

Main FX pairs remain fairly range bound

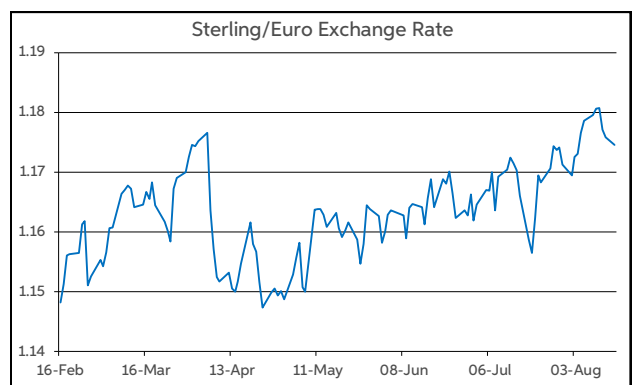
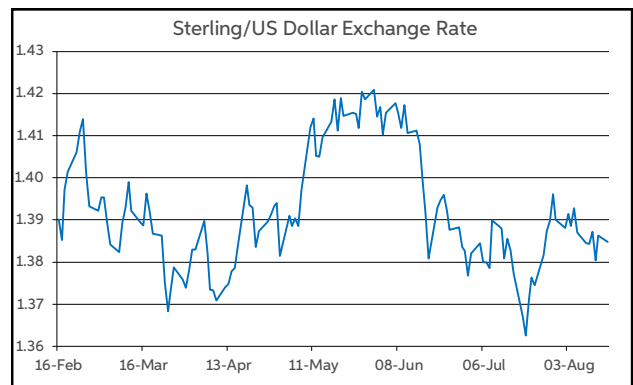
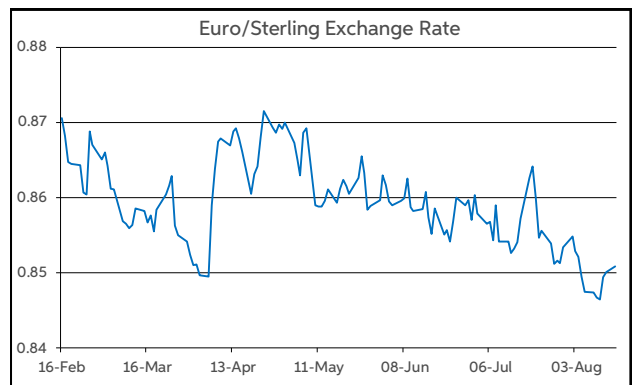
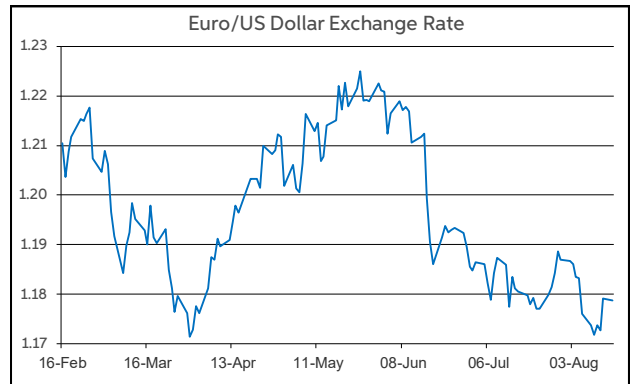
Trading conditions last week saw Equity markets managing to grind higher. The S&P 500 posted a 0.7% weekly gain. On bond market, there was some volatility in US Treasury yields. They initially moved higher amid CPI data showing US inflation remaining at multi-year highs. The 10 year yield rose at one stage to a high near 1.38%. However, it finished the week back below the 1.30% mark after a weak US consumer sentiment number for August.

On the currency front, the main pairs continued to operate within relatively narrow ranges. The euro started the week on the defensive against both the dollar and sterling. This was against the backdrop of the market assessing the prospect of rate hikes occurring in the US and UK well ahead of the Eurozone.

In terms of specifics, the moves in EUR/USD were within the \$1.17-1.18 band. The pair was trading down near to \$1.17 for the first half of the week, before regaining some ground in the upper half of the range towards the end of the week. Similarly, EUR/GBP moved lower initially. The pair fell to 84.5p, its lowest level since Q1'20, before regaining the 85p level heading into the weekend. Elsewhere, GBP/USD spend most of the week changing hands within \$1.38-1.39 territory.

Looking ahead to this week, from a dollar viewpoint, the Fed meeting minutes will be closely scrutinized in the context of the market contemplating an early announcement on the timing of QE tapering. Data-wise, retail sales figures for July are one of the main highlights from the US schedule. For sterling, retail sales data for July also feature, as well as inflation numbers. In contrast, the Eurozone macro diary is very sparse.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1787	0.43	-3.49
EUR/GBP	0.8511	0.16	-4.77
GBP/USD	1.385	0.28	1.29
GBP/EUR	1.1746	-0.16	5.01
USD/JPY	109.4	-0.91	5.97
EUR/JPY	128.97	-0.48	2.23

* 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	0.30	0.85
EUR	0.00	-0.56	-0.55	-0.54	-0.48	-0.38
GBP	0.10	0.05	0.07	0.28	0.50	0.70

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

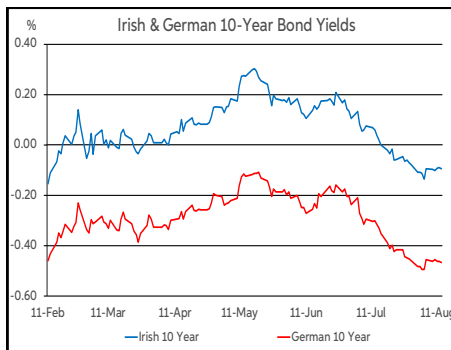
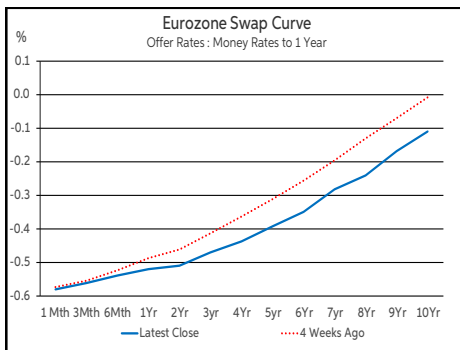
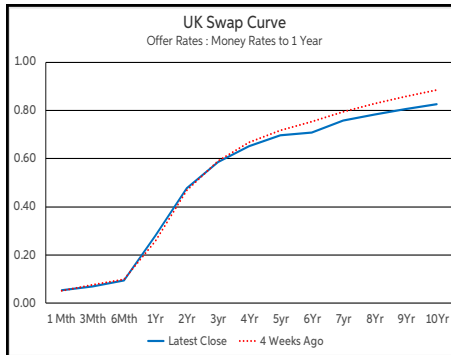
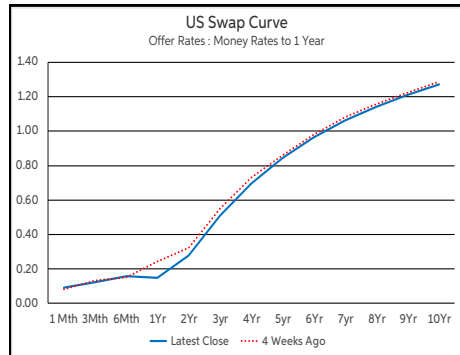
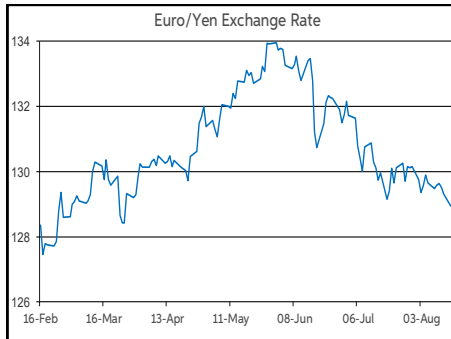
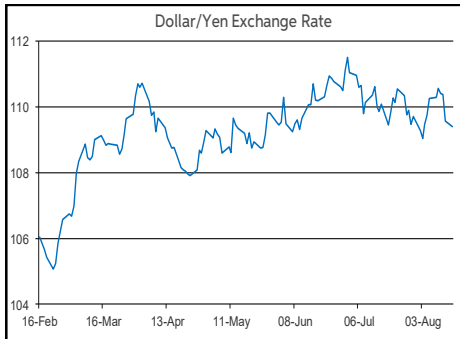
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Opening Levels

Monday 16 August 2021
07:20 am



Euro		Sterling		Dollar	
EUR/GBP	0.8511	GBP/EUR	1.1746	USD/JPY	109.4
EUR/USD	1.1787	GBP/USD	1.385	USD/CAD	1.2539
EUR/JPY	128.97	GBP/CAD	1.7367	USD/CHF	0.9158
EUR/SEK	10.1934	GBP/NZD	1.9702	USD/CNY	6.477
EUR/DKK	7.4363	GBP/JPY	151.52	USD/BRL	5.2429
EUR/NOK	10.3997	GBP/SEK	11.9725	USD/RUB	73.391
EUR/CHF	1.0796	GBP/DKK	8.7367	USD/INR	74.193
EUR/AUD	1.6065	GBP/NOK	12.2122	AUD/USD	0.7335
EUR/HKD	9.1731	GBP/CHF	1.2682	NZD/USD	0.7026
EUR/CAD	1.4779	GBP/AUD	1.8875		



Debt Markets				
	Close	Day	Change bps	
			4 Weeks	End 20
10 Year Yield %				
US	1.28	-8	-2	+37
Germany	-0.46	-0	-11	+11
UK	0.58	-3	-5	+38
5 Year Swap %				
US	0.84	-4	+2	+42
Eurozone	-0.39	-2	-7	+7
UK	0.70	-2	-2	+51
2 Year Swap %				
US	0.28	-2	-0	+9
Eurozone	-0.51	-1	-4	+2
UK	0.48	-1	+2	+45
10 Year Government Bond Spreads to Benchmark bps				
Ireland	40	-0	+2	+13
Belgium	32	+0	+2	+13
France	34	+0	-0	+10
Italy	102	+1	-5	-8
Spain	69	+0	-3	+6
Portugal	58	+1	-4	-6
Greece	101	+0	-2	-19

Commodities				
	Close	Day	% Change	
			4 Weeks	End 20
Brent Oil	70.59	-1.01	-4.08	+36.27
West Texas Oil	68.36	-1.10	-4.74	+41.39
Gold \$	1779.2	+1.52	-1.75	-6.19

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