

Dull day on FX and Bond markets

It was a generally quiet start to the week on financial markets yesterday. A dearth of data releases from the macro schedule on both sides of the Atlantic likely contributed to the lacklustre action.

On bond markets, the main sovereign benchmark yields were little changed yesterday. The 10-year US Treasury yield, which had for 8 straight days registered falls until rising on Friday, closed last night showing only a +1bps move on the day.

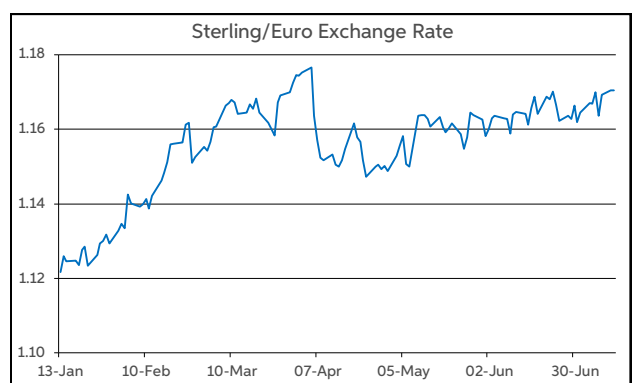
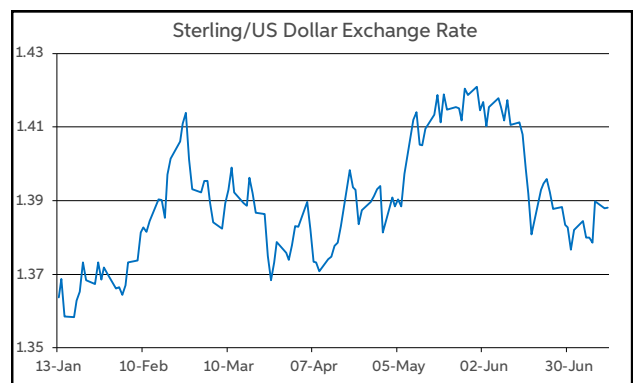
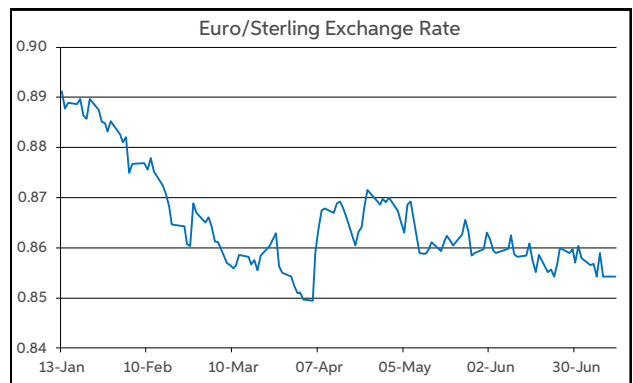
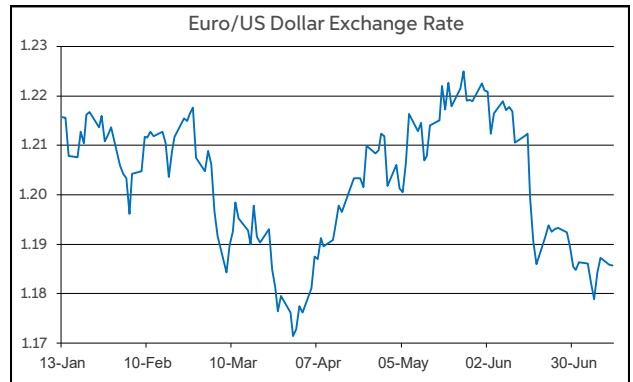
Meantime on equity markets, the main European indices managed to post some gains after registering some modest losses over the course of last week. The Euro Stoxx 50 index rose by 0.6%. Meanwhile, on Wall Street, given the elevated level of the S&P 500 index, a 0.3% gain by the close last night, saw it record another new high.

Currency-wise, the main pairs were confined to very tight ranges yesterday. This remained the case in overnight trading on Asia-Pacific markets. So as trading gets underway this morning, the majors start at levels very similar to 24 hours ago.

In level terms, EUR/USD remains near to the midpoint of \$1.18-1.19. Elsewhere, EUR/GBP continues to change hands close to the halfway mark of the 85-86p band. Meanwhile, GBP/USD has held its position in the upper half of \$1.38-1.39.

Looking ahead to today's macro diary, it is another quiet schedule in the Eurozone and UK. However, the US calendar does feature CPI data for June. Headline inflation rose to 5% in May. Consensus forecasts are for it ease back slightly last month, to 4.9%. The data though is not expected to have much influence on the dollar.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1858	-0.08	-2.91
EUR/GBP	0.8542	-0.01	-4.42
GBP/USD	1.3881	-0.06	1.52
GBP/EUR	1.1705	0.01	4.62
USD/JPY	110.4	0.20	6.94
EUR/JPY	130.92	0.13	3.77

* 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	0.10	0.13	0.16	0.32	0.88
EUR	0.00	-0.55	-0.54	-0.52	-0.46	-0.30
GBP	0.10	0.05	0.08	0.24	0.42	0.68

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

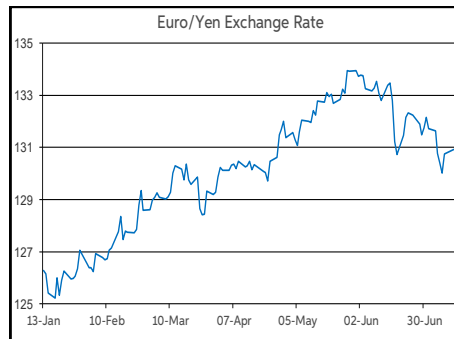
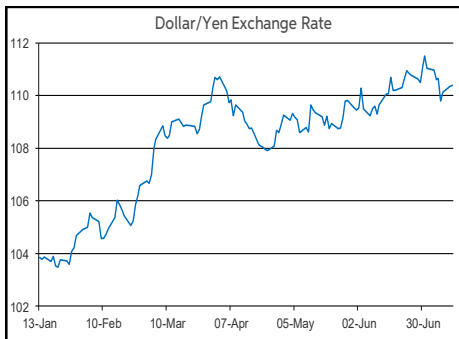
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

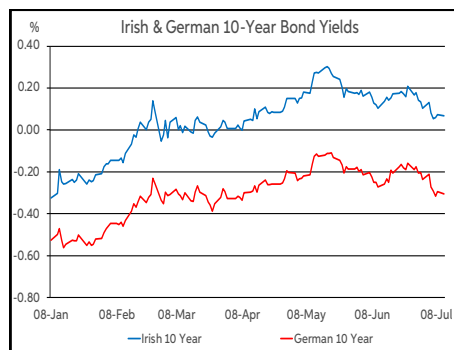
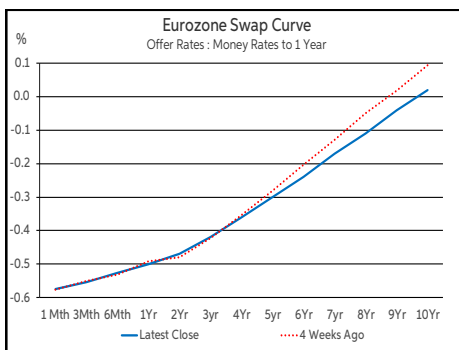
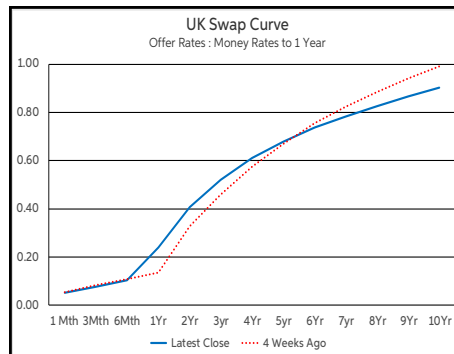
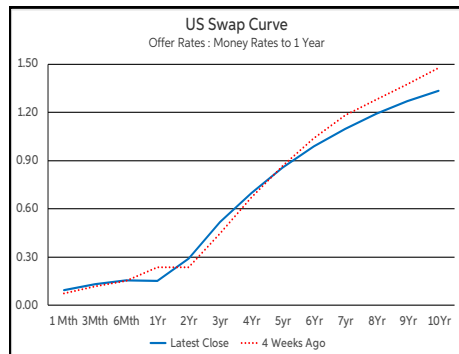
Tuesday 13 July 2021
07:23 am



Euro		Sterling		Dollar	
EUR/GBP	0.8542	GBP/EUR	1.1705	USD/JPY	110.4
EUR/USD	1.1858	GBP/USD	1.3881	USD/CAD	1.2462
EUR/JPY	130.92	GBP/CAD	1.7298	USD/CHF	0.9149
EUR/SEK	10.1857	GBP/NZD	1.9872	USD/CNY	6.4671
EUR/DKK	7.438	GBP/JPY	153.25	USD/BRL	5.1733
EUR/NOK	10.3152	GBP/SEK	11.9217	USD/RUB	74.328
EUR/CHF	1.0851	GBP/DKK	8.7062	USD/INR	74.478
EUR/AUD	1.5831	GBP/NOK	12.0691	AUD/USD	0.7487
EUR/HKD	9.2077	GBP/CHF	1.2702	NZD/USD	0.6982
EUR/CAD	1.4778	GBP/AUD	1.8536		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.37	+1	-13	+45
Germany	-0.30	-1	-5	+27
UK	0.65	-1	-9	+45
Ireland				
Ireland	0.10	-1	-7	+41
Belgium	0.02	-0	-7	+40
France	0.05	-0	-8	+39
Italy	0.74	-3	-4	+22
Spain	0.35	-1	-5	+29
Portugal	0.32	-2	-7	+25
Greece	0.74	-2	-1	+11
5 Year Swap %				
US	0.86	+0	+3	+43
Eurozone	-0.30	+1	-1	+16
UK	0.68	-1	+1	+49
2 Year Swap %				
US	0.29	+1	+6	+10
Eurozone	-0.47	+0	+1	+6
UK	0.41	-1	+9	+38
10 Year Government Bond Spreads to Benchmark bps				
Ireland	41	+0	-2	+13
Belgium	32	+1	-3	+13
France	35	+1	-3	+12
Italy	104	-2	+1	-5
Spain	65	-0	+0	+2
Portugal	62	-2	-2	-2
Greece	104	-1	+4	-16



Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	75.16	-0.52	+3.16	+45.10
West Texas Oil	74.21	-0.47	+4.61	+53.49
Gold \$	1805.9	-0.12	-3.22	-4.78

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