

Cautious tone to sentiment

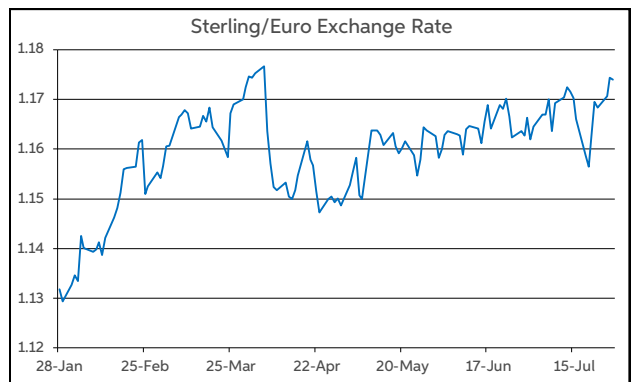
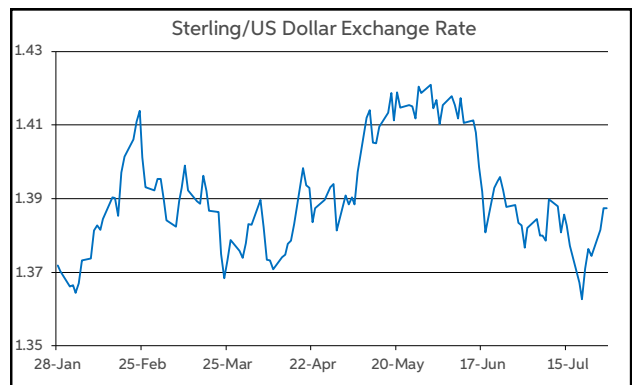
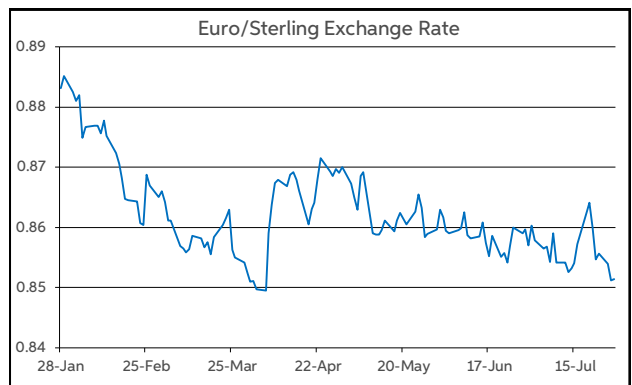
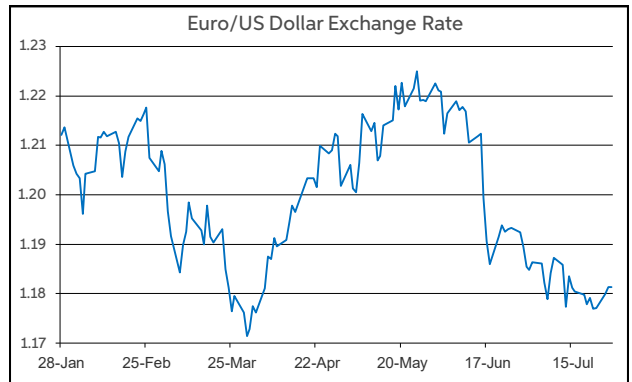
The action on markets yesterday reflected a more cautious tone to investor sentiment. This was in part due to some concerns over regulatory changes in China. The more risk averse mood was evident in the main equity indices finishing their respective trading sessions lower. In Europe, the Euro Stoxx 50 fell by 0.9%. Meanwhile, at the closing bell on Wall Street last night, the S&P 500 was 0.5% lower on the day. There were some signs of safe demand on bond markets. The ten-year US Treasury yield fell by 6bps to 1.24%.

Data-wise, the main releases yesterday were from the US diary. Headline durable goods orders missed to the downside of expectations (+0.8% versus forecast for +2.1%). Although, the underlying data showed that core capital goods orders continued to register solid growth at the end of Q2. Meanwhile, the Conference Board measure of consumer confidence surprised to the upside of expectations. It rose to 129.1 (f'cast for 123.9), recording its sixth straight monthly improvement.

On the currency front, the action was yet again confined to relatively narrow ranges. Within this limited action, sterling was generally holding a firmer tone, while the dollar was slightly softer. In level terms, GBP/USD opens this morning in the upper half of \$1.38-1.39, while EUR/GBP is in the lower half of 85-86p. Elsewhere, EUR/USD has edged back above the \$1.18 threshold.

Ahead today, the highlight is the US Fed policy meeting (concludes after European close). However, it could be relatively uneventful for the dollar. No policy changes are envisaged. On the issue of QE tapering, expectations are low for any insight from the Fed as to when it could be announced.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1815	0.13	-3.26
EUR/GBP	0.8515	-0.21	-4.72
GBP/USD	1.3875	0.35	1.48
GBP/EUR	1.1742	0.21	4.96
USD/JPY	109.81	-0.35	6.36
EUR/JPY	129.75	-0.23	2.85

* 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	0.79
EUR	0.00	-0.56	-0.54	-0.52	-0.49	-0.35
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

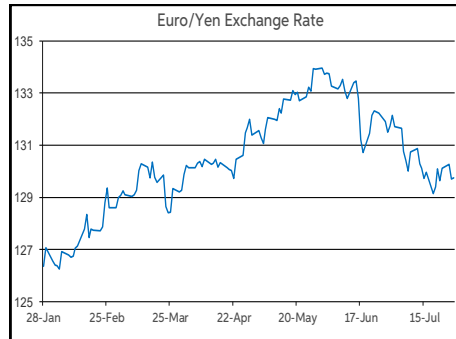
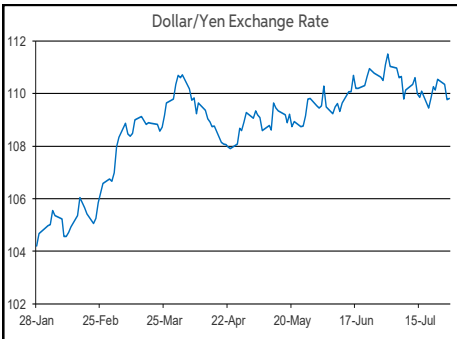
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

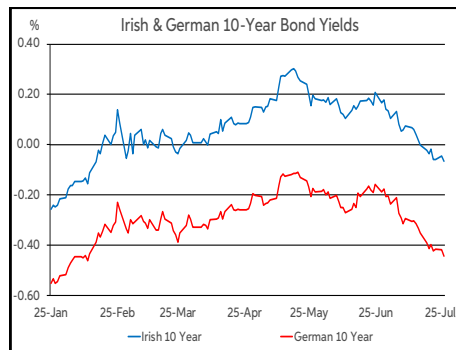
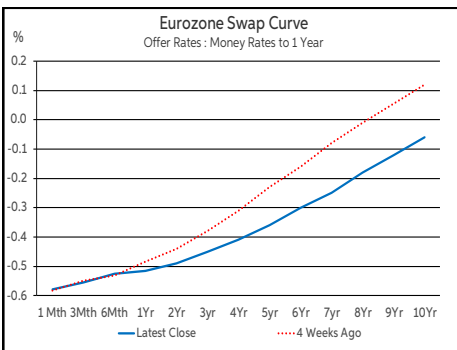
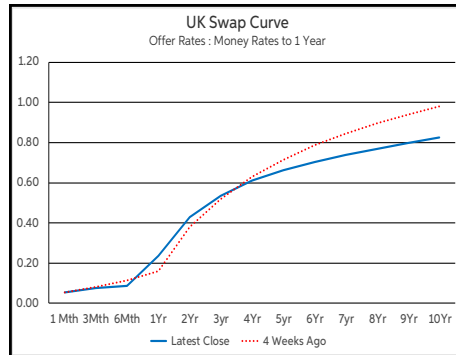
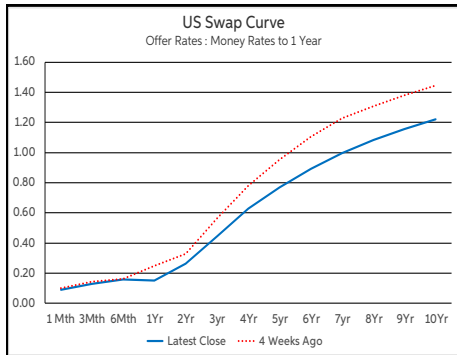
Wednesday 28 July 2021
07:24 am



Euro		Sterling		Dollar	
EUR/GBP	0.8515	GBP/EUR	1.1742	USD/JPY	109.81
EUR/USD	1.1815	GBP/USD	1.3875	USD/CAD	1.2578
EUR/JPY	129.75	GBP/CAD	1.7453	USD/CHF	0.9148
EUR/SEK	10.1898	GBP/NZD	1.9922	USD/CNY	6.505
EUR/DKK	7.4372	GBP/JPY	152.36	USD/BRL	5.169
EUR/NOK	10.4808	GBP/SEK	11.9601	USD/RUB	73.6838
EUR/CHF	1.0812	GBP/DKK	8.7336	USD/INR	74.43
EUR/AUD	1.6048	GBP/NOK	12.3023	AUD/USD	0.7362
EUR/HKD	9.1929	GBP/CHF	1.2696	NZD/USD	0.6962
EUR/CAD	1.4855	GBP/AUD	1.8844		



	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.24	-6	-24	+32
Germany	-0.44	-3	-27	+13
UK	0.56	-1	-18	+36
Ireland	-0.03	-2	-25	+27
Belgium	-0.11	-0	-25	+28
France	-0.09	-1	-26	+25
Italy	0.63	-1	-26	+11
Spain	0.28	-1	-18	+22
Portugal	0.20	-1	-25	+14
Greece	0.62	-2	-22	-1
5 Year Swap %				
US	0.77	-2	-18	+35
Eurozone	-0.36	-2	-12	+10
UK	0.66	-0	-5	+47
2 Year Swap %				
US	0.26	-0	-6	+7
Eurozone	-0.49	-0	-4	+4
UK	0.43	+0	+6	+40
10 Year Government Bond Spreads to Benchmark bps				
Ireland	41	+1	+2	+14
Belgium	34	+2	+2	+14
France	35	+1	+1	+12
Italy	107	+2	+1	-3
Spain	72	+2	+8	+9
Portugal	64	+1	+2	+0
Greece	106	+1	+5	-14



	Commodities			
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	74.48	-0.03	-0.37	+43.78
West Texas Oil	71.68	-0.65	-2.00	+48.25
Gold \$	1798.7	+0.08	+2.14	-5.15

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