

EUR/USD below \$1.18

There was a mixed tone to investor sentiment on financial markets yesterday. On Equity markets, the Euro Stoxx 50 finished flat for the day, while the S&P 500 lost 0.4%. Meanwhile on bond markets, US Treasury yields moved higher by 3-5bps along the curve. Currency-wise, the dollar was holding a firmer tone following the release of US CPI data for June.

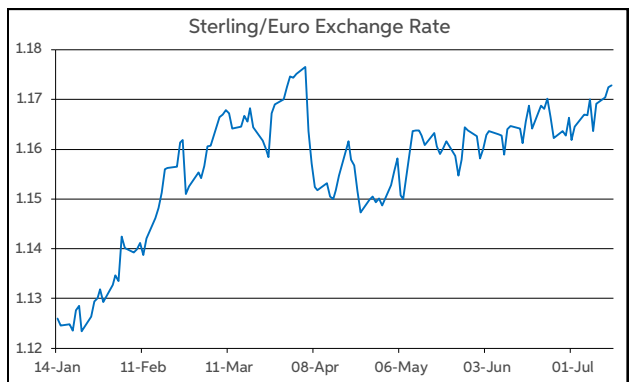
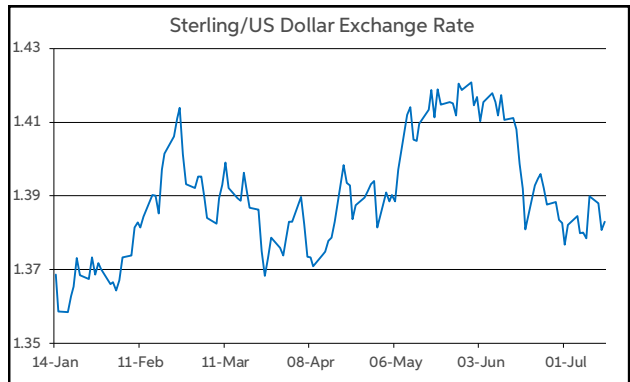
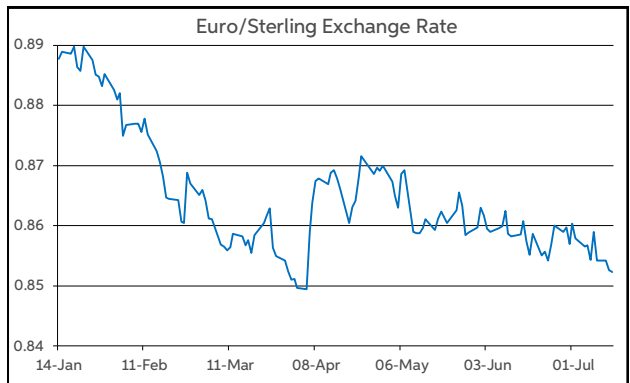
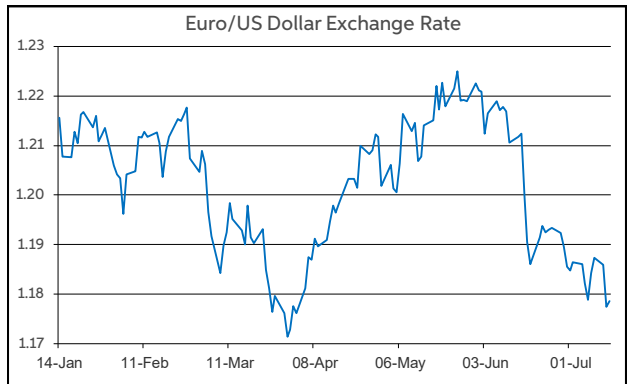
Both the headline CPI and core CPI increased by 0.9% in the month, almost double the 0.5% consensus forecast for each index. This elevated the headline rate and the core rate to 5.4% and 4.5% respectively. The dollar strengthened on the back of the release, as the market interpreted the stronger than expected print as increasing the chances the Fed may begin to taper QE sooner or at a quicker pace. This saw EUR/USD fall below the \$1.18 handle.

The main driver of the higher readings remained factors which the Fed has described as transitory. Thus, the central bank will likely continue to describe inflation as such, although, each consensus beating print brings some uncertainty to this view. Indeed, Chair Powell will likely face questions regarding the transitory nature of inflation over the next two days as he testifies to Congress.

The firmer dollar tone is evidenced by EUR/USD starting today below \$1.18. Cable (GBP/USD) is operating in the bottom half of \$1.38-1.39. EUR/GBP has edged lower within the 85-86p band.

This morning, UK CPI for June has also printed above expectations. Headline CPI rose to 2.5% (vs. 2.2% f'cast). The only other release of note today is Eurozone industrial production (May), although the lagged nature of the release suggests it is unlikely to impact on currency markets.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1787	-0.63	-3.49
EUR/GBP	0.8523	-0.16	-4.63
GBP/USD	1.383	-0.45	1.15
GBP/EUR	1.1729	0.16	4.86
USD/JPY	110.5	0.08	7.03
EUR/JPY	130.25	-0.56	3.24

* 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	0.34	0.92
EUR	0.00	-0.55	-0.54	-0.50	-0.45	-0.28
GBP	0.10	0.05	0.08	0.23	0.42	0.69

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

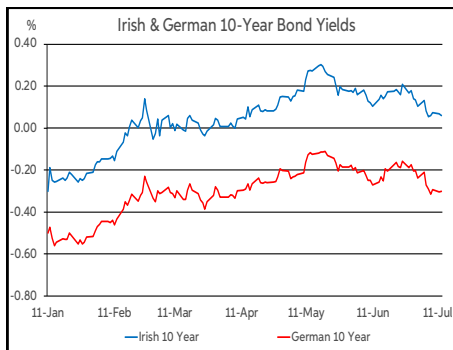
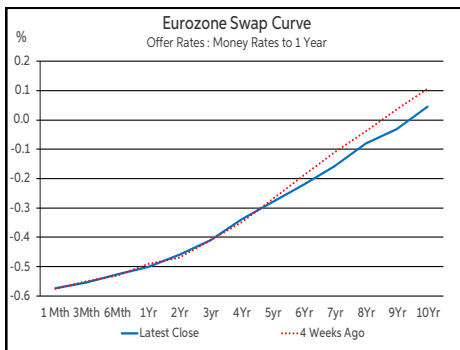
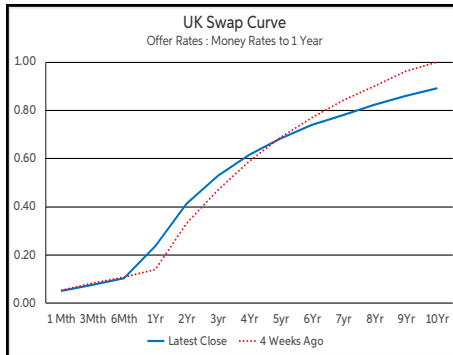
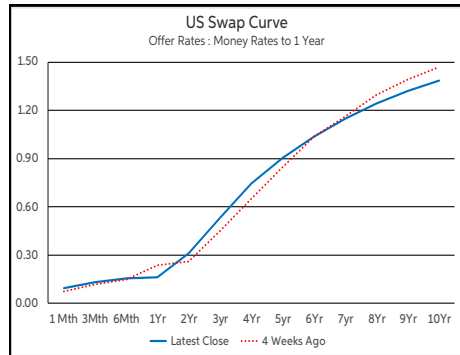
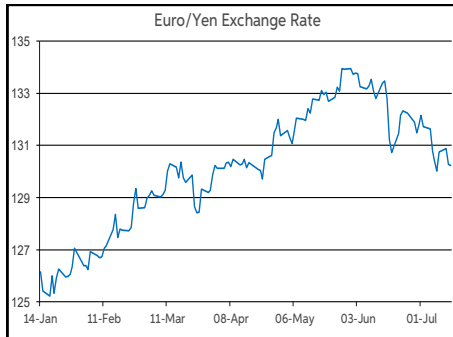
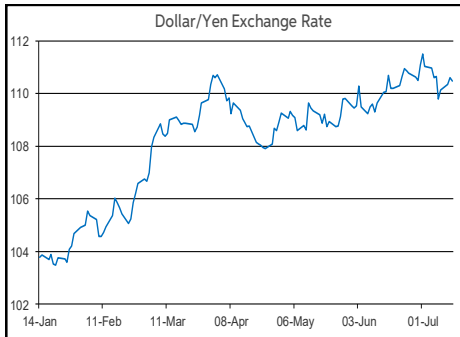
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		Equity Options	Gary Luff				

Opening Levels

Wednesday 14 July 2021
07:18 am



Euro		Sterling		Dollar	
EUR/GBP	0.8523	GBP/EUR	1.1729	USD/JPY	110.5
EUR/USD	1.1787	GBP/USD	1.383	USD/CAD	1.2505
EUR/JPY	130.25	GBP/CAD	1.7293	USD/CHF	0.9179
EUR/SEK	10.1992	GBP/NZD	1.9706	USD/CNY	6.4722
EUR/DKK	7.4374	GBP/JPY	152.82	USD/BRL	5.1634
EUR/NOK	10.3451	GBP/SEK	11.9605	USD/RUB	74.2623
EUR/CHF	1.0822	GBP/DKK	8.7253	USD/INR	74.575
EUR/AUD	1.5802	GBP/NOK	12.1296	AUD/USD	0.7458
EUR/HKD	9.1536	GBP/CHF	1.2694	NZD/USD	0.7016
EUR/CAD	1.4739	GBP/AUD	1.8541		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.42	+5	-7	+50
Germany	-0.30	+0	-7	+28
UK	0.63	-2	-13	+44
Ireland	0.10	-1	-10	+40
Belgium	0.01	-1	-11	+39
France	0.04	-1	-11	+38
Italy	0.72	-2	-7	+20
Spain	0.33	-2	-9	+27
Portugal	0.30	-1	-10	+24
Greece	0.72	-2	-2	+10
5 Year Swap %				
US	0.90	+5	+7	+48
Eurozone	-0.28	+2	+0	+18
UK	0.68	+0	-0	+49
2 Year Swap %				
US	0.31	+3	+8	+12
Eurozone	-0.46	+1	+2	+7
UK	0.41	+1	+9	+39
10 Year Government Bond Spreads to Benchmark bps				
Ireland	39	-1	-3	+12
Belgium	30	-2	-4	+11
France	33	-2	-4	+10
Italy	102	-2	-0	-8
Spain	63	-2	-2	-1
Portugal	60	-1	-3	-3
Greece	102	-2	+5	-18

Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	76.49	+1.77	+3.38	+47.66
West Texas Oil	75.24	+1.39	+4.41	+55.62
Gold \$	1807.4	+0.09	-2.76	-4.70

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