

Limited action on markets

The price action remained limited across asset classes yesterday. On equity markets, both the Euro Stoxx 50 and the S&P 500 finished flat for the day. Currency-wise, the dollar recorded some very modest gains, despite the euro holding a slightly firmer tone throughout the day. Meanwhile, there was a little bit more action on bond markets, with benchmark Euro-area yields rising by 4-10bps. US Treasury and UK Gilt yields also drifted higher.

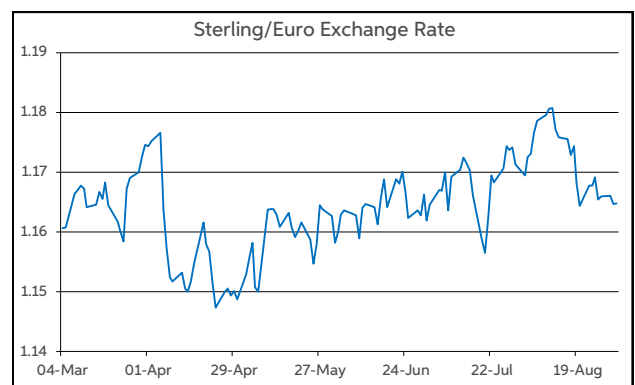
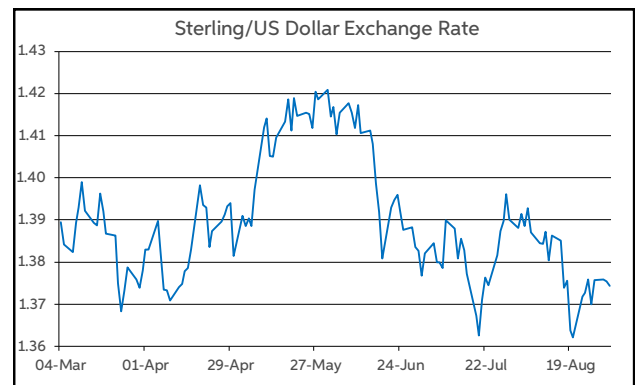
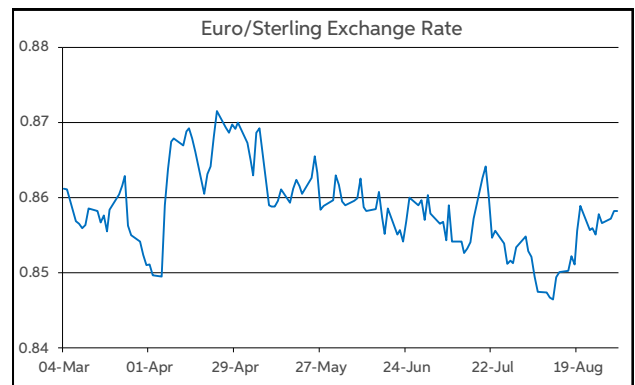
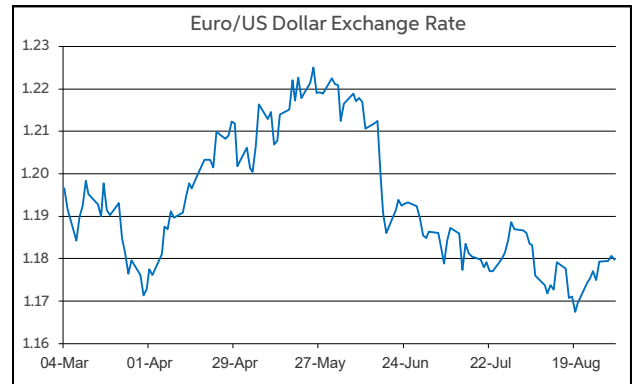
Data-wise, Eurozone inflation printed above the consensus, rising to 3.0% in August (vs. 2.7% f'cast). The index though, remains mired by base effects, which may intensify further as we continue to move through the second half of the year. The euro was holding a slightly firmer tone following the release, with EUR/USD rising above \$1.184. However, as referenced above, the euro handed back these gains later in the session.

Elsewhere, in the US, consumer confidence missed to the downside of expectations, falling to a six month low of 113.8 in August (vs. 124.0 f'cast). However, the release did not appear to have a discernable impact on the dollar yesterday.

In levels terms, the slightly firmer dollar tone is evidenced by EUR/USD opening this morning back below the \$1.18 mark. Meanwhile, GBP/USD is operating under the midpoint of the \$1.37-1.38 range. EUR/GBP continues to change hands in the top half of 85-86p.

Today, the manufacturing ISM in the US is projected to remain in expansion mode, but decline for the third consecutive month in August. Meantime, the Eurozone unemployment rate is expected to continue to edge lower in July. Barring any major surprises though, neither data is likely to impact on currency markets.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1795	-0.19	-3.42
EUR/GBP	0.8581	0.08	-3.98
GBP/USD	1.3745	-0.24	0.53
GBP/EUR	1.165	-0.08	4.15
USD/JPY	110.18	0.25	6.72
EUR/JPY	129.97	0.08	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	0.12	0.14	0.32	0.89
EUR	0.00	-0.56	-0.55	-0.52	-0.47	-0.33
GBP	0.10	0.05	0.07	0.29	0.49	0.73

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

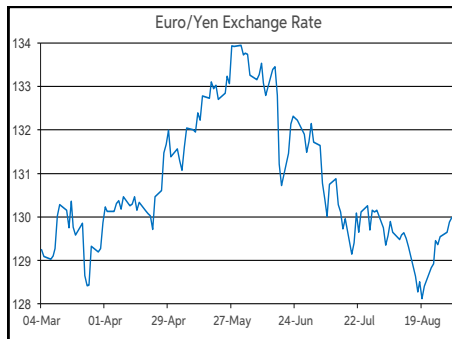
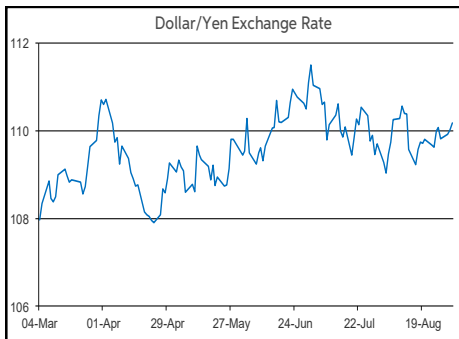
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

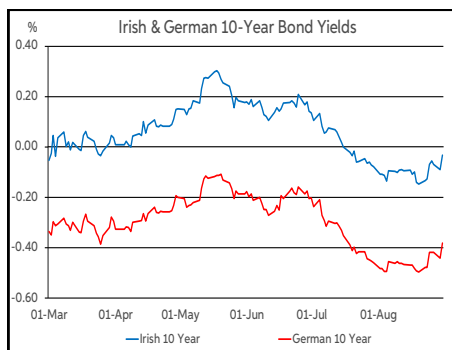
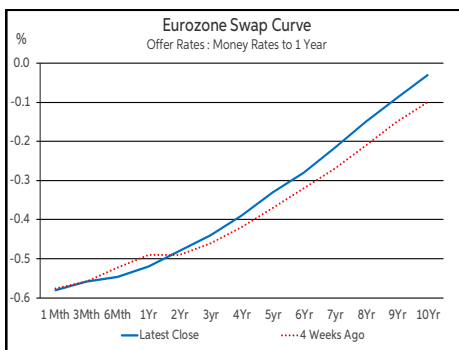
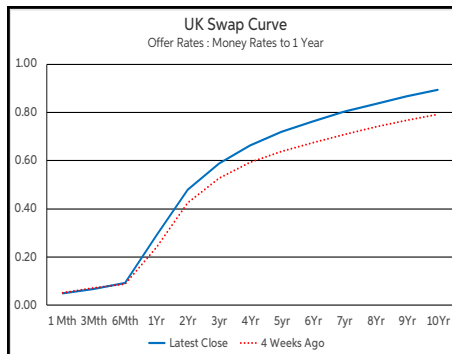
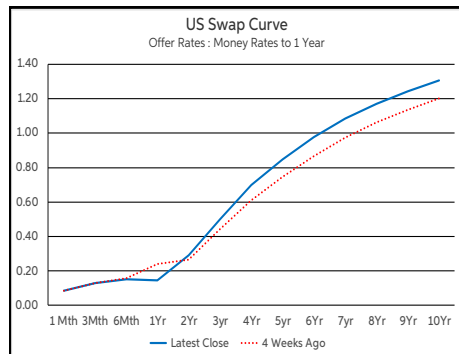
Wednesday 01 September 2021
07:16 am



Euro		Sterling		Dollar	
EUR/GBP	0.8581	GBP/EUR	1.165	USD/JPY	110.18
EUR/USD	1.1795	GBP/USD	1.3745	USD/CAD	1.2608
EUR/JPY	129.97	GBP/CAD	1.7327	USD/CHF	0.9182
EUR/SEK	10.191	GBP/NZD	1.9492	USD/CNY	6.4611
EUR/DKK	7.4362	GBP/JPY	151.44	USD/BRL	5.1492
EUR/NOK	10.2534	GBP/SEK	11.8695	USD/RUB	73.2231
EUR/CHF	1.0831	GBP/DKK	8.6645	USD/INR	72.9725
EUR/AUD	1.6095	GBP/NOK	11.9441	AUD/USD	0.7327
EUR/HKD	9.1711	GBP/CHF	1.2621	NZD/USD	0.7047
EUR/CAD	1.4876	GBP/AUD	1.8755		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.31	+3	+13	+39
Germany	-0.38	+6	+10	+20
UK	0.62	+4	+10	+43
Ireland	0.03	+6	+11	+34
Belgium	-0.05	+5	+9	+33
France	-0.03	+6	+11	+31
Italy	0.71	+10	+14	+19
Spain	0.35	+6	+11	+29
Portugal	0.22	+5	+8	+16
Greece	0.75	+4	+19	+12
5 Year Swap %				
US	0.85	+1	+14	+43
Eurozone	-0.33	+3	+5	+13
UK	0.72	+2	+9	+53
2 Year Swap %				
US	0.29	+1	+7	+10
Eurozone	-0.48	+1	+2	+5
UK	0.48	+0	+7	+45
10 Year Government Bond Spreads to Benchmark bps				
Ireland	41	+0	+1	+14
Belgium	33	-1	-1	+14
France	35	-0	+1	+12
Italy	109	+4	+4	-0
Spain	73	+0	+1	+10
Portugal	60	-1	-2	-4
Greece	113	-1	+9	-8



Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	72.99	-0.57	+0.80	+40.91
West Texas Oil	68.43	-1.23	-3.13	+41.53
Gold \$	1813.4	+0.18	+0.19	-4.38

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