

## Positive tone to start the week

There was a positive tone to investors sentiment yesterday. The Euro Stoxx 50 gained 0.7%, while at the close on Wall Street the S&P 500 was up 0.9%. On bond markets, benchmark sovereign yields edged slightly higher. On the currency front, sterling recouped some of its losses from last week. Meanwhile, oil prices rose sharply, reflecting the more positive mood on markets.

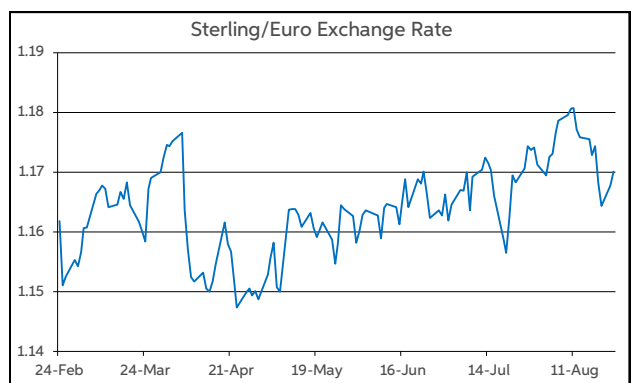
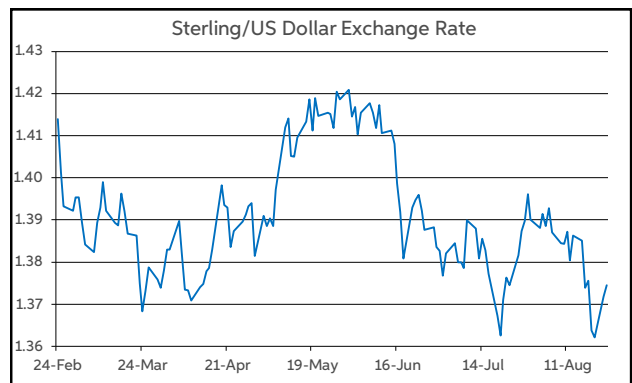
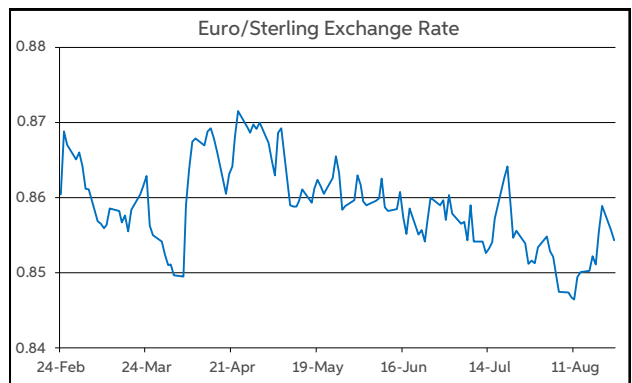
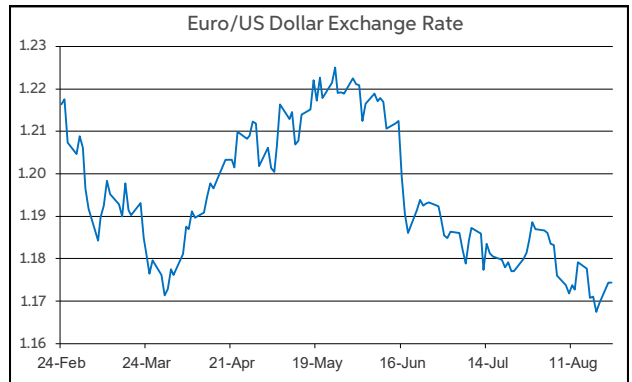
Data-wise there was a busy start to the week. The flash PMI data for August from the US remained above 50, but declined by more than had been expected. Similarly, PMI data from the UK was also weaker than expected, although, both sector indices remained in expansion territory. The readings suggest that while both economies continue to register solid growth, they may have lost some momentum after their initial strong rebound.

In the Eurozone, the PMI data was little changed from July, indicating the economy maintained its momentum in August. Elsewhere, consumer confidence (August) declined for the second consecutive month, falling to -5.3 from -4.4, and below the consensus of -5.0. Overall, the Eurozone survey data indicate the economy continues to perform strongly so far in Q3.

In level terms, the firmer tone to sterling is reflected in EUR/GBP opening this morning back down below the midpoint of 85-86p. Cable (GBP/USD) starts today just shy of the halfway mark of \$1.37 -1.38. Meanwhile, EUR/USD continues to change hands in the \$1.17-1.18 corridor.

Turning to today, there is a sparse macro schedule ahead. This suggests that we may be in for a quiet day on markets, with the main FX pairs confined to narrow trading ranges.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1744	0.22	-3.84
EUR/GBP	0.8543	-0.48	-4.41
GBP/USD	1.3745	0.71	0.53
GBP/EUR	1.1701	0.48	4.61
USD/JPY	109.78	-0.07	6.33
EUR/JPY	128.93	0.16	2.20

\* 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	0.15	0.34	0.88
EUR	0.00	-0.55	-0.55	-0.52	-0.48	-0.37
GBP	0.10	0.05	0.07	0.28	0.48	0.68

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

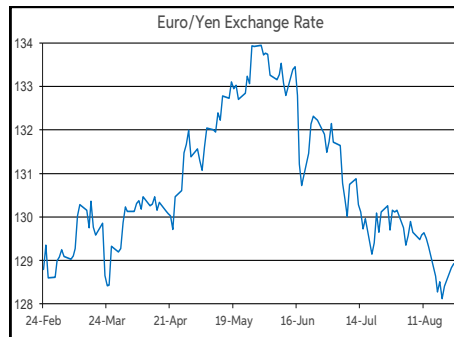
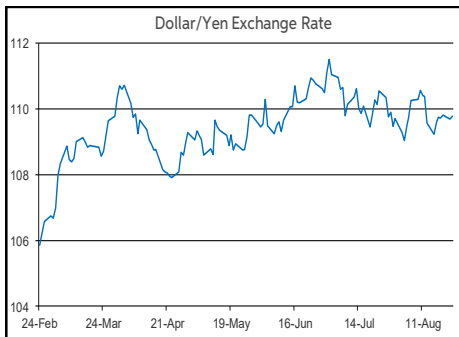
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

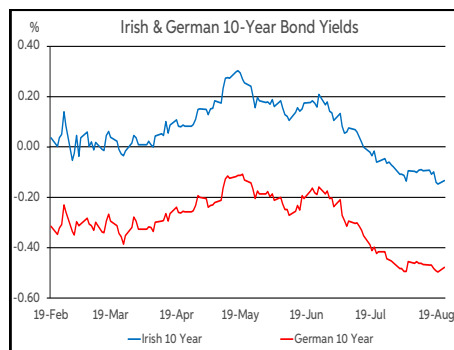
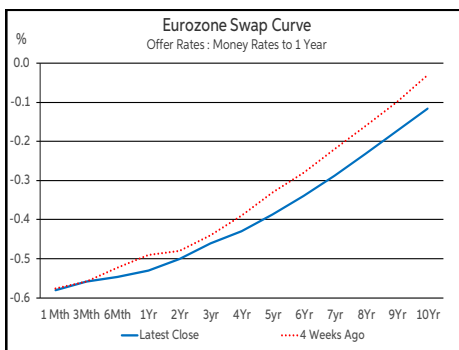
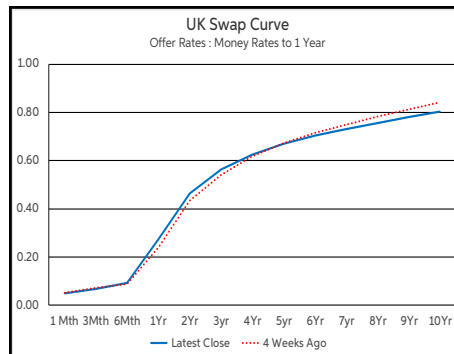
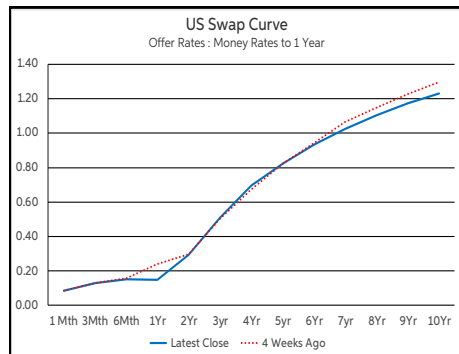
Tuesday 24 August 2021  
07:27 am



Euro		Sterling		Dollar	
EUR/GBP	0.8544	GBP/EUR	1.1701	USD/JPY	109.78
EUR/USD	1.1744	GBP/USD	1.3745	USD/CAD	1.2623
EUR/JPY	128.93	GBP/CAD	1.7349	USD/CHF	0.9128
EUR/SEK	10.226	GBP/NZD	1.9866	USD/CNY	6.4772
EUR/DKK	7.4364	GBP/JPY	150.89	USD/BRL	5.3802
EUR/NOK	10.4549	GBP/SEK	11.9666	USD/RUB	73.9796
EUR/CHF	1.0721	GBP/DKK	8.7028	USD/INR	74.127
EUR/AUD	1.6235	GBP/NOK	12.235	AUD/USD	0.7234
EUR/HKD	9.147	GBP/CHF	1.2547	NZD/USD	0.6918
EUR/CAD	1.4826	GBP/AUD	1.8998		



Debt Markets				
	Close	Day	4 Weeks	End 20
<b>10 Year Yield %</b>				
US	1.25	-0	-4	+34
Germany	-0.48	+2	-6	+10
UK	0.54	+1	-4	+34
Ireland	-0.07	+1	-6	+23
Belgium	-0.15	+2	-5	+23
France	-0.13	+1	-6	+21
Italy	0.58	+3	-5	+6
Spain	0.24	+2	-5	+18
Portugal	0.13	+2	-8	+7
Greece	0.58	+2	-7	-5
<b>5 Year Swap %</b>				
US	0.82	-2	+3	+40
Eurozone	-0.39	-1	-5	+7
UK	0.67	+1	+0	+48
<b>2 Year Swap %</b>				
US	0.29	-0	+3	+10
Eurozone	-0.50	+0	-1	+3
UK	0.46	+1	+4	+44
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	41	-0	+0	+14
Belgium	33	+0	+1	+14
France	35	-0	+1	+11
Italy	106	+2	+1	-4
Spain	72	+0	+1	+9
Portugal	61	-0	-2	-3
Greece	106	+0	-0	-15



Commodities				
	Close	Day	4 Weeks	End 20
Brent Oil	68.75	+5.48	-7.72	+32.72
West Texas Oil	65.65	+5.46	-9.01	+35.78
Gold \$	1805.2	+1.37	+0.44	-4.81

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