

Main FX pairs confined to narrow ranges

Following a busy start to the week, price action settled down somewhat across financial markets yesterday. The Euro Stoxx 50 finished broadly flat for the day, as did the S&P 500 on Wall Street. Turning to fixed income, benchmark sovereign bond yields remained confined to narrow ranges. Elsewhere, oil prices continued to recover, having suffered some heavy losses for much of the month.

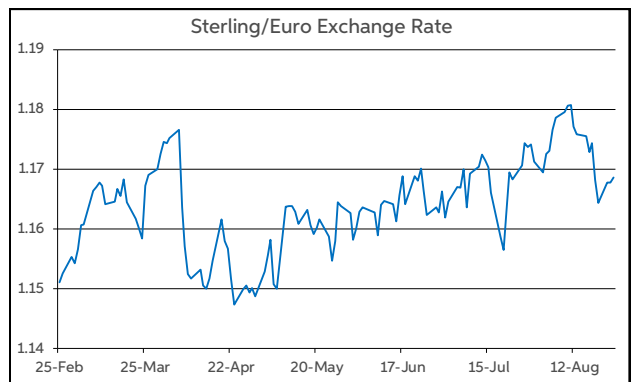
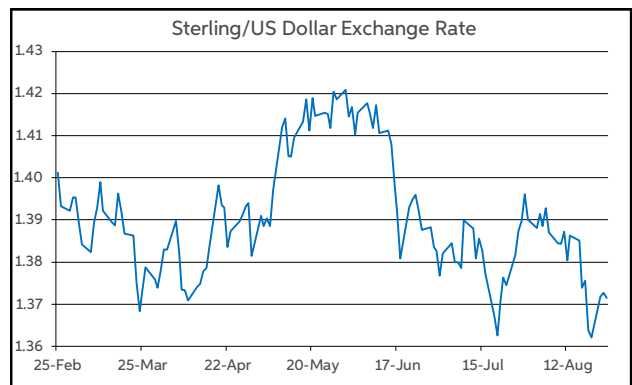
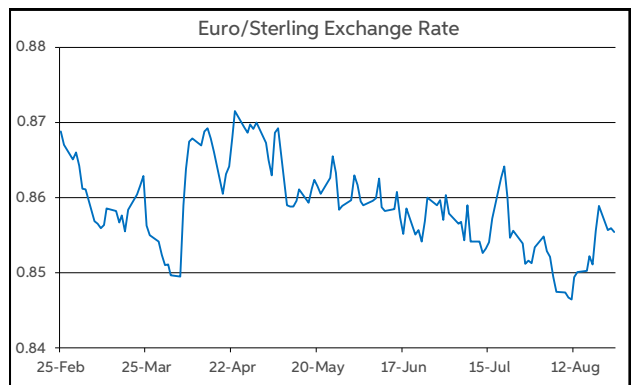
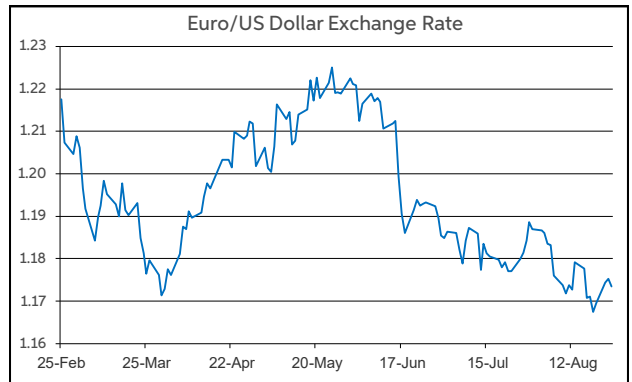
Currency-wise, the main FX pairs operated within very tight ranges. However, the fact that the main pairs traded sideways yesterday was not overly surprising, given that there was a dearth of any top tier data releases.

The quiet day on currency markets is reflected in the main pairs opening at very similar levels to 24 hours ago. EUR/GBP opens this morning near the midpoint of 85-86p. Cable (GBP/USD) starts today just above the \$1.37 handle. Meanwhile, EUR/USD continues to change hands in the \$1.17-1.18 corridor.

Ahead today, there is a relatively sparse macro schedule once again. In the US, durable good orders (July) are due. The forecast is for durable goods to have decreased by 0.3% in the month, owing in a fall in plane orders. However, the ex-transport measure is set to rise by 0.5% as underlying demand remains strong.

Meanwhile in the Eurozone, the only release of note is the German Ifo. The consensus is for the Ifo to edge slightly lower in August for the second consecutive month, as concerns over the Delta variant and its impact on the economic recovery weigh on sentiment. However, barring any major surprises the release is unlikely to impact the euro.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1734	-0.04	-3.92
EUR/GBP	0.8554	0.01	-4.29
GBP/USD	1.3715	-0.08	0.31
GBP/EUR	1.1686	-0.01	4.48
USD/JPY	109.79	0.03	6.34
EUR/JPY	128.83	-0.03	2.12

* 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	0.08	0.13	0.16	0.31	0.89
EUR	0.00	-0.56	-0.55	-0.54	-0.48	-0.36
GBP	0.10	0.05	0.07	0.28	0.48	0.69

All rates quoted are indicative market rates

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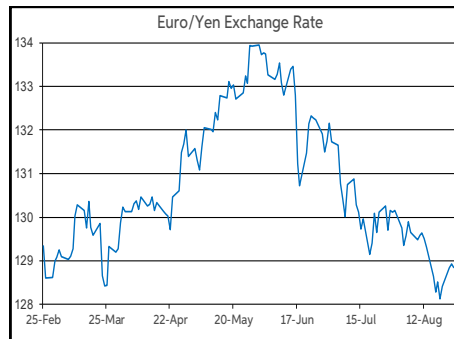
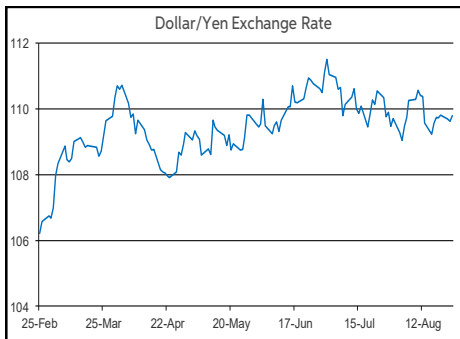
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

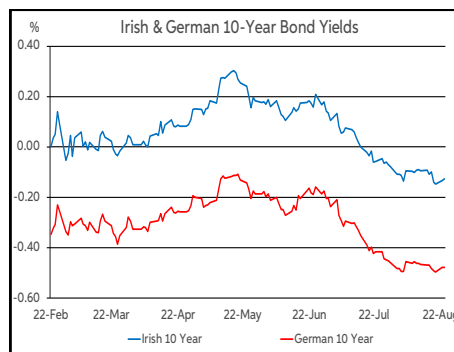
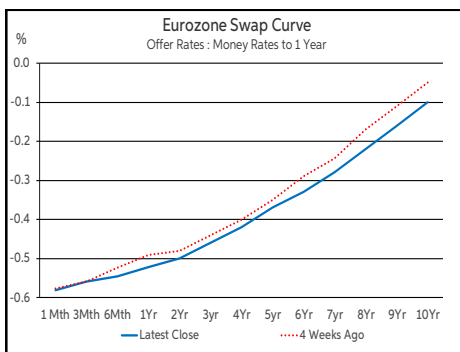
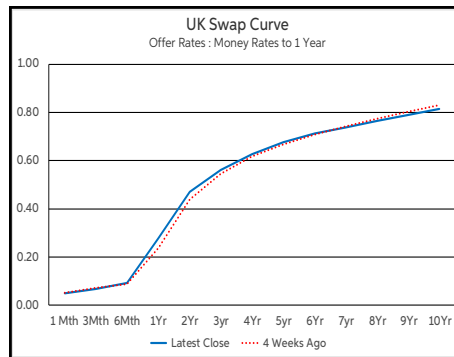
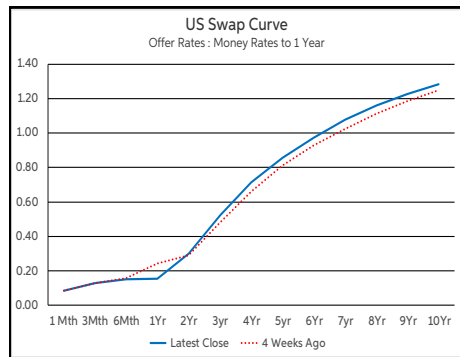
Wednesday 25 August 2021
08:15 am



Euro		Sterling		Dollar	
EUR/GBP	0.8554	GBP/EUR	1.1686	USD/JPY	109.77
EUR/USD	1.1734	GBP/USD	1.3715	USD/CAD	1.2612
EUR/JPY	128.84	GBP/CAD	1.7299	USD/CHF	0.9148
EUR/SEK	10.204	GBP/NZD	1.974	USD/CNY	6.4767
EUR/DKK	7.4367	GBP/JPY	150.55	USD/BRL	5.2463
EUR/NOK	10.3685	GBP/SEK	11.9259	USD/RUB	73.7675
EUR/CHF	1.0737	GBP/DKK	8.69	USD/INR	74.268
EUR/AUD	1.6194	GBP/NOK	12.1182	AUD/USD	0.7245
EUR/HKD	9.1325	GBP/CHF	1.2546	NZD/USD	0.6944
EUR/CAD	1.4802	GBP/AUD	1.8926		



Debt Markets				
	Close	Day	4 Weeks	End 20
10 Year Yield %				
US	1.30	+4	+6	+38
Germany	-0.48	+0	-4	+10
UK	0.54	+0	-2	+34
Ireland	-0.06	+1	-3	+24
Belgium	-0.15	-0	-5	+23
France	-0.13	+0	-4	+21
Italy	0.57	-1	-5	+5
Spain	0.24	+0	-4	+19
Portugal	0.13	+0	-6	+7
Greece	0.57	-1	-5	-6
5 Year Swap %				
US	0.86	+3	+8	+44
Eurozone	-0.37	+2	-1	+9
UK	0.68	+1	+1	+49
2 Year Swap %				
US	0.30	+1	+4	+11
Eurozone	-0.50	+0	-1	+3
UK	0.47	+1	+4	+44
10 Year Government Bond Spreads to Benchmark bps				
Ireland	41	+1	+0	+14
Belgium	32	-0	-1	+13
France	35	+0	-1	+11
Italy	105	-1	-2	-5
Spain	72	+0	-0	+9
Portugal	61	+0	-3	-3
Greece	105	-1	-1	-15



Commodities				
	Close	Day	4 Weeks	End 20
Brent Oil	71.05	+3.35	-4.61	+37.16
West Texas Oil	67.5	+2.82	-5.83	+39.61
Gold \$	1802.6	-0.14	+0.22	-4.95

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