

Flash PMIs in focus today

Overall, the market action yesterday was generally muted across most of the main asset classes. There was a more subdued tone to investor sentiment. The S&P 500 was up by a marginal 0.2% at the closing bell on Wall Street last night.

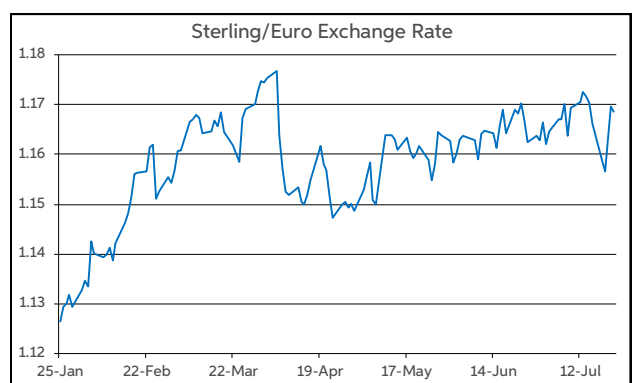
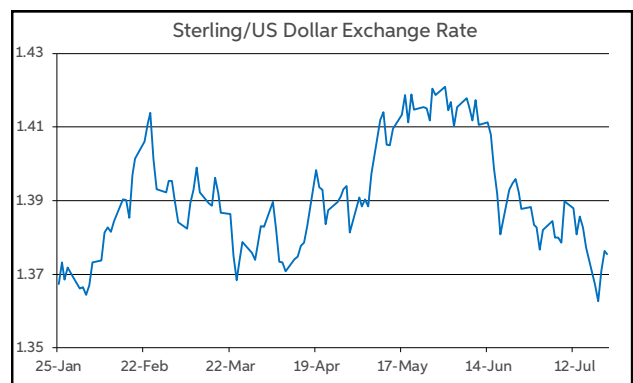
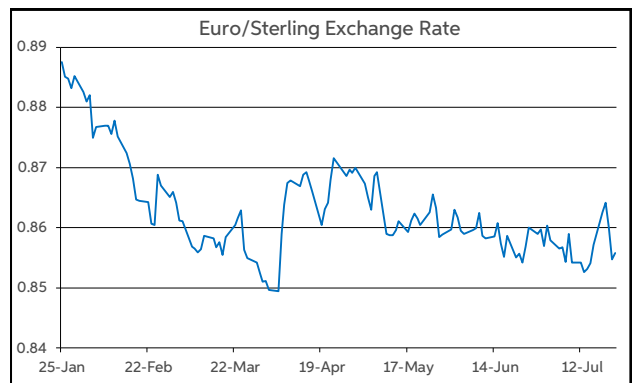
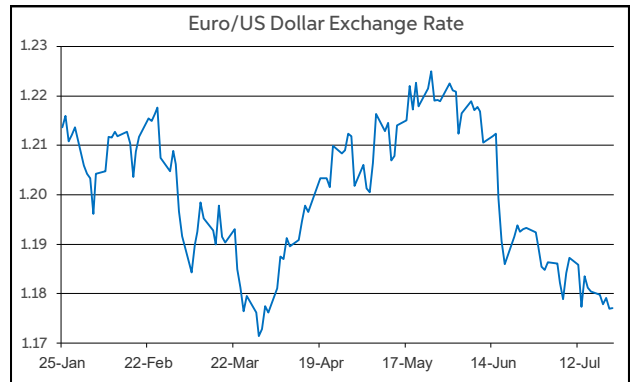
Data-wise, yesterday's schedule produced some downside surprises. In the US, both the weekly jobless claims numbers and existing home sales (June) printed below their consensus forecasts. Meanwhile the flash reading of Eurozone consumer confidence (July) also fell short of expectations.

In terms of yesterday's key event, the ECB meeting for July saw the central bank amend its forward guidance on interest rates to align it with its recently revised symmetric 2% inflation target. Overall, the changes to its guidance suggest that the ECB is not contemplating hiking interest rates during its current forecast horizon, which is three years, out to end 2023. Futures contracts indicate that the market does not expect official ECB rates to rise from their current levels until 2024.

Market reaction to yesterday's meeting was limited. There was some downward pressure on Eurozone peripheral yields. However, there was minimal movement from the euro. Indeed, the main currency pairs remained confined to tight ranges yesterday. As trading gets underway this morning, EUR/USD opens below the \$1.18 threshold. Meanwhile, EUR/GBP has edged back towards the midpoint of the 85-86p trading band.

Ahead today, we get the main data highlight of the week, with the flash PMIs due. However, from a currency viewpoint, narrow range trading may persist heading into the weekend.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1771	-0.21	-3.62
EUR/GBP	0.8557	-0.49	-4.25
GBP/USD	1.3754	0.29	0.59
GBP/EUR	1.1684	0.49	4.44
USD/JPY	110.25	0.11	6.79
EUR/JPY	129.78	-0.11	2.87

* 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	0.13	0.15	0.30	0.81
EUR	0.00	-0.55	-0.55	-0.51	-0.47	-0.34
GBP	0.10	0.05	0.07	0.24	0.44	0.67

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

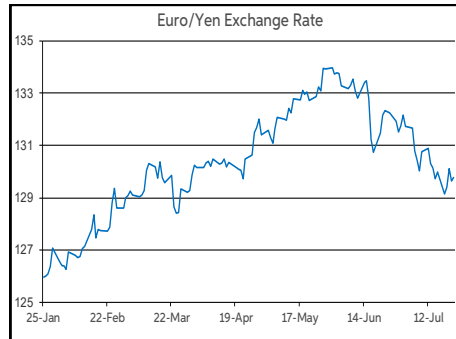
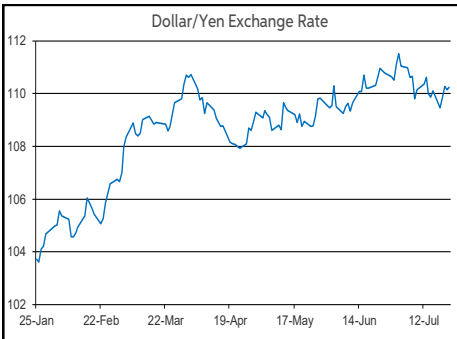
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

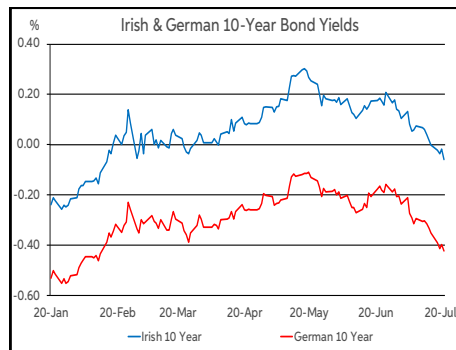
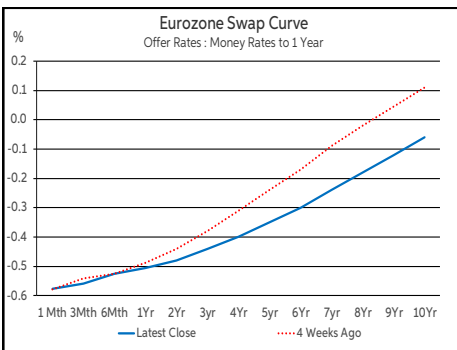
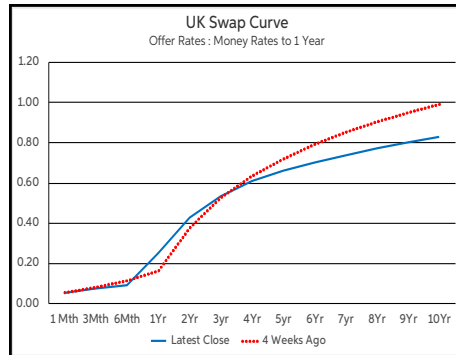
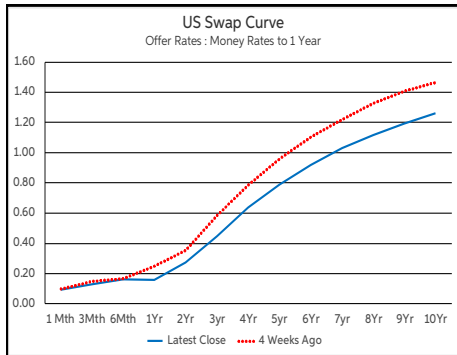
Friday 23 July 2021
07:32 am



Euro		Sterling		Dollar	
EUR/GBP	0.8557	GBP/EUR	1.1684	USD/JPY	110.25
EUR/USD	1.1771	GBP/USD	1.3754	USD/CAD	1.2565
EUR/JPY	129.78	GBP/CAD	1.7285	USD/CHF	0.9199
EUR/SEK	10.2236	GBP/NZD	1.971	USD/CNY	6.4723
EUR/DKK	7.438	GBP/JPY	151.64	USD/BRL	5.2003
EUR/NOK	10.413	GBP/SEK	11.9425	USD/RUB	73.6943
EUR/CHF	1.0829	GBP/DKK	8.6903	USD/INR	74.416
EUR/AUD	1.5967	GBP/NOK	12.1614	AUD/USD	0.7372
EUR/HKD	9.1455	GBP/CHF	1.2653	NZD/USD	0.6974
EUR/CAD	1.4795	GBP/AUD	1.8654		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.28	-2	-22	+36
Germany	-0.42	-3	-24	+15
UK	0.57	-4	-18	+37
Ireland	-0.03	-4	-22	+28
Belgium	-0.11	-4	-23	+28
France	-0.08	-4	-23	+26
Italy	0.65	-4	-23	+13
Spain	0.29	-6	-15	+24
Portugal	0.21	-5	-21	+15
Greece	0.67	-1	-16	+4
5 Year Swap %				
US	0.79	-0	-17	+37
Eurozone	-0.35	-2	-10	+11
UK	0.66	-2	-5	+47
2 Year Swap %				
US	0.27	-1	-5	+8
Eurozone	-0.48	-1	-3	+5
UK	0.43	-1	+6	+40
10 Year Government Bond Spreads to Benchmark bps				
Ireland	40	-2	+2	+13
Belgium	31	-1	+1	+12
France	34	-1	+0	+11
Italy	107	-2	+1	-3
Spain	71	-4	+9	+8
Portugal	63	-2	+3	-1
Greece	109	+1	+7	-11



Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	73.79	+2.16	-2.34	+42.45
West Texas Oil	72.15	+2.69	-1.58	+49.22
Gold \$	1806.7	+0.19	+1.77	-4.73

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