

Mixed tone to investor sentiment

There was a mixed tone to investor sentiment yesterday. On equity markets, the Euro Stoxx 50 finished flat, while the S&P 500 recorded its fifth consecutive daily gain (albeit modest in nature), up 0.2%. On bond markets, benchmark sovereign yields moved higher by 5-6bps. Meanwhile, oil prices continued to rise, with Brent crude moving back above \$70p/bl. Currency-wise, the main FX pairs remained confined to their recent narrow ranges.

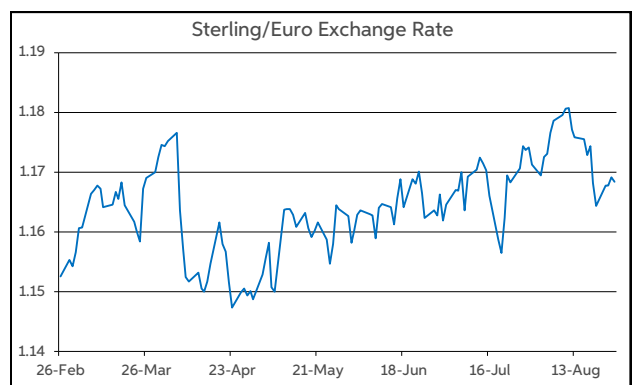
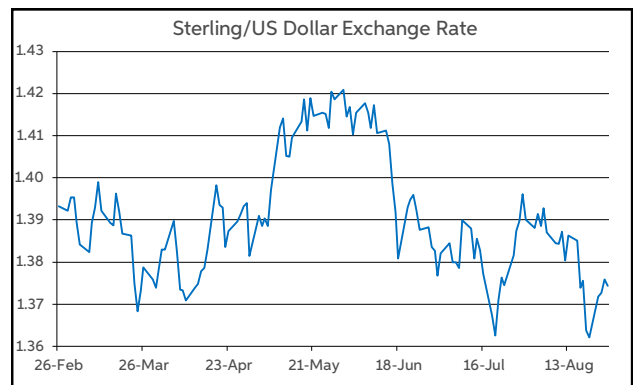
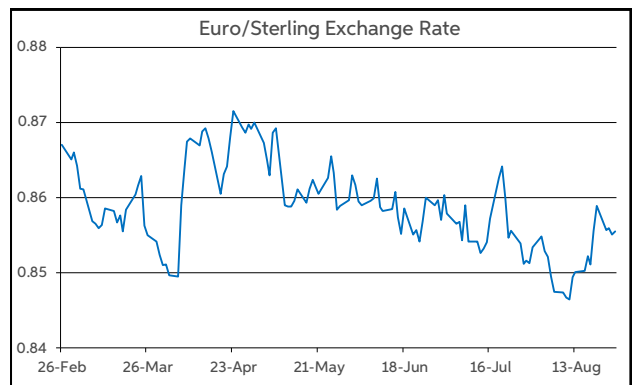
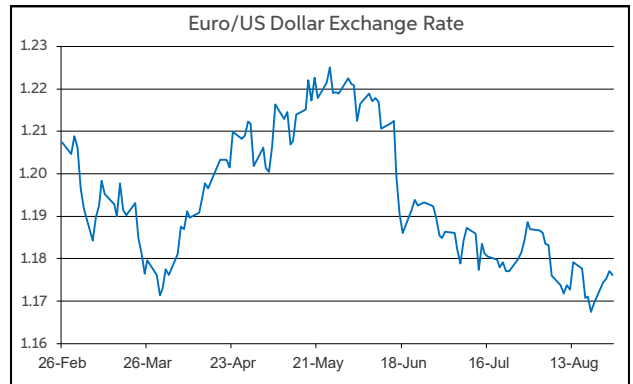
Data-wise, US durable goods orders (July) declined by less than had been expected (-0.1% vs -0.3% f'cast). The ex-transport measure also beat the consensus, rising by 0.7% in the month (vs. +0.5% f'cast). Meanwhile, in the Eurozone, the German Ifo, printed below the forecast, (99.4 vs. 100.4 f'cast) in August. However, the data did not impact proceedings on currency markets.

As trading gets underway this morning, EUR/USD opens once again in the \$1.17-1.18 corridor. Over the past 24 hours the pair have edged above the midpoint of this range. Elsewhere, EUR/GBP starts today at the heart of the 85-86p band. GBP/USD is changing hands near the halfway mark of \$1.37-1.38.

Ahead today, the latest weekly initial jobless claims data is forecast to edge higher to 350k from 348k in the US. The second reading of US GDP for Q2 is also due. However, barring any major surprises the data are unlikely to impact the dollar.

On the monetary policy, front the Jackson Hole Economic Symposium hosted by the US Fed gets under way today, which may create some headlines regarding the timing of QE tapering. Meantime, in the Eurozone, the latest ECB meeting minutes are set to be released.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1761	0.19	-3.70
EUR/GBP	0.8556	-0.01	-4.26
GBP/USD	1.3744	0.20	0.52
GBP/EUR	1.1683	0.01	4.45
USD/JPY	109.98	0.22	6.53
EUR/JPY	129.35	0.39	2.53

* 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	0.16	0.33	0.92
EUR	0.00	-0.56	-0.55	-0.52	-0.48	-0.36
GBP	0.10	0.05	0.07	0.29	0.49	0.71

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

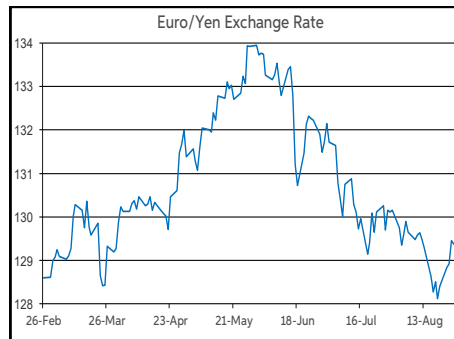
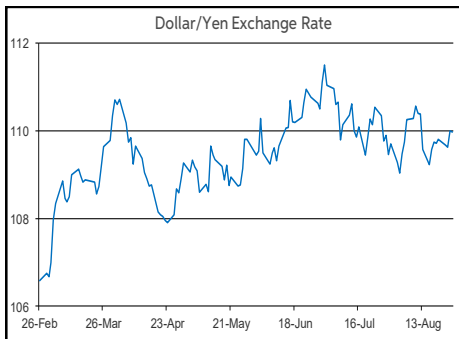
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

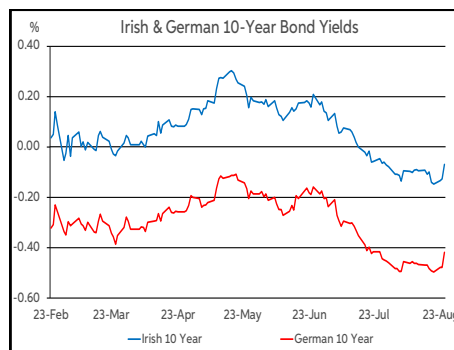
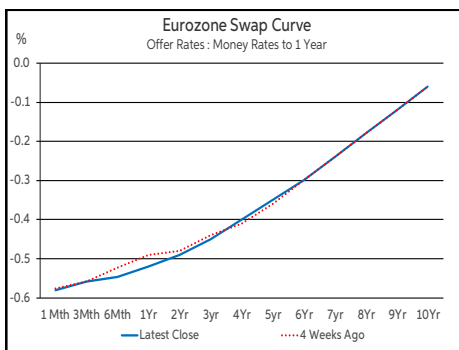
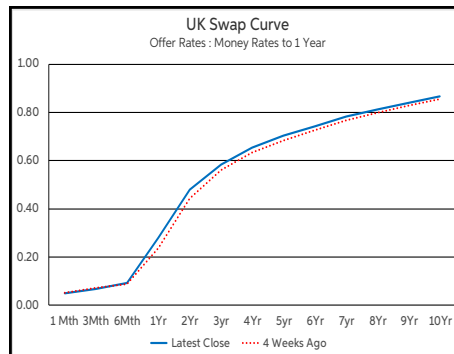
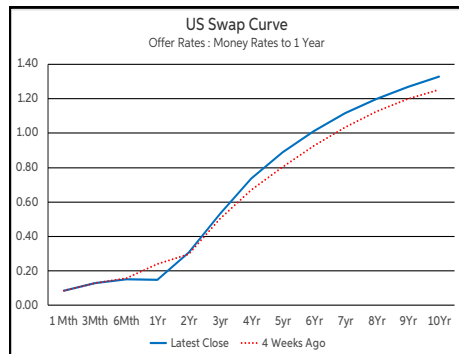
Thursday 26 August 2021
07:26 am



Euro		Sterling		Dollar	
EUR/GBP	0.8556	GBP/EUR	1.1683	USD/JPY	109.98
EUR/USD	1.1761	GBP/USD	1.3744	USD/CAD	1.2624
EUR/JPY	129.35	GBP/CAD	1.7351	USD/CHF	0.9148
EUR/SEK	10.229	GBP/NZD	1.9748	USD/CNY	6.485
EUR/DKK	7.4365	GBP/JPY	151.16	USD/BRL	5.2117
EUR/NOK	10.3761	GBP/SEK	11.9486	USD/RUB	74.0999
EUR/CHF	1.076	GBP/DKK	8.6889	USD/INR	74.26
EUR/AUD	1.6208	GBP/NOK	12.1213	AUD/USD	0.7255
EUR/HKD	9.1559	GBP/CHF	1.2572	NZD/USD	0.6957
EUR/CAD	1.4846	GBP/AUD	1.894		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.35	+5	+11	+43
Germany	-0.42	+6	+3	+16
UK	0.60	+6	+2	+40
Ireland	-0.01	+6	+2	+30
Belgium	-0.09	+7	+1	+30
France	-0.07	+7	+2	+28
Italy	0.67	+10	+5	+15
Spain	0.31	+7	+4	+26
Portugal	0.20	+7	+1	+14
Greece	0.61	+4	-1	-2
5 Year Swap %				
US	0.89	+3	+12	+47
Eurozone	-0.35	+2	+2	+11
UK	0.70	+3	+2	+51
2 Year Swap %				
US	0.31	+0	+4	+11
Eurozone	-0.49	+1	-0	+4
UK	0.48	+1	+5	+45
10 Year Government Bond Spreads to Benchmark bps				
Ireland	41	-0	-1	+14
Belgium	33	+1	-2	+14
France	35	+1	-1	+12
Italy	108	+4	+2	-1
Spain	73	+1	+1	+10
Portugal	62	+1	-3	-2
Greece	103	-2	-4	-18



Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	72.25	+1.69	-3.33	+39.48
West Texas Oil	68.54	+1.54	-5.29	+41.76
Gold \$	1790.7	-0.66	-0.90	-5.58

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