

Muted action persists

The mood and degree of action on financial markets remained fairly subdued yesterday. The limited moves were against a backdrop of a very quiet data calendar. There was also the Friday release of the all important monthly US payrolls figures looming on the horizon, which contributed to the wait-and-see attitude amongst market participants.

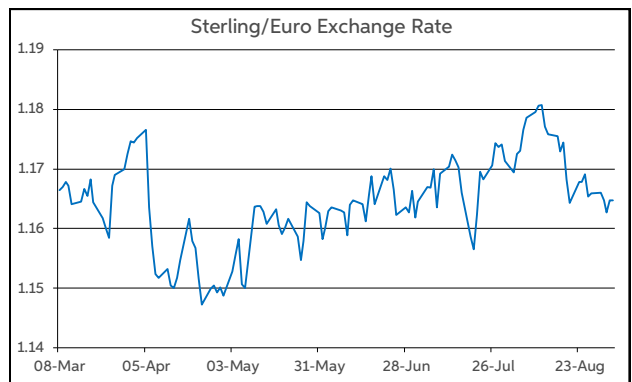
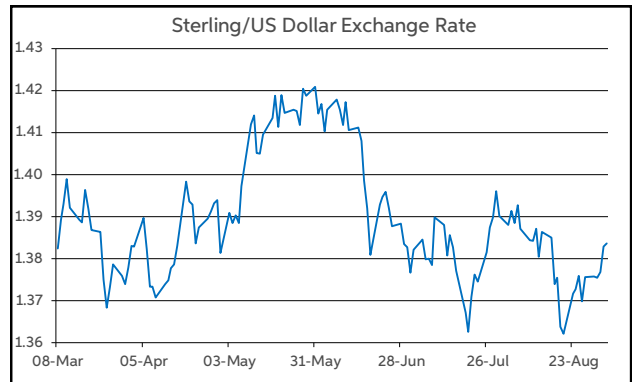
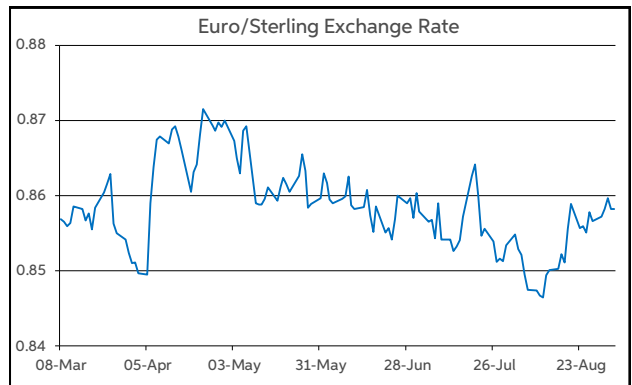
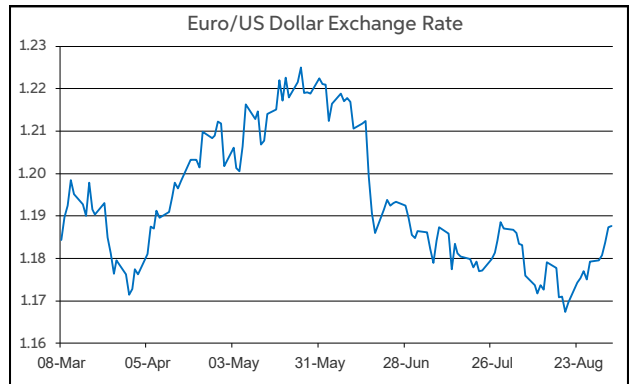
Indeed, of the sparse data highlights yesterday, the weekly US jobless claims number came in slightly better than expected, at 340k (vs. 345k f'cast), a new post pandemic low. Meantime, US factory orders (Jul) also printed marginally ahead of expectations, registering a 0.4% monthly growth rate (vs. 0.3% f'cast).

The muted action was reflected in all the main equity indices spending much of the day in a sideways pattern. At the closing bell on Wall Street last night, the S&P 500 had managed to eke out a modest 0.3% gain on the day. On bond markets, the main sovereign yields were mostly operating within a 1-2bps range.

On the currency front, the majors remained confined to tight ranges. Of the limited action to register, the dollar continued to edge lower against the euro and sterling. In level terms, the softer dollar tone is evident in EUR/USD changing hands this morning in the upper half of \$1.18-1.19 and GBP/USD trading back above the \$1.38 mark. Meanwhile, the EUR/GBP pair remains stuck in a very tight range just below the 86p threshold.

The aforementioned August payroll numbers are very much front and centre of market attention today. The consensus expectation is a for a 750k gain. Any significant deviation from this forecast could create some volatility for the dollar.

John Fahey, Senior Economist, AIB



| Today's Opening FX Rates | | | |
|--------------------------|--------|----------|----------|
| | | % Change | |
| | | Day * | End 2020 |
| EUR/USD | 1.1875 | 0.35 | -2.77 |
| EUR/GBP | 0.8584 | -0.09 | -3.95 |
| GBP/USD | 1.3834 | 0.46 | 1.18 |
| GBP/EUR | 1.1646 | 0.09 | 4.11 |
| USD/JPY | 110.03 | 0.01 | 6.58 |
| EUR/JPY | 130.69 | 0.38 | 3.59 |

* 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 | 0.87 |
| EUR | 0.00 | -0.55 | -0.55 | -0.52 | -0.47 | -0.33 |
| GBP | 0.10 | 0.05 | 0.06 | 0.29 | 0.48 | 0.70 |

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

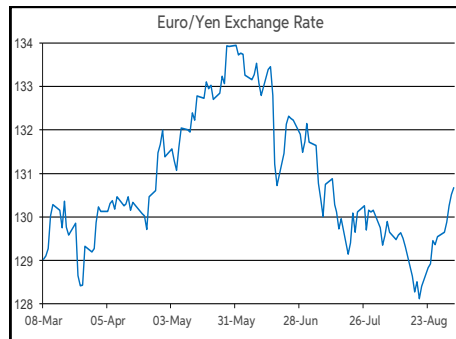
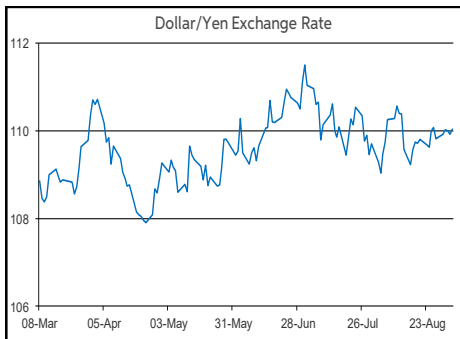
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|---------|--|----------------|------------|------------------|---------------------------|-----------------|-----------------------------------|
| FX Spot | Karl Cooke Shane Gargan Enda Homan | FX Options | Mark Tuite | Reuters Phone | AIBG.I 00353-1-7724018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

Opening Levels

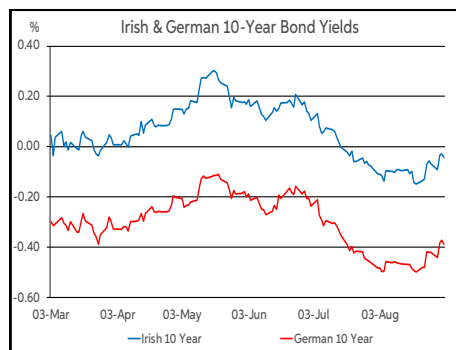
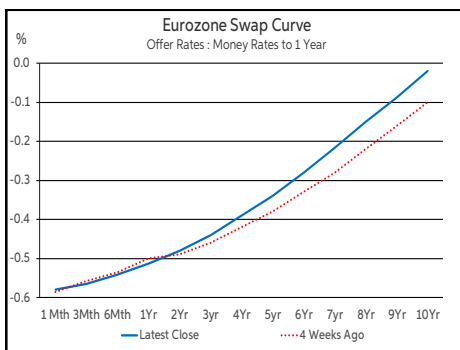
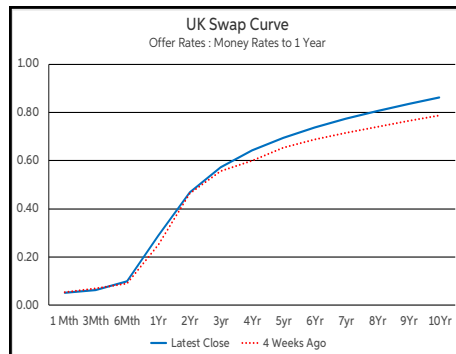
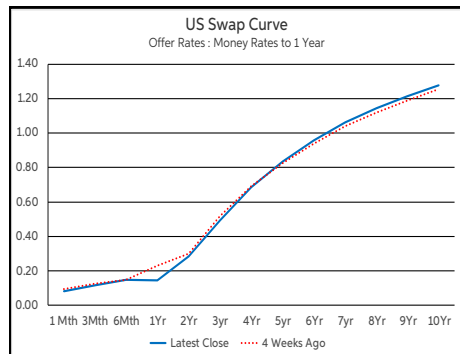
Friday 03 September 2021
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| Euro | | Sterling | | Dollar | |
|---------|---------|----------|---------|---------|--------|
| EUR/GBP | 0.8584 | GBP/EUR | 1.1646 | USD/JPY | 110.03 |
| EUR/USD | 1.1875 | GBP/USD | 1.3834 | USD/CAD | 1.2537 |
| EUR/JPY | 130.69 | GBP/CAD | 1.7351 | USD/CHF | 0.9141 |
| EUR/SEK | 10.1781 | GBP/NZD | 1.942 | USD/CNY | 6.4586 |
| EUR/DKK | 7.4357 | GBP/JPY | 152.22 | USD/BRL | 5.1825 |
| EUR/NOK | 10.265 | GBP/SEK | 11.8507 | USD/RUB | 72.835 |
| EUR/CHF | 1.0856 | GBP/DKK | 8.6605 | USD/INR | 73.073 |
| EUR/AUD | 1.5999 | GBP/NOK | 11.9543 | AUD/USD | 0.7421 |
| EUR/HKD | 9.229 | GBP/CHF | 1.2645 | NZD/USD | 0.7121 |
| EUR/CAD | 1.4894 | GBP/AUD | 1.8633 | | |



| Debt Markets | | | | |
|---|-------|------------|---------|--------|
| | Close | Change bps | | |
| | | Day | 4 Weeks | End 20 |
| 10 Year Yield % | | | | |
| US | 1.29 | -1 | +6 | +37 |
| Germany | -0.38 | -1 | +11 | +19 |
| UK | 0.68 | -1 | +16 | +49 |
| 5 Year Swap % | | | | |
| US | 0.83 | -0 | +5 | +41 |
| Eurozone | -0.34 | -1 | +5 | +12 |
| UK | 0.70 | -1 | +5 | +51 |
| 2 Year Swap % | | | | |
| US | 0.28 | -0 | +1 | +9 |
| Eurozone | -0.48 | -0 | +2 | +5 |
| UK | 0.47 | -1 | +1 | +44 |
| 10 Year Government Bond Spreads to Benchmark bps | | | | |
| Ireland | 41 | -0 | +2 | +14 |
| Belgium | 32 | -0 | -1 | +13 |
| France | 35 | +0 | +1 | +12 |
| Italy | 106 | -1 | +3 | -4 |
| Spain | 71 | -1 | +0 | +8 |
| Portugal | 60 | +1 | -1 | -4 |
| Greece | 113 | -0 | +11 | -7 |



| Commodities | | | | |
|----------------|----------|-------|---------|--------|
| | % Change | | | |
| | Close | Day | 4 Weeks | End 20 |
| Brent Oil | 73.03 | +2.01 | +2.44 | +40.98 |
| West Texas Oil | 70.07 | +2.10 | +1.40 | +44.92 |
| Gold \$ | 1809.4 | -0.23 | +0.30 | -4.59 |

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