

## Currency markets remain range bound

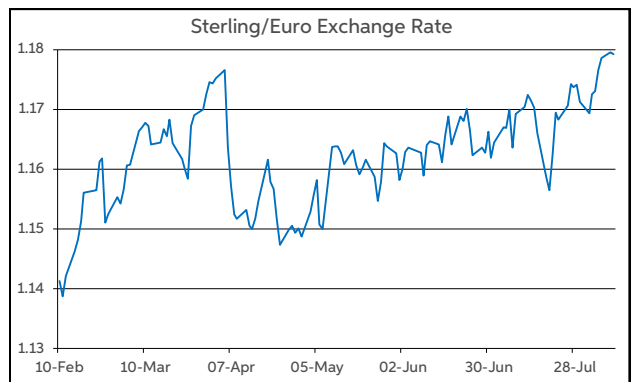
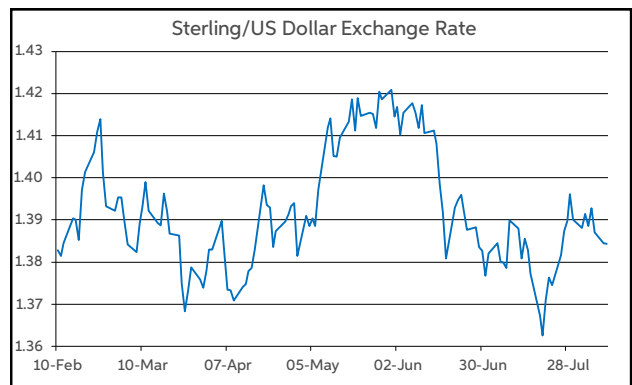
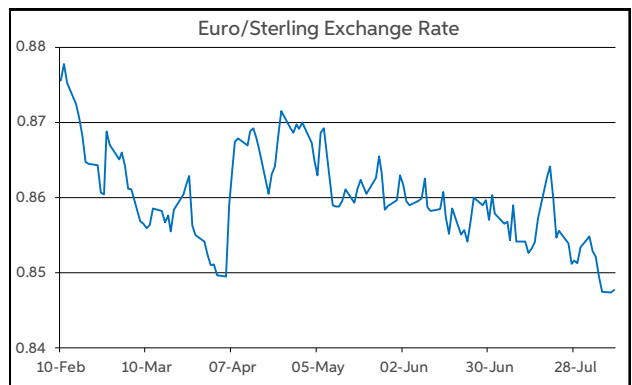
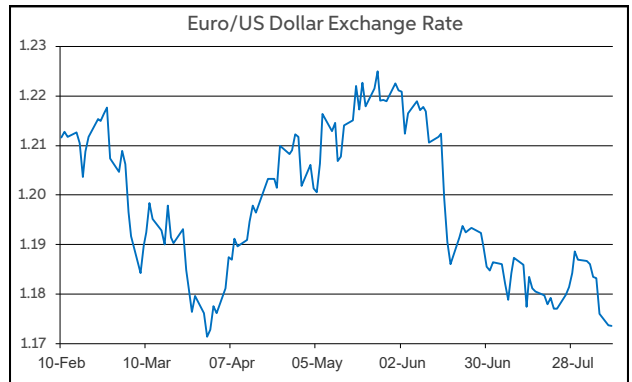
Financial markets remained in a summer lull yesterday, with very limited moves across the different asset classes. Equity markets on both sides of the Atlantic finished flat for the day. Meantime, benchmark sovereign bond yields moved by just 1-3bps in either direction. Currency-wise, the main FX pairs were tightly range bound, and open this morning little changed from 24 hours ago. Elsewhere, oil prices stabilised overnight, at \$69bbl.

A light data schedule likely contributed to the quiet start to the week. Of the limited releases, German exports increased for the 14th consecutive month, rising by 1.3% in June, suggesting exporters remain somewhat unaffected by supply shortages. Meanwhile, the EU Sentix index dropped from its all-time high (29.8), and below the consensus (29.0), printing at 22.2 in August. In the US, job openings surged to their highest level on record, above 10 million in June.

However, as referenced above, the data did not impact proceedings on the currency front. This is evidenced by EUR/GBP opening today once again in the top half of the 84-85p range. EUR/USD is operating just below the midpoint of \$1.17-1.18. Cable (GBP/USD) continues to change hands in the \$1.38-1.39 corridor.

Turning to the day ahead, there is a relatively light data calendar. In the Eurozone, the German ZEW is forecast to fall to 56.7 in August from 63.3 in July, as concerns regarding the Delta variant weigh somewhat on confidence. Meanwhile in the US, the July reading of the NFIB Index of small business optimism is due. However, barring any major surprises, neither release is likely to affect the euro or the dollar.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1735	-0.22	-3.91
EUR/GBP	0.8477	-0.02	-5.15
GBP/USD	1.3843	-0.19	1.24
GBP/EUR	1.1793	0.02	5.43
USD/JPY	110.39	0.16	6.93
EUR/JPY	129.56	-0.05	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	0.10	0.13	0.14	0.33	0.90
EUR	0.00	-0.56	-0.54	-0.54	-0.48	-0.35
GBP	0.10	0.05	0.07	0.28	0.49	0.70

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

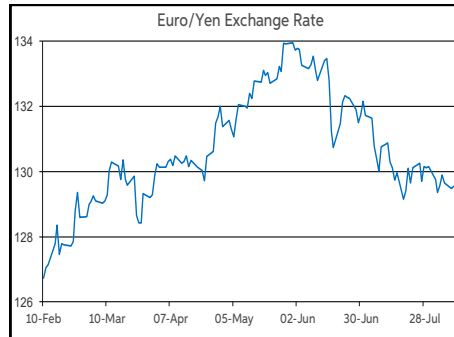
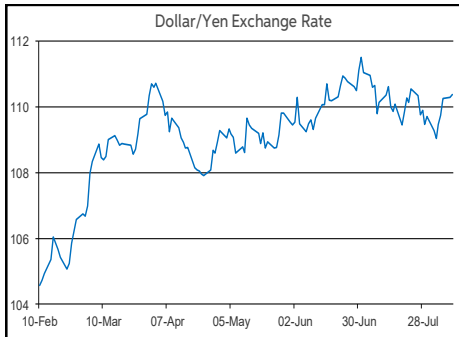
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

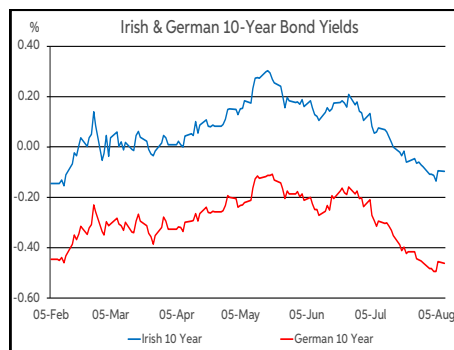
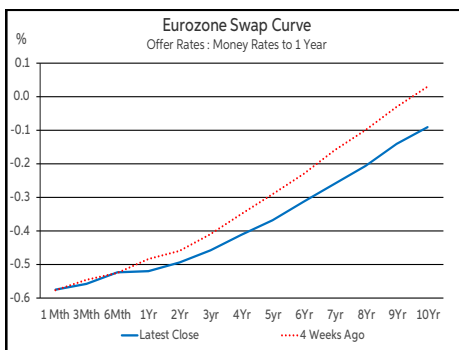
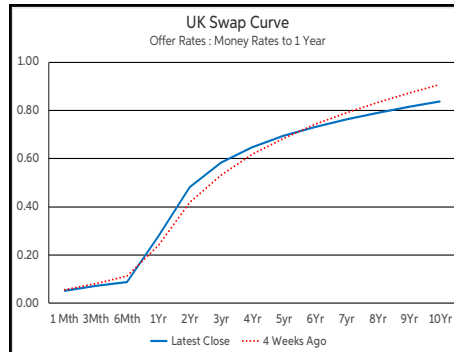
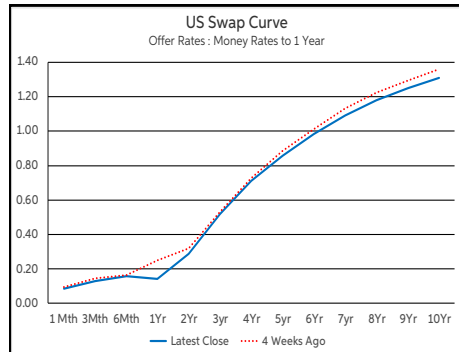
Tuesday 10 August 2021  
07:14 am



Euro		Sterling		Dollar	
EUR/GBP	0.8477	GBP/EUR	1.1793	USD/JPY	110.39
EUR/USD	1.1735	GBP/USD	1.3843	USD/CAD	1.2566
EUR/JPY	129.56	GBP/CAD	1.7395	USD/CHF	0.9203
EUR/SEK	10.2201	GBP/NZD	1.9844	USD/CNY	6.4769
EUR/DKK	7.4368	GBP/JPY	152.81	USD/BRL	5.2332
EUR/NOK	10.493	GBP/SEK	12.0537	USD/RUB	73.585
EUR/CHF	1.0802	GBP/DKK	8.7722	USD/INR	74.375
EUR/AUD	1.6012	GBP/NOK	12.3736	AUD/USD	0.7327
EUR/HKD	9.1327	GBP/CHF	1.2742	NZD/USD	0.6975
EUR/CAD	1.4746	GBP/AUD	1.8892		



Debt Markets				
	Close	Day	4 Weeks	End 20
<b>10 Year Yield %</b>				
US	1.33	+2	-4	+41
Germany	-0.46	-0	-16	+12
UK	0.58	-3	-7	+39
<b>5 Year Swap %</b>				
US	0.86	+2	+0	+44
Eurozone	-0.37	-1	-7	+9
UK	0.69	-1	+1	+50
<b>2 Year Swap %</b>				
US	0.29	-0	-0	+9
Eurozone	-0.50	+0	-3	+3
UK	0.48	-0	+7	+46
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	40	+0	-1	+13
Belgium	32	-1	-0	+13
France	34	-0	-2	+10
Italy	102	-1	-2	-8
Spain	70	-0	+5	+7
Portugal	58	-0	-3	-5
Greece	100	-1	-4	-21



Commodities				
	Close	Day	4 Weeks	End 20
Brent Oil	69.04	-2.35	-8.14	+33.28
West Texas Oil	66.56	-2.49	-10.31	+37.66
Gold \$	1729.5	-1.89	-4.23	-8.81

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