

## Quiet markets

The subdued action on financial markets carried over into the first day of September trading yesterday. Most of the main asset classes registered fairly limited price moves. This was not overly surprising given the generally uneventful data schedule. The final readings of the manufacturing PMIs from the UK, Eurozone and US showed only minor revisions.

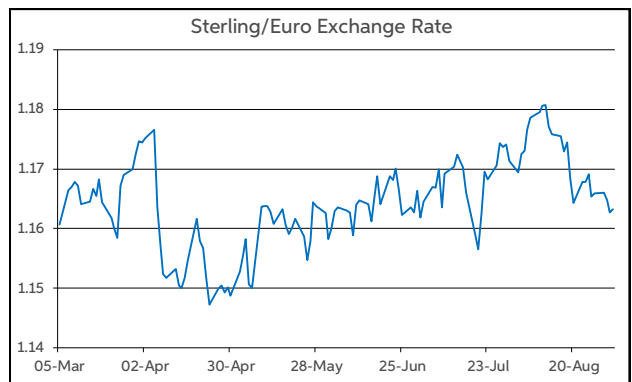
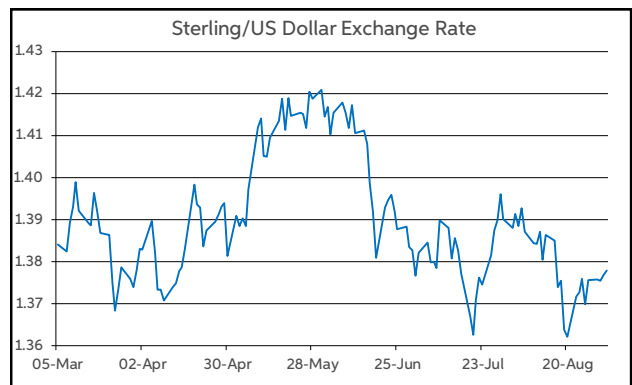
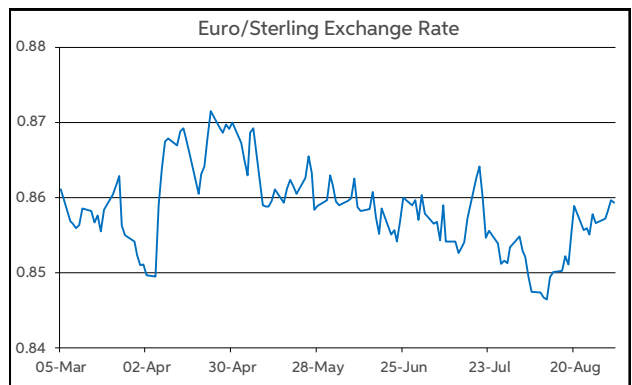
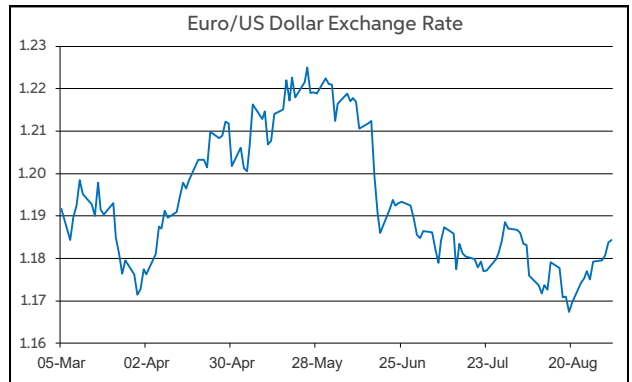
Aside from that, there was some mixed US macro newsflow. The ADP employment report for August printed well below expectations (at 374k vs f'cast for 613k). On the other hand, the manufacturing ISM for August came in ahead of forecasts (59.9 vs f'cast of 58.6).

The main equity indices were generally in sideways mode for much of the day. At the close last night on Wall Street, the S&P 500 was flat on the day. On bond markets, with the exception of UK gilts, most of the main sovereign benchmark yields were within a 1-2bps change on the day.

On the currency front, the main pairs were confined to fairly narrow ranges. The dollar was holding a softer tone, reversing its gains from the previous day. In level terms, this is reflected in EUR/USD opening this morning back above the \$1.18 threshold, near to the midpoint of \$1.18-1.19. Meanwhile, GBP/USD is in the upper half of \$1.37-1.38. Elsewhere, EUR/GBP has continued to operate in a tight range just below the 86p mark.

Looking ahead to today, the macro diary is sparse. With tomorrow's US payroll numbers for August looming on the horizon, there could be a wait-and-see mood to proceedings on markets today.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1841	0.36	-3.05
EUR/GBP	0.8593	0.06	-3.85
GBP/USD	1.3779	0.32	0.78
GBP/EUR	1.1634	-0.06	4.00
USD/JPY	109.96	-0.24	6.51
EUR/JPY	130.22	0.13	3.22

\* 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	0.08	0.12	0.14	0.32	0.88
EUR	0.00	-0.55	-0.55	-0.52	-0.47	-0.32
GBP	0.10	0.05	0.07	0.29	0.49	0.71

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

Thursday 02 September 2021  
07:13 am



## Euro

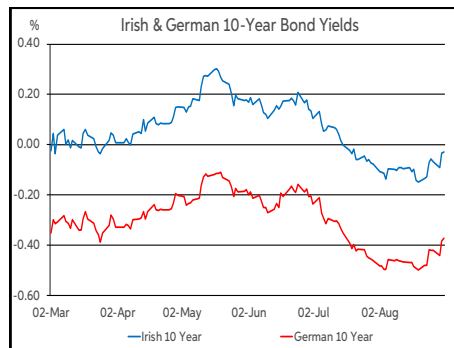
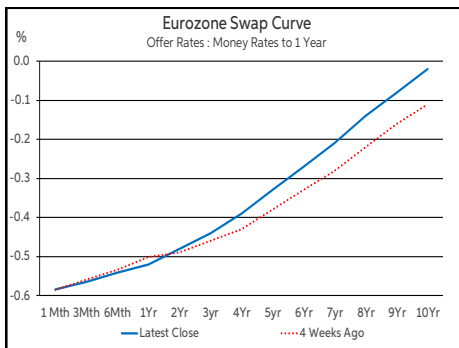
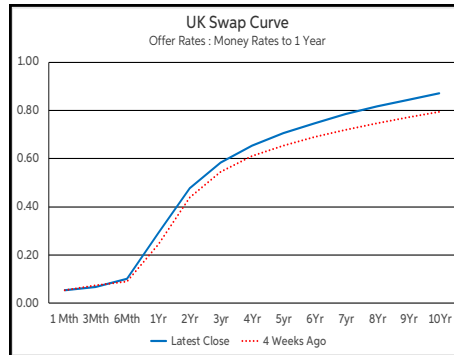
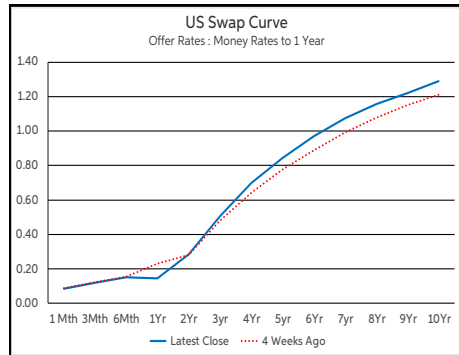
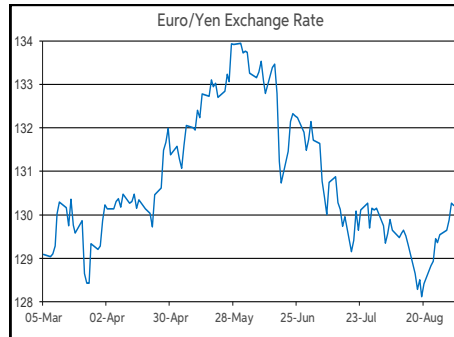
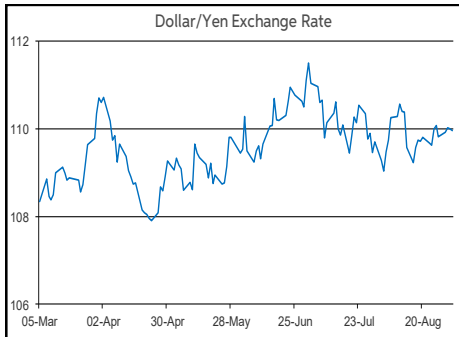
EUR/GBP	0.8593
EUR/USD	1.1841
EUR/JPY	130.22
EUR/SEK	10.2011
EUR/DKK	7.4356
EUR/NOK	10.2991
EUR/CHF	1.0834
EUR/AUD	1.6046
EUR/HKD	9.207
EUR/CAD	1.4945

## Sterling

GBP/EUR	1.1634
GBP/USD	1.3779
GBP/CAD	1.7386
GBP/NZD	1.9475
GBP/JPY	151.51
GBP/SEK	11.8641
GBP/DKK	8.6509
GBP/NOK	11.9823
GBP/CHF	1.2606
GBP/AUD	1.8674

## Dollar

USD/JPY	109.96
USD/CAD	1.2619
USD/CHF	0.9148
USD/CNY	6.4612
USD/BRL	5.1849
USD/RUB	72.9784
USD/INR	72.985
AUD/USD	0.7377
NZD/USD	0.7072



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
<b>10 Year Yield %</b>				
US	1.30	-1	+12	+38
Germany	-0.37	+1	+12	+20
UK	0.70	+7	+18	+50
Ireland	0.04	+1	+12	+34
Belgium	-0.05	+1	+11	+34
France	-0.02	+1	+13	+32
Italy	0.69	-2	+14	+17
Spain	0.34	-0	+11	+29
Portugal	0.22	+0	+8	+16
Greece	0.76	+2	+21	+14
<b>5 Year Swap %</b>				
US	0.84	+0	+11	+42
Eurozone	-0.33	+0	+6	+13
UK	0.71	-1	+6	+52
<b>2 Year Swap %</b>				
US	0.28	-0	+3	+9
Eurozone	-0.48	-0	+2	+5
UK	0.48	-0	+5	+45
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	41	-0	-1	+14
Belgium	33	-0	-1	+13
France	35	-0	+0	+11
Italy	107	-3	+2	-3
Spain	71	-1	-1	+8
Portugal	59	-1	-4	-5
Greece	113	+1	+9	-7

Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	71.59	-1.92	+1.72	+38.20
West Texas Oil	68.63	+0.29	+0.65	+41.94
Gold \$	1813.7	+0.01	+0.12	-4.37

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