in Europe. This is reflected by the S&P 500 gaining 0.8%, while the Euro Stoxx 50 finished flat for the day. Similarly, price action on bond markets was rather lacklustre. Currency-wise, the main pairs continued to trade in very narrow ranges also.

A sparse macro calendar yesterday likely contributed somewhat to the limited moves on the exchanges. Indeed, the only releases of note were Eurozone producer prices and US factory orders, both for June. EZ producer prices printed in-line with expectations, rising by 1.4% in the month, lifting the year-on-year rate to 10.3%. Meanwhile, US factory orders rose by 1.5%, above the 1.0% consensus. However, neither release had a discernable impact on the euro or the dollar.

In level terms, the muted market moves are evidenced by EUR/USD opening this morning in the top half of \$1.18-1.19, little changed from 24 hours ago. Meanwhile, EUR/GBP remains confined to its tight 85-86p trading range. Elsewhere, Cable (GBP/USD) has moved just above the \$1.39 threshold.

Turning to the day ahead, Eurozone retail sales (June) are forecast to rise by 1.7% as consumers across the bloc continued to spend amidst further easing of restrictions. Meantime, the non-manufacturing ISM (July) is due in the US. The consensus is for the index to remain unchanged, at an elevated level of 60. However, given the lagged nature of the EZ data, and the forecast for the US data to be unchanged, barring any major surprises the main FX pairs will likely remain range bound.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1872	-0.06	-2.79
EUR/GBP	0.8526	-0.26	-4.60
GBP/USD	1.3924	0.21	1.84
GBP/EUR	1.1726	0.26	4.82
USD/JPY	109.11	-0.06	5.69
EUR/JPY	129.55	-0.11	2.69

* 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	0.09	0.12	0.13	0.26	0.75
EUR	0.00	-0.56	-0.54	-0.53	-0.49	-0.37
GBP	0.10	0.06	0.07	0.24	0.43	0.64

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

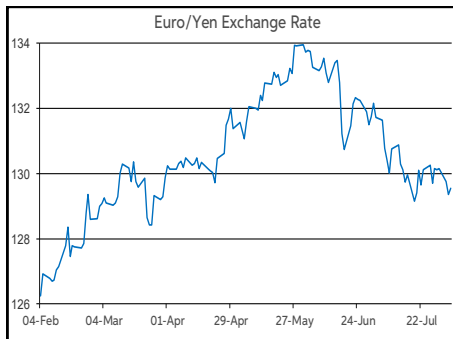
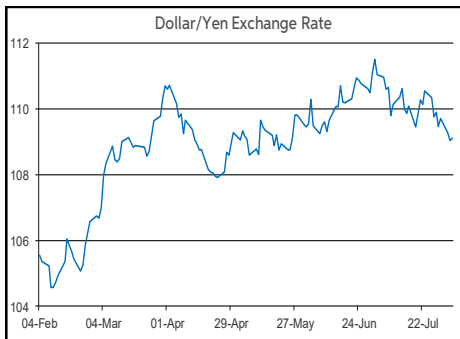
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

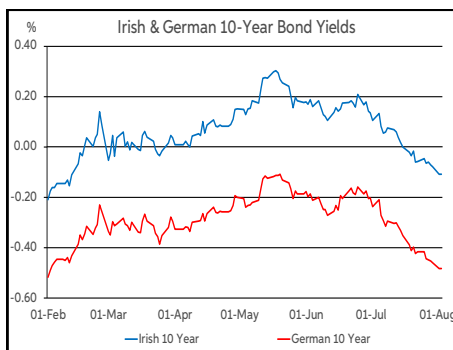
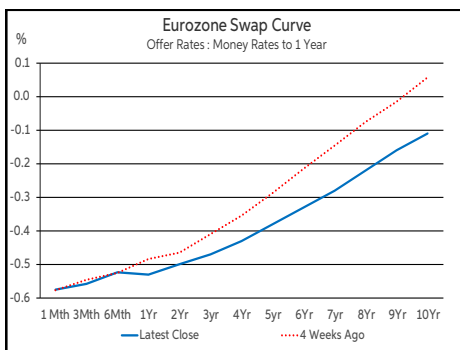
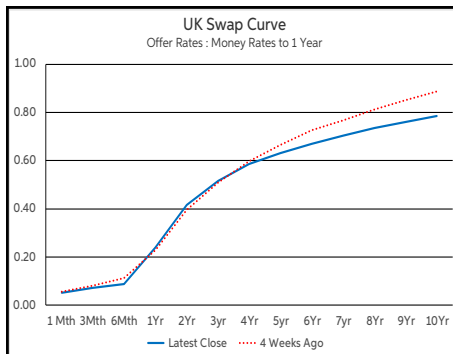
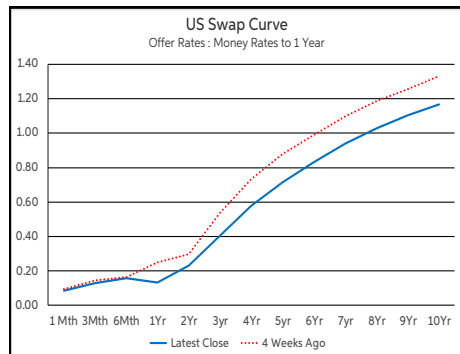
Wednesday 04 August 2021
07:16 am



Euro		Sterling		Dollar	
EUR/GBP	0.8526	GBP/EUR	1.1726	USD/JPY	109.11
EUR/USD	1.1872	GBP/USD	1.3924	USD/CAD	1.2531
EUR/JPY	129.55	GBP/CAD	1.7441	USD/CHF	0.9035
EUR/SEK	10.1982	GBP/NZD	1.9737	USD/CNY	6.4592
EUR/DKK	7.4372	GBP/JPY	151.92	USD/BRL	5.197
EUR/NOK	10.452	GBP/SEK	11.9615	USD/RUB	72.8777
EUR/CHF	1.0727	GBP/DKK	8.7218	USD/INR	74.135
EUR/AUD	1.6042	GBP/NOK	12.2554		
EUR/HKD	9.2286	GBP/CHF	1.2581	AUD/USD	0.7398
EUR/CAD	1.4876	GBP/AUD	1.8815	NZD/USD	0.7052



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.17	-1	-18	+26
Germany	-0.48	+0	-21	+9
UK	0.52	+0	-11	+33
5 Year Swap %				
US	0.72	-1	-12	+29
Eurozone	-0.38	+0	-8	+8
UK	0.63	-0	-3	+44
2 Year Swap %				
US	0.23	-0	-6	+4
Eurozone	-0.50	+0	-3	+3
UK	0.42	+0	+3	+39
10 Year Government Bond Spreads to Benchmark bps				
Ireland	41	-0	+2	+14
Belgium	34	+0	+3	+15
France	35	-0	+1	+11
Italy	105	-1	+3	-5
Spain	72	+0	+10	+9
Portugal	62	-0	+3	-1
Greece	104	-2	+0	-16



Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	72.41	-0.66	-2.84	+39.79
West Texas Oil	70.64	-0.94	-4.05	+46.10
Gold \$	1809.9	-0.19	+0.74	-4.56

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