

Muted market action

Unlike the previous Monday, the start of the week on financial markets was much more muted yesterday. There was a somewhat cautious tone to investor sentiment. The main equity indices tended to trade sideways for most of the day. At the close last night on Wall Street, the S&P 500 was up slightly (+0.2%).

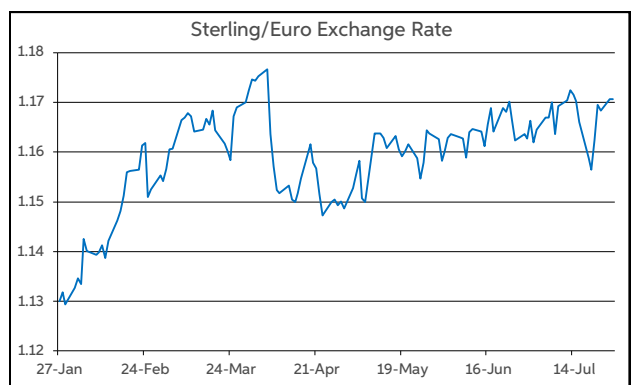
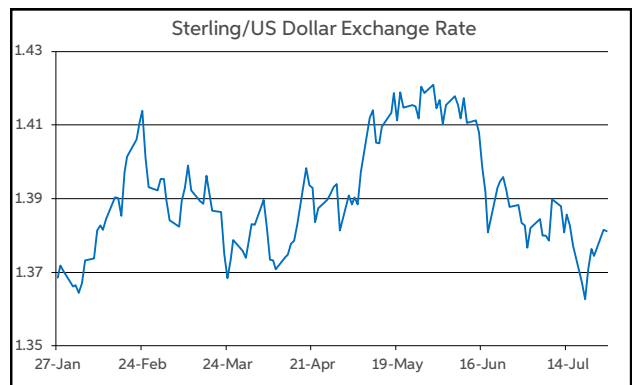
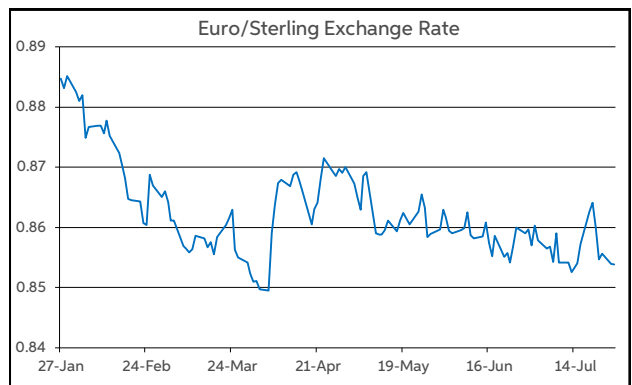
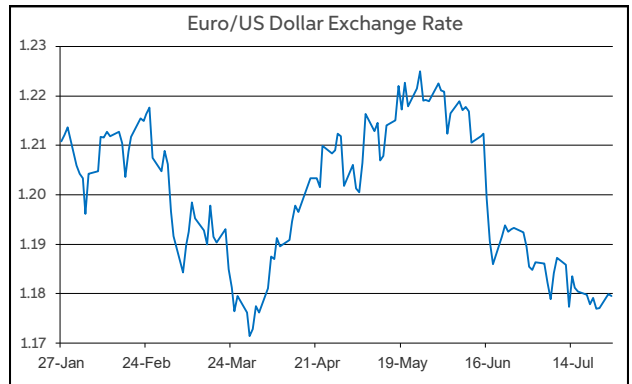
Data-wise, the two main releases yesterday disappointed against forecasts. The German Ifo survey for July fell unexpectedly to 100.8 from 101.7 and versus a forecast of 102.1. It was in contrast to last week's flash composite PMI which registered a further increase in July, and in the process reached a new record high for the index. Meanwhile, in the US, new home sales for June fell short of expectations. They recorded a 6.6% monthly fall compared to a forecast for a 3% rise.

Overall though, from a currency viewpoint, neither release generated much of a reaction amongst the main pairs yesterday. Indeed, the action over the past 24 hours has continued to be characterised by narrow range trading. Of the limited action to occur, sterling has edged slightly higher on the exchanges.

As the European trading session gets underway this morning, cable (GBP/USD) has edged back above the \$1.38 mark. Meanwhile, EUR/GBP is changing hands back at the midpoint of the 85-86p band. Elsewhere, EUR/USD opens just below the \$1.18 level.

Looking ahead to today, the main data releases come from the US. The diary features durable goods orders for June and consumer confidence (Conference Board) for July. Neither release though, is expected to have much bearing on currency markets.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1796	0.16	-3.41
EUR/GBP	0.854	-0.26	-4.44
GBP/USD	1.3813	0.44	1.02
GBP/EUR	1.1707	0.26	4.65
USD/JPY	110.18	-0.13	6.72
EUR/JPY	129.97	0.02	3.02

* 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	0.14	0.29	0.81
EUR	0.00	-0.56	-0.54	-0.52	-0.48	-0.35
GBP	0.10	0.05	0.07	0.24	0.43	0.67

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

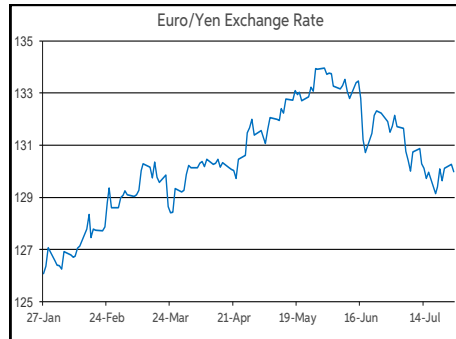
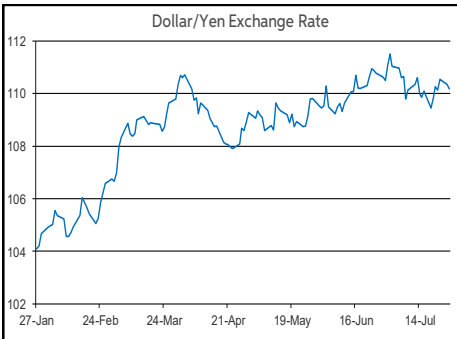
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

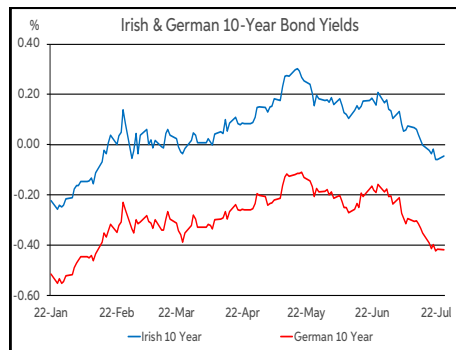
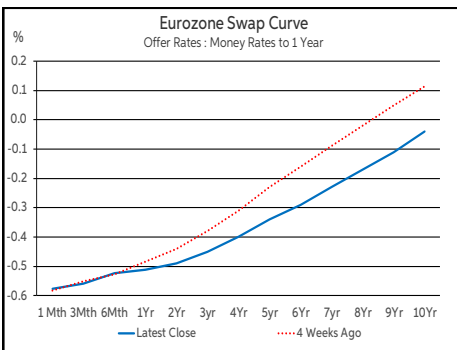
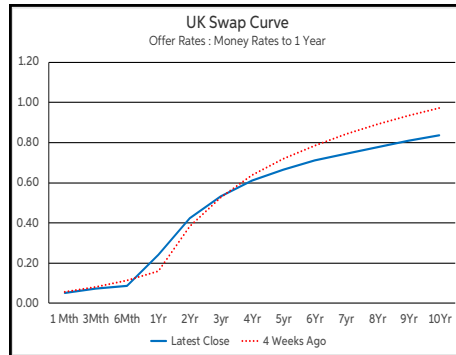
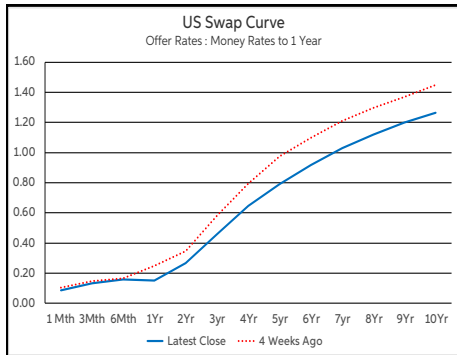
Tuesday 27 July 2021
07:26 am



Euro		Sterling		Dollar	
EUR/GBP	0.854	GBP/EUR	1.1707	USD/JPY	110.19
EUR/USD	1.1795	GBP/USD	1.3813	USD/CAD	1.2559
EUR/JPY	129.97	GBP/CAD	1.7346	USD/CHF	0.9161
EUR/SEK	10.1875	GBP/NZD	1.9778	USD/CNY	6.4793
EUR/DKK	7.4369	GBP/JPY	152.21	USD/BRL	5.1766
EUR/NOK	10.4249	GBP/SEK	11.9227	USD/RUB	73.7817
EUR/CHF	1.0806	GBP/DKK	8.7067	USD/INR	74.405
EUR/AUD	1.6012	GBP/NOK	12.2059	AUD/USD	0.7365
EUR/HKD	9.174	GBP/CHF	1.2654	NZD/USD	0.698
EUR/CAD	1.4807	GBP/AUD	1.875		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.29	+1	-19	+38
Germany	-0.41	-0	-23	+16
UK	0.57	-1	-15	+38
Ireland	-0.01	+1	-21	+29
Belgium	-0.10	+0	-24	+28
France	-0.08	+1	-24	+27
Italy	0.63	+0	-24	+11
Spain	0.29	+1	-16	+23
Portugal	0.21	+1	-22	+15
Greece	0.64	-1	-20	+2
5 Year Swap %				
US	0.79	+1	-14	+37
Eurozone	-0.34	+1	-10	+12
UK	0.67	-1	-5	+48
2 Year Swap %				
US	0.27	-0	-5	+7
Eurozone	-0.49	-0	-4	+4
UK	0.42	-0	+5	+40
10 Year Government Bond Spreads to Benchmark bps				
Ireland	40	+1	+1	+13
Belgium	31	+0	-1	+12
France	34	+1	-1	+10
Italy	105	+1	-2	-5
Spain	70	+1	+6	+7
Portugal	62	+1	+1	-1
Greece	106	-1	+3	-15



Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	74.5	+0.54	-0.24	+43.82
West Texas Oil	72.15	-0.12	-1.14	+49.22
Gold \$	1797.3	-0.23	+1.07	-5.23

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