

US payrolls in focus this week

It was another case of largely subdued action on most of the main markets last week. Equity markets managed to continue to grind higher. At the close on Friday, the S&P 500 was up 1.5% on the week. At the same time, on bond markets, the main sovereign benchmark yields rose by between 3-9bps.

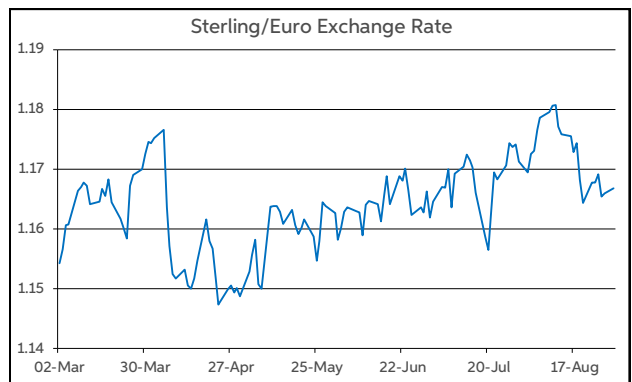
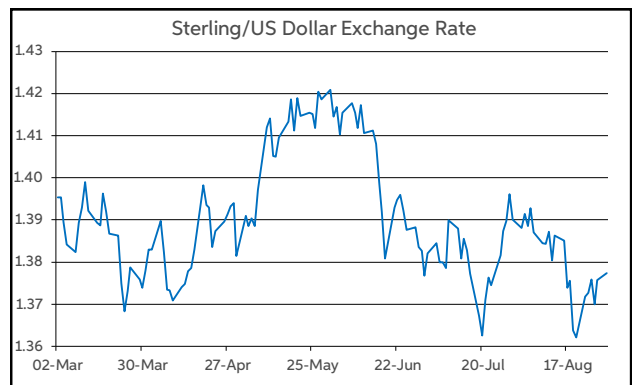
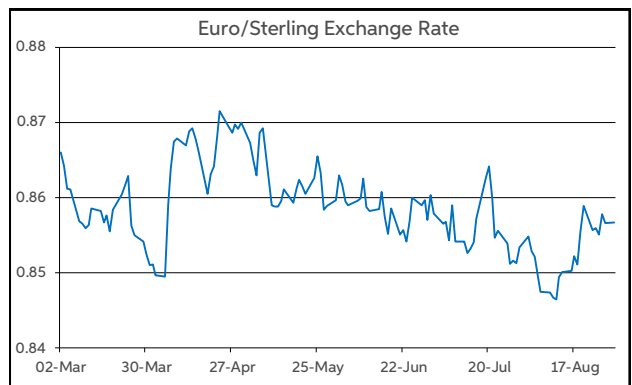
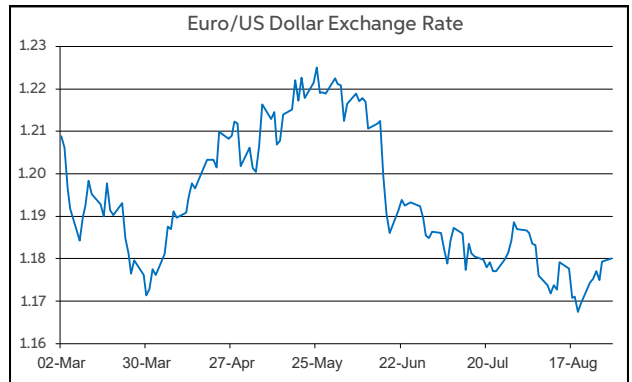
On the currency front, the action was once again confined to tight ranges. The main event of note occurred at the end of the week, with Fed Chair Powell's speech on Friday at the Jackson Hole Economic Symposium.

However, Chair Powell gave no clear signal during his speech as to the timing of QE tapering. He stated, similar to some other FOMC members, that he wants to see how the labour market performs over the next few months before making any announcement regarding rowing back asset purchases.

In level terms, over the week, the dollar was marginally softer on the exchanges. The EUR/USD rate opens this morning at the \$1.18 threshold. Meanwhile, cable (GBP/USD) is operating in the upper half of \$1.37-1.38. Elsewhere, EUR/GBP starts today, similar to last week, within the 85-86p trading band.

Turning to the coming days, the main macro highlight will be the August US labour market report, especially the payroll numbers. The data will garner close attention by markets in light of the aforementioned comments from some key Fed officials, including Chair Powell, on seeing further progress in the jobs market before making any QE taper announcement. The consensus is for payrolls to rise by 728k in August, while the unemployment rate is projected to fall from 5.4% to 5.2%.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.18	0.32	-3.38
EUR/GBP	0.8567	-0.20	-4.14
GBP/USD	1.3774	0.55	0.74
GBP/EUR	1.167	0.20	4.32
USD/JPY	109.75	-0.15	6.31
EUR/JPY	129.53	0.19	2.67

* v Previous Day's European Open
See Next Page for More Rates

Opening Interest Rates						
		Money Market		Swap Rates		
	Base Rate	1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	0.125	0.09	0.12	0.14	0.32	0.89
EUR	0.00	-0.56	-0.55	-0.52	-0.48	-0.34
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

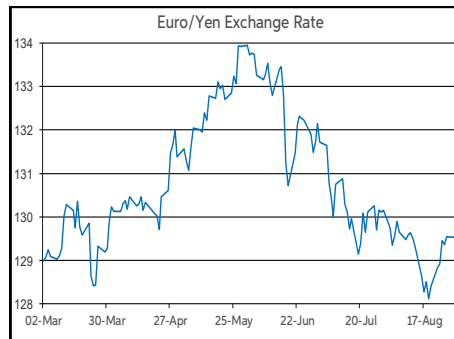
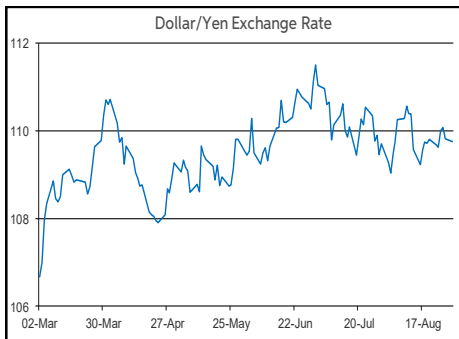
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

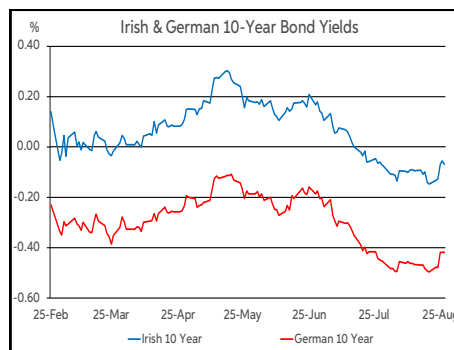
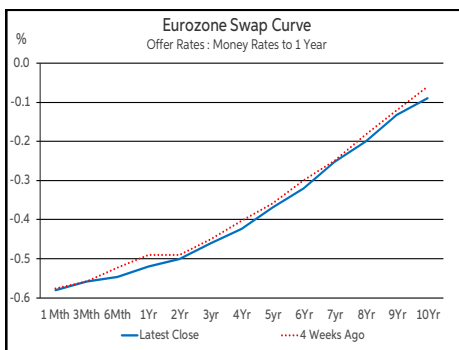
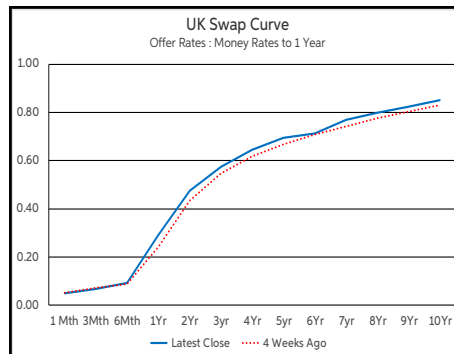
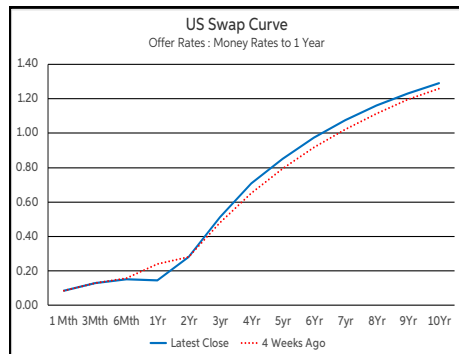
Monday 30 August 2021
07:23 am



Euro		Sterling		Dollar	
EUR/GBP	0.8567	GBP/EUR	1.167	USD/JPY	109.75
EUR/USD	1.18	GBP/USD	1.3774	USD/CAD	1.2624
EUR/JPY	129.53	GBP/CAD	1.7382	USD/CHF	0.9114
EUR/SEK	10.1953	GBP/NZD	1.9679	USD/CNY	6.4686
EUR/DKK	7.4366	GBP/JPY	151.17	USD/BRL	5.2004
EUR/NOK	10.2815	GBP/SEK	11.8947	USD/RUB	73.5728
EUR/CHF	1.0755	GBP/DKK	8.6789	USD/INR	73.464
EUR/AUD	1.6168	GBP/NOK	12.0034	AUD/USD	0.7296
EUR/HKD	9.1888	GBP/CHF	1.2554	NZD/USD	0.6996
EUR/CAD	1.4892	GBP/AUD	1.8876		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.31	-4	+8	+39
Germany	-0.42	-0	+4	+16
UK	0.58	-2	+2	+39
5 Year Swap %				
US	0.85	-5	+10	+43
Eurozone	-0.37	-2	-1	+9
UK	0.69	-2	+3	+50
2 Year Swap %				
US	0.28	-2	+4	+9
Eurozone	-0.50	-1	-0	+3
UK	0.48	-1	+5	+45
10 Year Government Bond Spreads to Benchmark bps				
Ireland	42	-1	+0	+14
Belgium	33	-1	-1	+14
France	35	-1	-0	+12
Italy	106	-3	-3	-4
Spain	72	-2	-1	+9
Portugal	61	-1	-3	-3
Greece	112	+0	+5	-9



Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	72.7	+2.29	-4.76	+40.35
West Texas Oil	68.84	+2.11	-6.88	+42.38
Gold \$	1816.7	+1.37	+0.17	-4.21

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