

Busy US macro calendar today

There was a cautious tone to investor sentiment to start the week. Concerns that the Delta variant is weighing on economic activity, particularly in the US and China, knocked confidence yesterday.

On equity markets, the Euro Stoxx 50 fell by 0.6%. However, across the Atlantic, despite spending much of the day in the red, the S&P 500 rallied late in the session to record a 0.3% gain. Currency-wise, the main FX pairs were confined to narrow ranges.

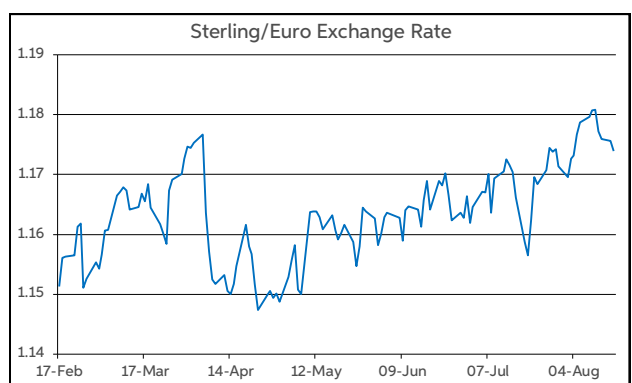
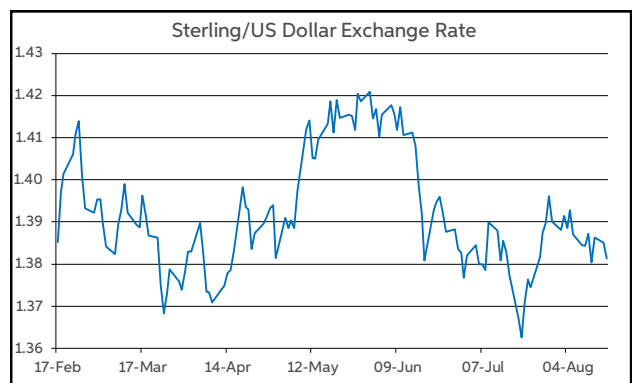
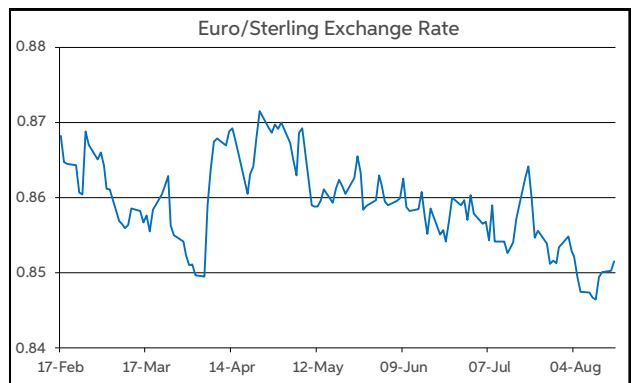
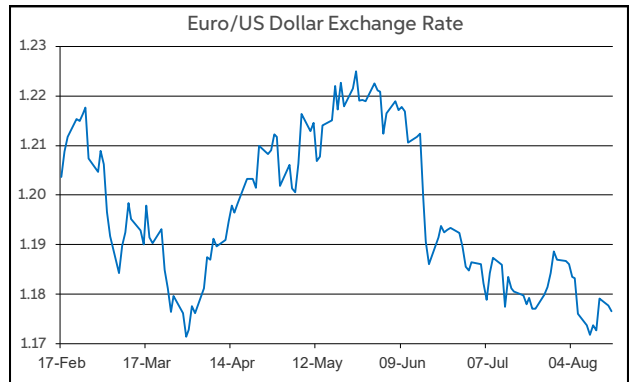
Meanwhile, already this morning a raft of UK labour market data has been released. The unemployment rate inched lower to 4.7% in June from 4.8%. In terms of July data, payrolls rose by greater than 100k for the fourth consecutive month. However, the data has not impacted sterling so far in early trading.

In level terms, EUR/GBP opens this morning just above the 85p mark. Meantime, EUR/USD continues to change hands in the top half of \$1.17-1.18. Cable (GBP/USD) remains confined to \$1.38-1.39, although, it has edged down into the lower end of this range.

Turning to the day ahead, there is a busy US macro calendar. Retail sales (July) are projected to fall by 0.2%, albeit from elevated levels. Meanwhile, US industrial production is forecast to rise by 0.5% in the month, despite ongoing reports of supply chain bottlenecks. Homebuilder sentiment (August) is due as well, and is expected to be unchanged.

On the monetary policy front, Fed Chair Powell is set to give a speech at a virtual event which provides some event risk for the dollar. Elsewhere, the Eurozone calendar will feature the second reading of Q2 GDP, but this is unlikely to affect the euro.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1766	-0.23	-3.66
EUR/GBP	0.8517	0.08	-4.70
GBP/USD	1.3811	-0.31	1.01
GBP/EUR	1.1739	-0.08	4.93
USD/JPY	109.33	-0.08	5.90
EUR/JPY	128.65	-0.31	1.97

* 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	0.14	0.31	0.84
EUR	0.00	-0.56	-0.55	-0.52	-0.49	-0.38
GBP	0.10	0.05	0.07	0.29	0.49	0.70

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

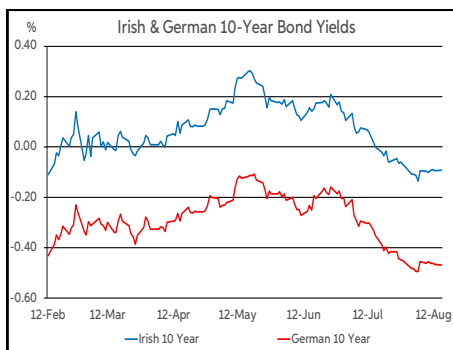
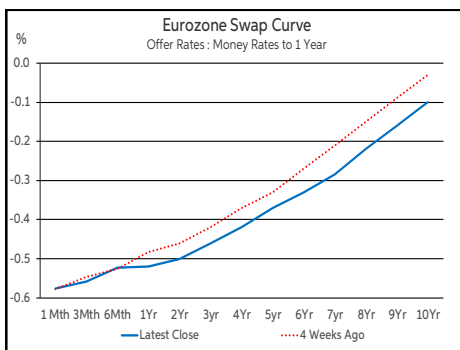
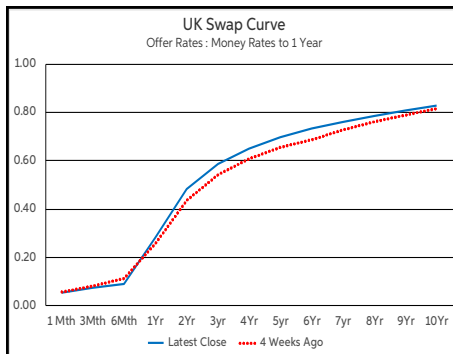
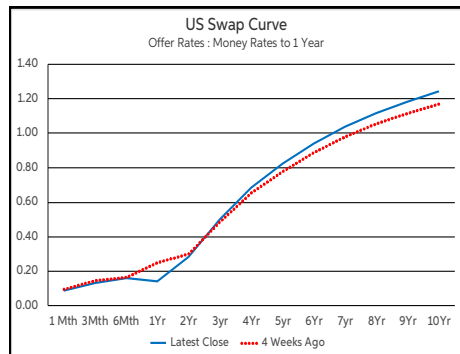
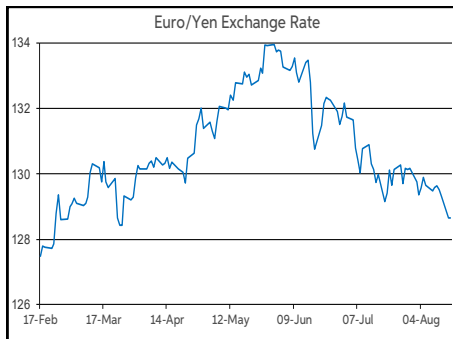
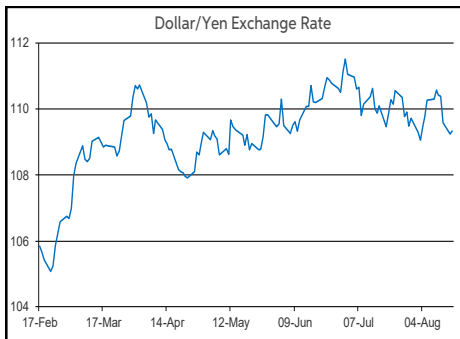
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

Tuesday 17 August 2021
07:24 am



Euro		Sterling		Dollar	
EUR/GBP	0.8517	GBP/EUR	1.1739	USD/JPY	109.33
EUR/USD	1.1766	GBP/USD	1.3811	USD/CAD	1.2599
EUR/JPY	128.65	GBP/CAD	1.7399	USD/CHF	0.9127
EUR/SEK	10.203	GBP/NZD	1.9896	USD/CNY	6.4809
EUR/DKK	7.4363	GBP/JPY	151.02	USD/BRL	5.2595
EUR/NOK	10.419	GBP/SEK	11.9769	USD/RUB	73.395
EUR/CHF	1.0738	GBP/DKK	8.7295	USD/INR	74.28
EUR/AUD	1.6112	GBP/NOK	12.2266	AUD/USD	0.73
EUR/HKD	9.1612	GBP/CHF	1.2604	NZD/USD	0.6939
EUR/CAD	1.4821	GBP/AUD	1.892		



Debt Markets				
	Close	Day	Change bps	
			4 Weeks	End 20
10 Year Yield %				
US	1.27	-2	+7	+35
Germany	-0.47	-0	-8	+11
UK	0.58	+0	+2	+38
Ireland	-0.06	+0	-7	+25
Belgium	-0.13	+1	-7	+25
France	-0.12	+1	-8	+22
Italy	0.57	+2	-14	+5
Spain	0.23	+1	-12	+18
Portugal	0.12	+0	-13	+6
Greece	0.56	+1	-12	-7
5 Year Swap %				
US	0.82	-1	+9	+40
Eurozone	-0.37	+1	-3	+9
UK	0.70	-0	+4	+51
2 Year Swap %				
US	0.28	-0	+1	+9
Eurozone	-0.50	+0	-3	+3
UK	0.48	+0	+5	+46
10 Year Government Bond Spreads to Benchmark bps				
Ireland	41	+1	+1	+14
Belgium	33	+1	+1	+14
France	34	+1	-1	+11
Italy	103	+2	-6	-6
Spain	70	+1	-4	+7
Portugal	58	+1	-5	-5
Greece	102	+1	-4	-18

Commodities				
	Close	Day	% Change	
			4 Weeks	End 20
Brent Oil	69.51	-1.53	+1.30	+34.19
West Texas Oil	67.44	-1.35	+1.49	+39.48
Gold \$	1787.2	+0.45	-1.39	-5.76

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