

## EUR/GBP at 85p

There was a somewhat positive tone to risk appetite yesterday. In Europe, the Euro Stoxx 50 was up 0.5%, while at the close on Wall Street, the S&P 500 had gained 0.3% on the day. Meanwhile, sterling was holding a softer tone on the currency exchanges, losing 0.5% against the euro and the dollar.

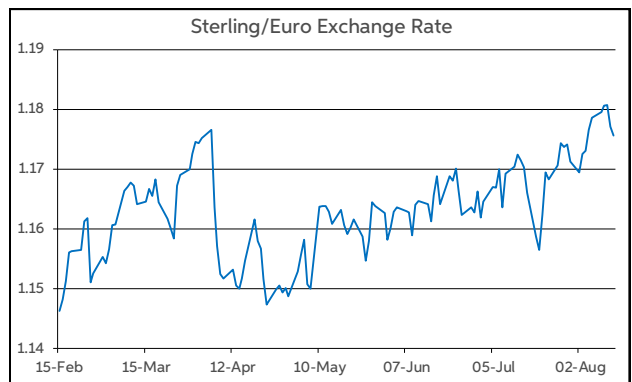
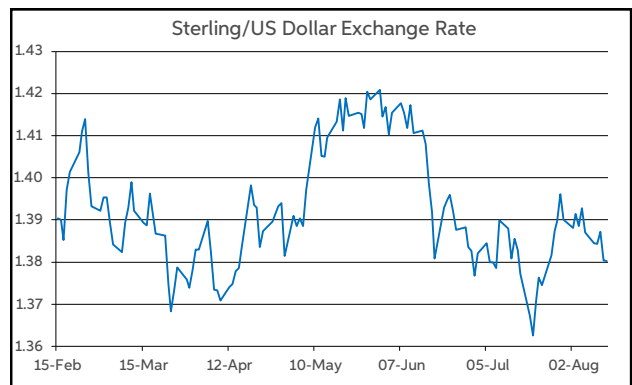
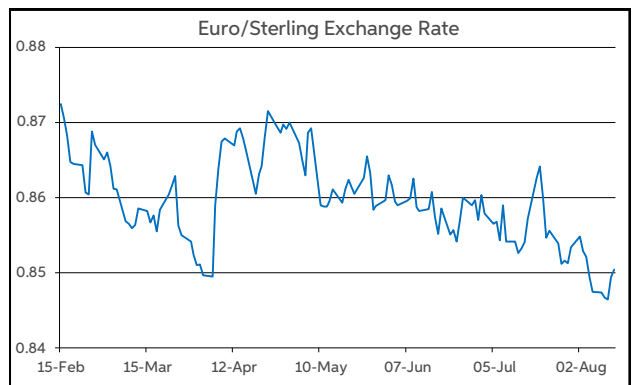
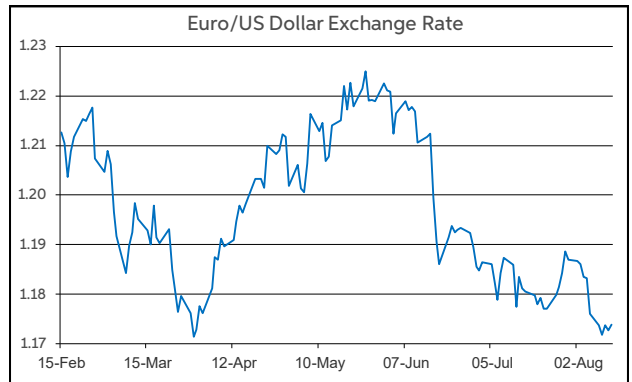
Of the limited releases of note yesterday, US PPI rose by 1.0% in July, well above the 0.6% consensus. The year-on-year rate rose to 7.8% from 7.3%, as price pressures continue to build along supply chains. The news provided some modest upside to the dollar. Elsewhere in the US, initial jobless claims printed at 375k, bang inline with the forecast.

In the Eurozone, industrial production fell by 0.3% in June, as increased demand for inputs and a lack of supply continue to weigh on output. However, there were discrepancies between the large Euro-area economies, with Germany (-1.0% m/m), underperforming compared to France (+0.4% m/m) and Italy (+1.0% m/m). The lagged nature of the release meant it did not have a discernable impact on the euro.

In level terms, the softer tone to sterling is reflected by EUR/GBP opening this morning at the 85p mark. Elsewhere, GBP/USD is changing hands down at the \$1.38 handle. Meanwhile, EUR/USD starts today below the midpoint of \$1.17-1.18, little changed from 24 hours ago.

Today, there is a relatively quiet data schedule to round off the week. The first reading of US consumer confidence (University of Michigan measure) is the only release of note. Thus range trading may well be the order of the day on the currency front.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1736	-0.02	-3.91
EUR/GBP	0.8503	0.47	-4.86
GBP/USD	1.3801	-0.48	0.94
GBP/EUR	1.1759	-0.47	5.10
USD/JPY	110.36	-0.04	6.90
EUR/JPY	129.51	-0.08	2.66

\* 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	0.12	0.14	0.33	0.91
EUR	0.00	-0.57	-0.55	-0.52	-0.49	-0.37
GBP	0.10	0.05	0.07	0.29	0.50	0.72

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

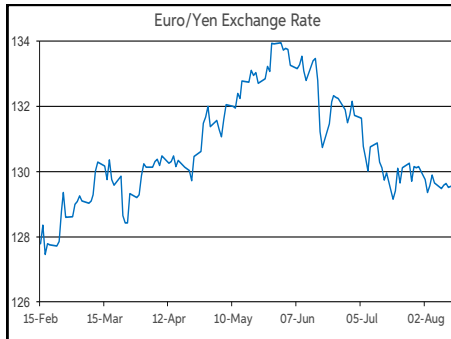
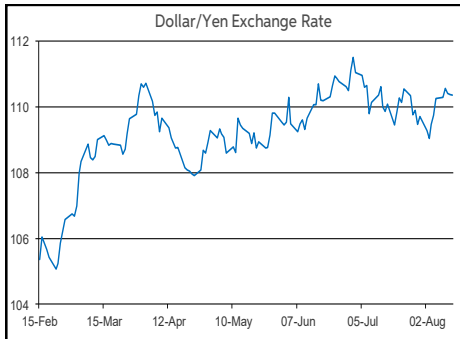
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

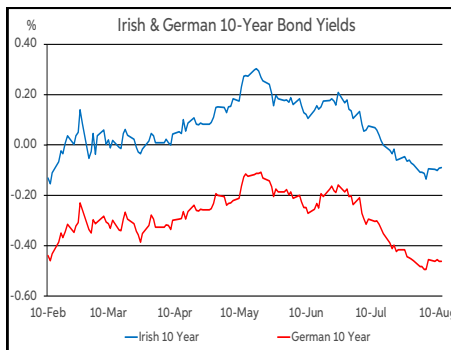
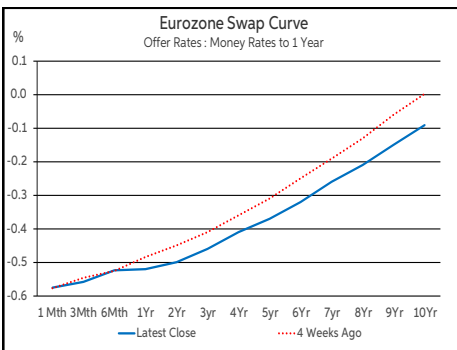
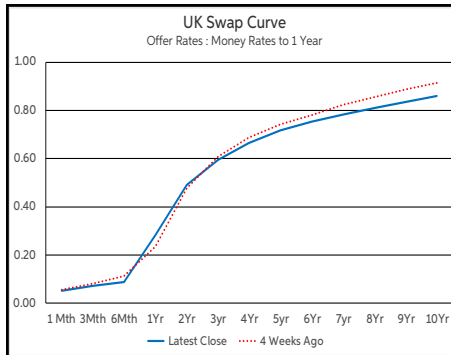
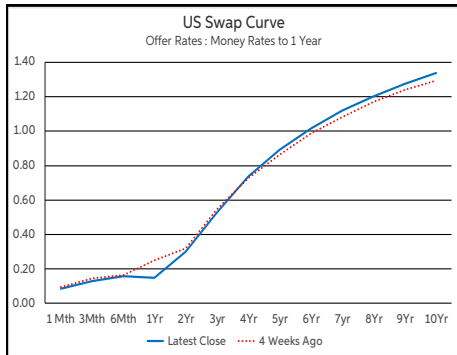
Friday 13 August 2021  
07:34 am



Euro		Sterling		Dollar	
EUR/GBP	0.8503	GBP/EUR	1.1759	USD/JPY	110.36
EUR/USD	1.1735	GBP/USD	1.3801	USD/CAD	1.2517
EUR/JPY	129.51	GBP/CAD	1.728	USD/CHF	0.9233
EUR/SEK	10.1984	GBP/NZD	1.9711	USD/CNY	6.4774
EUR/DKK	7.4371	GBP/JPY	152.31	USD/BRL	5.2536
EUR/NOK	10.3893	GBP/SEK	11.9883	USD/RUB	73.61
EUR/CHF	1.0838	GBP/DKK	8.7451	USD/INR	74.275
EUR/AUD	1.5985	GBP/NOK	12.2133	AUD/USD	0.7339
EUR/HKD	9.1327	GBP/CHF	1.2746	NZD/USD	0.7002
EUR/CAD	1.4695	GBP/AUD	1.8799		



Debt Markets				
	Close	Day	4 Weeks	End 20
<b>10 Year Yield %</b>				
US	1.36	+3	+6	+44
Germany	-0.46	-0	-13	+11
UK	0.61	+3	-6	+41
Ireland	-0.06	+0	-11	+25
Belgium	-0.14	-0	-11	+24
France	-0.13	-1	-13	+21
Italy	0.55	-3	-18	+2
Spain	0.23	-2	-9	+17
Portugal	0.11	-3	-18	+4
Greece	0.55	-1	-14	-8
<b>5 Year Swap %</b>				
US	0.89	+2	+7	+47
Eurozone	-0.37	+1	-5	+9
UK	0.72	+2	-2	+53
<b>2 Year Swap %</b>				
US	0.30	+1	+1	+11
Eurozone	-0.50	+0	-4	+3
UK	0.49	+1	+2	+46
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	41	+0	+2	+14
Belgium	32	+0	+2	+13
France	33	-1	+0	+10
Italy	101	-2	-5	-9
Spain	69	-2	+4	+6
Portugal	57	-2	-5	-7
Greece	101	-0	-1	-20



Commodities				
	Close	Day	4 Weeks	End 20
Brent Oil	71.31	-0.18	-2.94	+37.66
West Texas Oil	69.12	-0.26	-3.56	+42.96
Gold \$	1752.4	+0.05	-4.20	-7.60

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