

## Slightly softer dollar tone

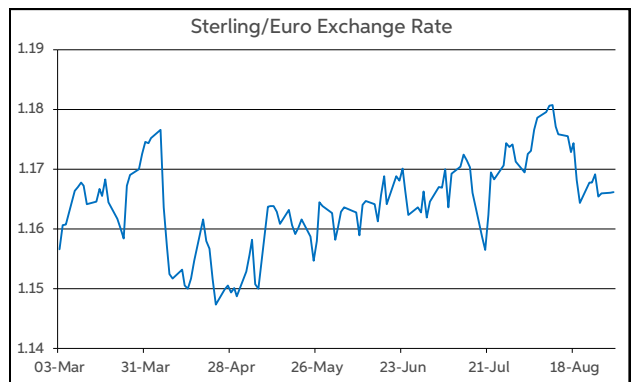
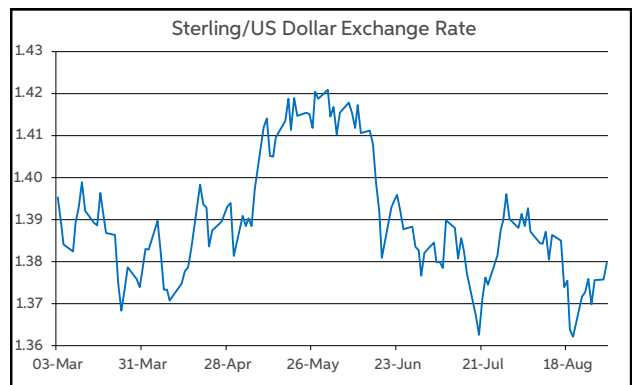
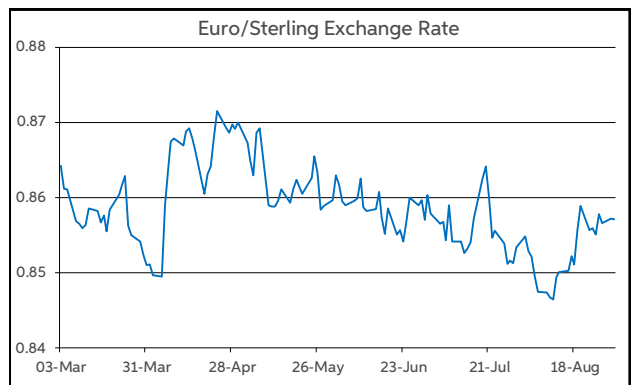
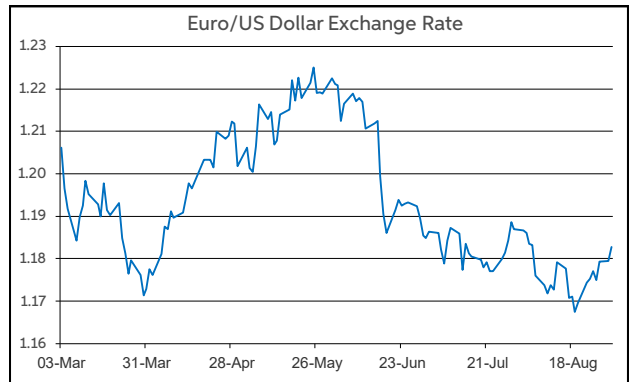
The action across financial markets got off to a quiet start to the week yesterday. The Euro Stoxx 50 finished modestly higher, while at the close on Wall Street, the S&P 500 was up 0.4%. On bond markets, benchmark sovereign yields declined by 2-3bps. Of the limited moves to note on the currency front, the dollar was holding a slightly softer tone. A market holiday in the UK likely contributed to the lacklustre price action during the European session.

Data-wise, the EC Economic Sentiment Index (August) printed broadly in-line with the consensus, declining to 117.5 from 119.0 in July. However, the services index fell from 19.3 to 16.8 (vs. 18.8 f'cast) as concerns regarding the Delta variant weighed on sentiment in the sector. Elsewhere, prices in Germany rose by 0.1% in August, lifting the year-on-year HICP inflation rate to 3.4% from 3.1%, due to large base effects. This was in line with the forecasts. However, none of the data impacted the euro yesterday.

Thus, as trading gets underway this morning, the main pairs open at rates very similar to 24 hours ago. EUR/USD starts today just above the \$1.18 mark. Meanwhile, EUR/GBP is changing hands in the upper half of 85-86p once again. Cable (GBP/USD) is operating up at the \$1.38 handle.

Later today, the Euro-area wide measure of HICP inflation is due. Similar to the German measure, headline HICP is forecast to rise to 2.7% from 2.2% owing to base effects, as prices are set to have increased by just 0.1% in the month. The ex-food & energy rate is projected to jump to 1.5% from 0.9% also. Meanwhile, in the US, the consensus is for consumer confidence to fall for the first time since December, to 124.0 in August, from 129.1 previously.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1828	0.21	-3.15
EUR/GBP	0.8572	0.01	-4.08
GBP/USD	1.3799	0.21	0.92
GBP/EUR	1.1662	-0.01	4.26
USD/JPY	109.83	0.08	6.38
EUR/JPY	129.92	0.29	2.98

\* 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	0.14	0.32	0.86
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

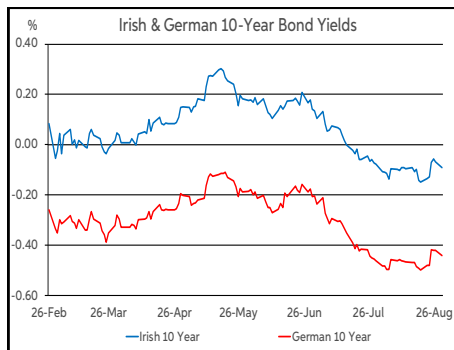
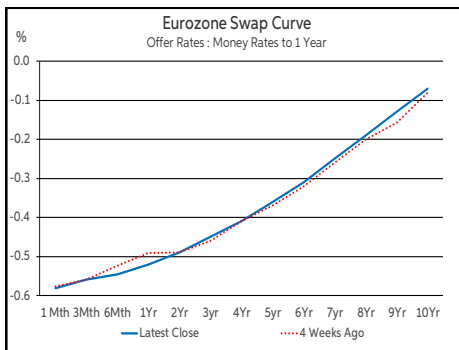
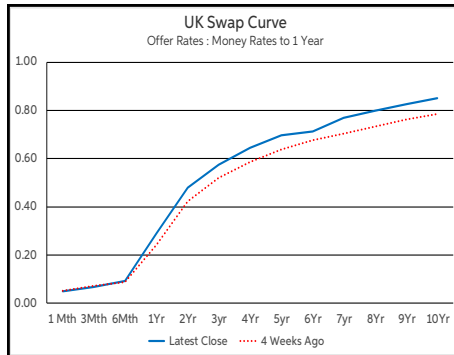
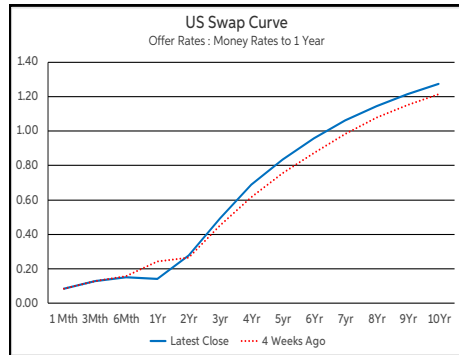
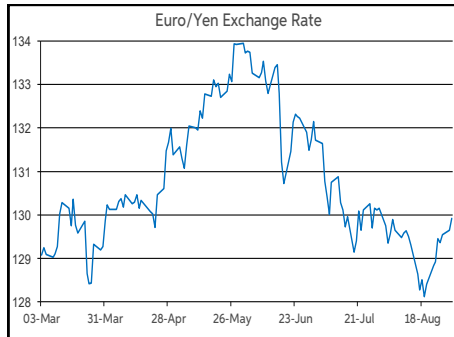
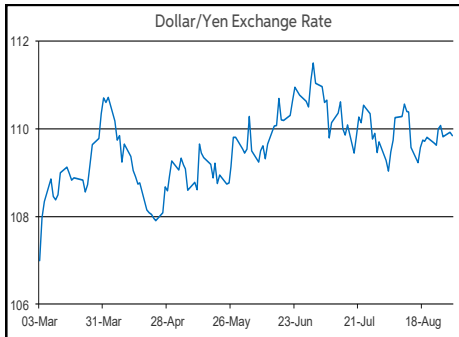
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

Tuesday 31 August 2021  
07:24 am



Euro		Sterling		Dollar	
EUR/GBP	0.8572	GBP/EUR	1.1662	USD/JPY	109.83
EUR/USD	1.1828	GBP/USD	1.3799	USD/CAD	1.2577
EUR/JPY	129.92	GBP/CAD	1.7353	USD/CHF	0.9148
EUR/SEK	10.1734	GBP/NZD	1.9544	USD/CNY	6.4624
EUR/DKK	7.4357	GBP/JPY	151.55	USD/BRL	5.184
EUR/NOK	10.213	GBP/SEK	11.8616	USD/RUB	73.3506
EUR/CHF	1.0821	GBP/DKK	8.6722	USD/INR	73.1575
EUR/AUD	1.6117	GBP/NOK	11.9083	AUD/USD	0.7339
EUR/HKD	9.2048	GBP/CHF	1.2623	NZD/USD	0.7057
EUR/CAD	1.4876	GBP/AUD	1.8801		



	Close	Change bps		
		Day	4 Weeks	End 20
<b>10 Year Yield %</b>				
US	1.28	-3	+10	+36
Germany	-0.44	-2	+4	+14
UK	0.58	-2	+6	+39
Ireland	-0.03	-2	+5	+28
Belgium	-0.10	-2	+4	+28
France	-0.09	-2	+5	+26
Italy	0.61	-3	+3	+9
Spain	0.28	-2	+5	+23
Portugal	0.17	-2	+3	+11
Greece	0.70	+1	+13	+8
<b>5 Year Swap %</b>				
US	0.83	-2	+11	+41
Eurozone	-0.36	-0	+2	+10
UK	0.70	+0	+6	+51
<b>2 Year Swap %</b>				
US	0.28	-1	+4	+8
Eurozone	-0.49	+1	+1	+4
UK	0.48	+0	+7	+45
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	41	-0	+0	+14
Belgium	34	+1	+0	+15
France	35	+0	+1	+12
Italy	105	-1	-1	-4
Spain	72	+0	+1	+9
Portugal	61	+0	-1	-2
Greece	114	+3	+9	-6

	Commodities			
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	73.41	+0.98	+0.71	+41.72
West Texas Oil	69.28	+0.64	-2.85	+43.29
Gold \$	1810.2	-0.36	-0.18	-4.55

This publication is for information purposes and is not an invitation to deal. The information is believed to be reliable but is not guaranteed. Any expressions of opinions are subject to change without notice. This publication is not to be reproduced in whole or in part without prior permission. In the Republic of Ireland it is distributed by Allied Irish Banks, p.l.c. In the UK it is distributed by Allied Irish Banks, p.l.c. and Allied Irish Bank (GB). In Northern Ireland it is distributed by Allied Irish Bank (NI). In the United States of America it is distributed by Allied Irish Banks, p.l.c. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland. Allied Irish Bank (GB) and AIB (NI) are trade marks used under licence by AIB Group (UK) p.l.c. (a wholly owned subsidiary of Allied Irish Banks, p.l.c.), incorporated in Northern Ireland. Registered Office 92 Ann Street, Belfast BT1 3HH. Registered Number NI018800. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In the United States of America, Allied Irish Banks, p.l.c., New York Branch, is a branch licensed by the New York State Department of Financial Services. Deposits and other investment products are not FDIC insured, they are not guaranteed by any bank and they may lose value. Please note that telephone calls may be recorded in line with market practice.