

EUR/USD below \$1.17

The action across financial markets was somewhat subdued throughout the European session yesterday. However, this was not surprising, as the main macro release (the July Fed meeting minutes) were not due until after the market close in Europe.

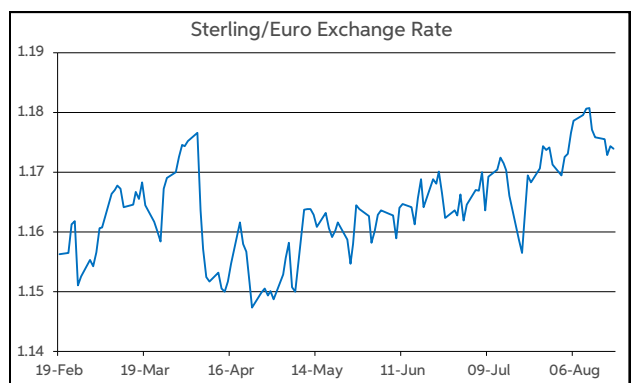
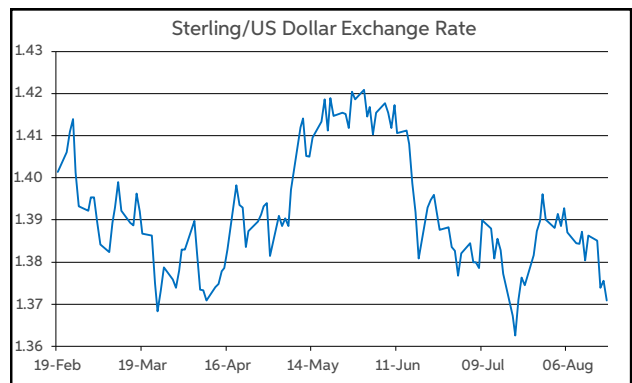
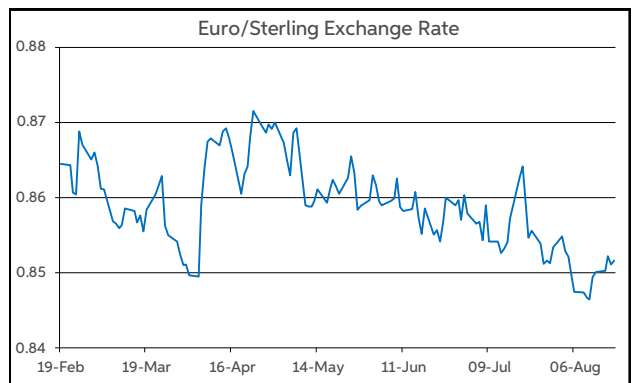
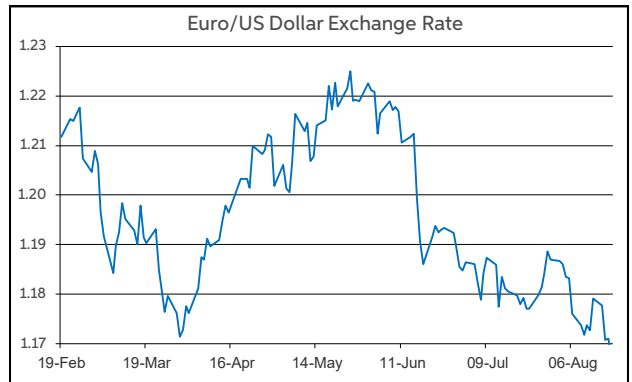
Currency-wise, the main pairs remained confined to their recent ranges before the Fed minutes were released. Of the limited action to note, the euro was under some modest downward pressure. Meanwhile, on equity markets, the Euro Stoxx 50 finished flat for the day.

Overnight, following the release of the aforementioned Fed meeting minutes, the dollar was holding a firmer tone. It was noted in the minutes that most FOMC members, "judged that it could be appropriate to start reducing the pace of asset purchases this year." However, the minutes also revealed a wide divergence amongst the committee regarding the pace of tapering. Risk appetite waned following the release, with the S&P 500 closing down 1.1% on the day.

The firmer tone to the dollar is reflected by EUR/USD opening this morning below the \$1.17 handle. This is the first time since November of last year that the pair has traded below this level. Meantime, GBP/USD is changing hands down at the \$1.37 mark. EUR/GBP remains just above 85p.

Turning to the day ahead, there is a relatively sparse data schedule today. The only releases of note are the Philly Fed manufacturing index (August) and the latest weekly initial jobless claims data. However, barring any major surprises the data are unlikely to impact the dollar.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1673	-0.37	-4.42
EUR/GBP	0.8516	-0.11	-4.71
GBP/USD	1.3706	-0.26	0.24
GBP/EUR	1.1739	0.11	4.94
USD/JPY	110.02	0.37	6.57
EUR/JPY	128.44	0.01	1.81

* 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	0.13	0.14	0.33	0.86
EUR	0.00	-0.57	-0.55	-0.52	-0.49	-0.37
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

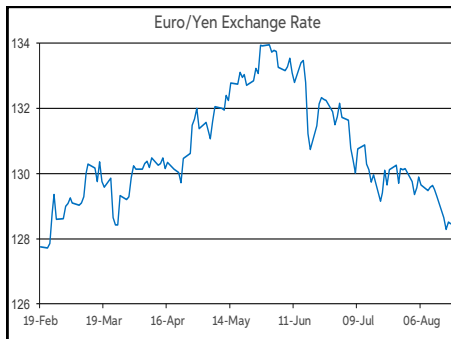
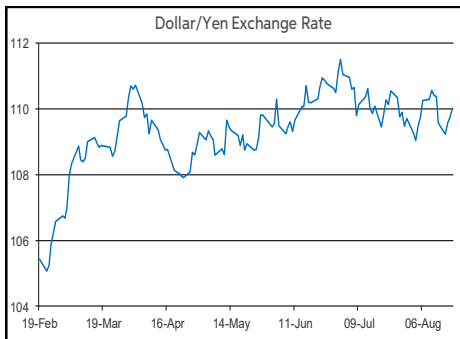
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

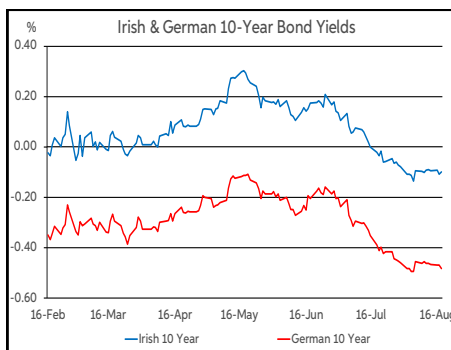
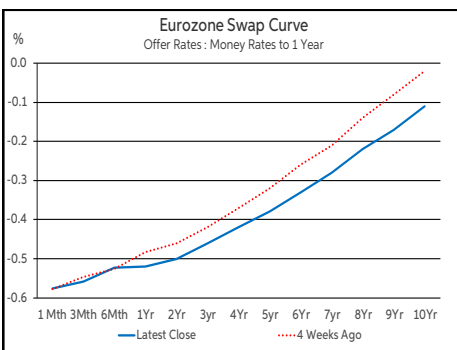
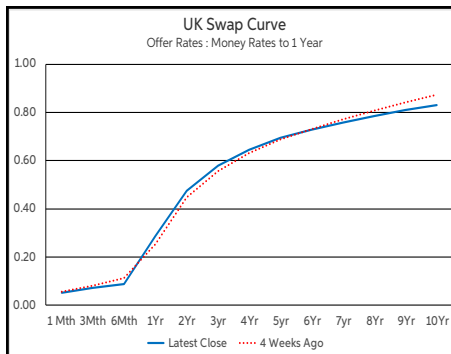
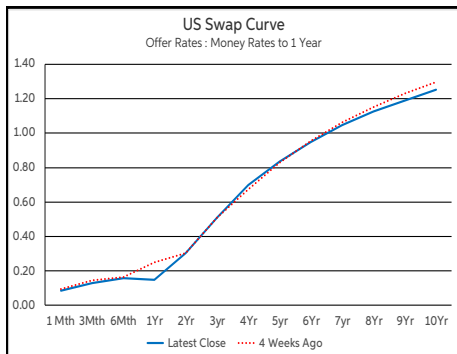
Thursday 19 August 2021
07:18 am



Euro		Sterling		Dollar	
EUR/GBP	0.8517	GBP/EUR	1.1738	USD/JPY	110.02
EUR/USD	1.1673	GBP/USD	1.3706	USD/CAD	1.2717
EUR/JPY	128.44	GBP/CAD	1.7433	USD/CHF	0.9186
EUR/SEK	10.2341	GBP/NZD	2.0032	USD/CNY	6.497
EUR/DKK	7.4368	GBP/JPY	150.79	USD/BRL	5.3794
EUR/NOK	10.4504	GBP/SEK	12.0108	USD/RUB	73.995
EUR/CHF	1.0728	GBP/DKK	8.7302	USD/INR	74.33
EUR/AUD	1.6242	GBP/NOK	12.2637	AUD/USD	0.7187
EUR/HKD	9.0968	GBP/CHF	1.2592	NZD/USD	0.684
EUR/CAD	1.4846	GBP/AUD	1.9069		



Debt Markets				
	Close	Day	Change bps	
			4 Weeks	End 20
10 Year Yield %				
US	1.26	-1	-3	+34
Germany	-0.48	-2	-9	+9
UK	0.57	+0	-4	+37
5 Year Swap %				
US	0.84	+1	+5	+41
Eurozone	-0.38	-1	-5	+8
UK	0.69	-0	+1	+50
2 Year Swap %				
US	0.30	+1	+3	+11
Eurozone	-0.50	-1	-3	+3
UK	0.47	-1	+4	+45
10 Year Government Bond Spreads to Benchmark bps				
Ireland	39	-1	-3	+12
Belgium	33	-0	+0	+14
France	35	+0	-0	+11
Italy	104	-1	-5	-6
Spain	71	+0	-4	+8
Portugal	59	-1	-6	-5
Greece	103	+1	-5	-17



Commodities				
	Close	Day	% Change	
			4 Weeks	End 20
Brent Oil	68.23	-1.16	-5.54	+31.72
West Texas Oil	65.36	-1.71	-6.97	+35.18
Gold \$	1787.6	+0.09	-0.87	-5.74

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