

## Quiet start to the week on markets

There was a quiet start to the week across financial markets yesterday. On equity markets, most of the main European indices moved higher, with the Euro Stoxx 50 gaining 1.1% on the day. On bond markets, US benchmark Treasury yields rose by 4bps, while core Euro-area and UK Gilt yields inched lower.

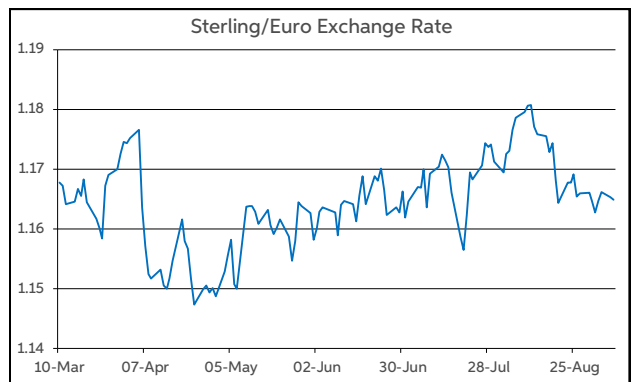
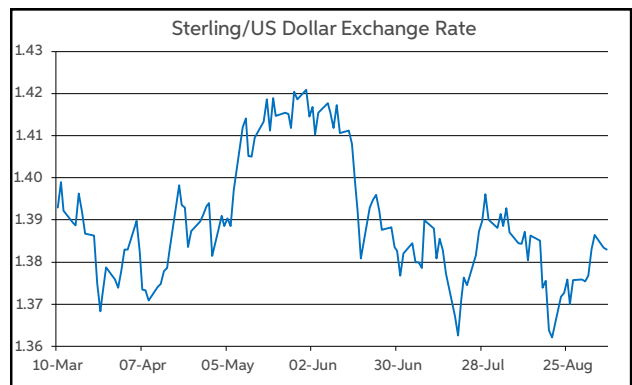
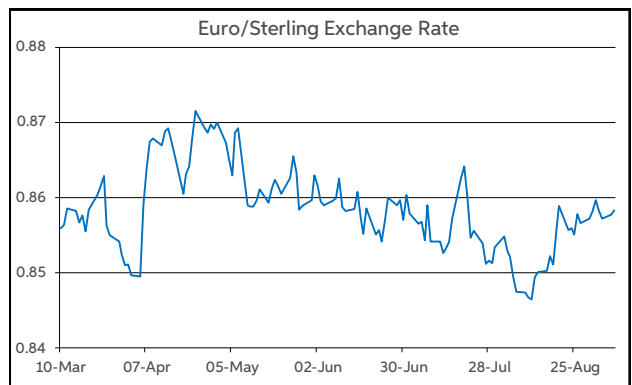
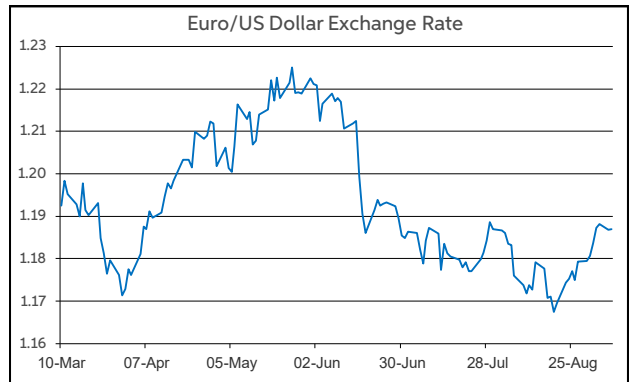
Currency-wise, the main pairs operated in very tight ranges throughout the day. The EUR/USD rate for example, traded in a narrow \$1.185-1.189 corridor, while EUR/GBP remained confined to the top half of 85-86p. However, the muted action on the exchanges was not overly surprising, as there was a market holiday in the US yesterday.

A sparse data calendar to start the week also contributed to the subdued price action. The main data release in the Eurozone yesterday, German industrial orders beat the consensus, rising by 3.4% in July (vs. -1.0% f'cast). Meanwhile, already this morning, German industrial output for July has printed broadly in line with expectations, rising by 1.0%. However, the releases have had little impact on the euro.

Thus, as trading gets underway this morning, EUR/USD continues to change hands in the top half of the \$1.18-1.19 band. Meantime, EUR/GBP starts today just below the 86p level once again. Cable (GBP/USD) continues to operate above the \$1.38 threshold.

For the day ahead, the final reading of Eurozone GDP is set to confirm the economy grew by 2.0% in Q2. Elsewhere, the German ZEW measure of sentiment is projected to fall to its lowest level since April 2020. Barring any major surprises though, range trading is likely to remain the order of the day on forex markets.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.187	0.02	-2.81
EUR/GBP	0.8584	0.14	-3.95
GBP/USD	1.3828	-0.12	1.13
GBP/EUR	1.1649	-0.14	4.11
USD/JPY	109.88	0.07	6.43
EUR/JPY	130.42	0.08	3.38

\* 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	0.90
EUR	0.00	-0.55	-0.55	-0.51	-0.46	-0.31
GBP	0.10	0.05	0.06	0.28	0.47	0.70

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

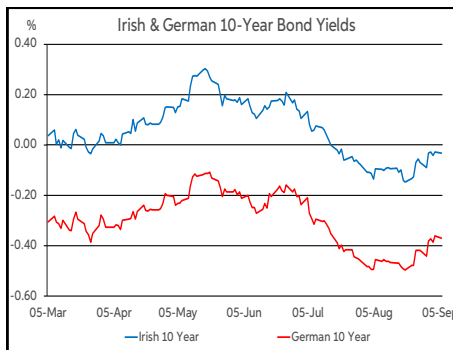
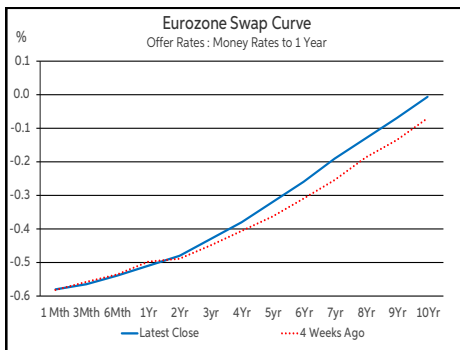
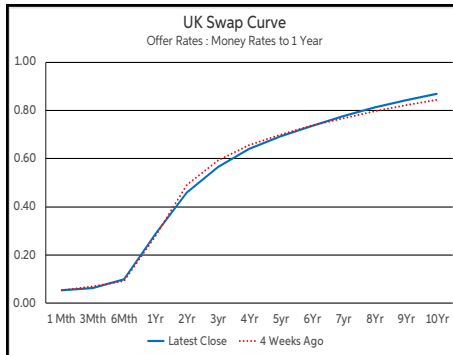
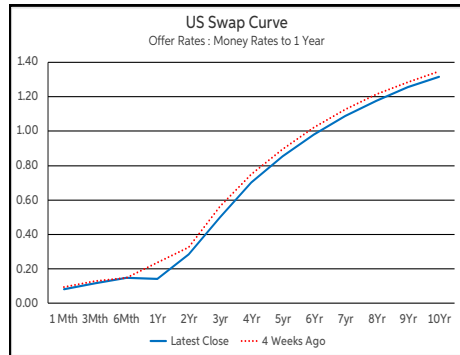
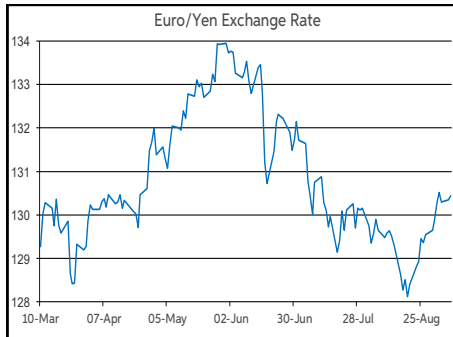
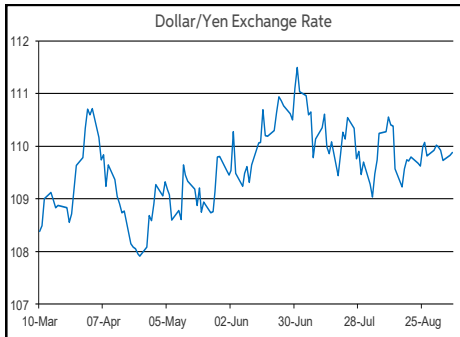
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

Tuesday 07 September 2021  
07:12 am



Euro		Sterling		Dollar	
EUR/GBP	0.8584	GBP/EUR	1.1649	USD/JPY	109.88
EUR/USD	1.187	GBP/USD	1.3828	USD/CAD	1.2542
EUR/JPY	130.42	GBP/CAD	1.7344	USD/CHF	0.9151
EUR/SEK	10.1578	GBP/NZD	1.9431	USD/CNY	6.4557
EUR/DKK	7.4359	GBP/JPY	151.94	USD/BRL	5.1693
EUR/NOK	10.2742	GBP/SEK	11.83	USD/RUB	72.9507
EUR/CHF	1.0861	GBP/DKK	8.6618	USD/INR	73.2725
EUR/AUD	1.5997	GBP/NOK	11.9672	AUD/USD	0.7419
EUR/HKD	9.2268	GBP/CHF	1.2654	NZD/USD	0.7117
EUR/CAD	1.4888	GBP/AUD	1.8632		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
<b>10 Year Yield %</b>				
US	1.33	+4	+0	+41
Germany	-0.37	-1	+9	+21
UK	0.70	-2	+11	+50
<b>5 Year Swap %</b>				
US	0.85	+0	-0	+43
Eurozone	-0.32	+0	+5	+14
UK	0.69	-2	-0	+50
<b>2 Year Swap %</b>				
US	0.28	+0	-0	+9
Eurozone	-0.48	-0	+2	+5
UK	0.46	-1	-2	+43
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	40	+1	+1	+13
Belgium	32	+0	-0	+13
France	34	+0	+1	+11
Italy	106	-1	+4	-4
Spain	69	-1	-1	+6
Portugal	57	-1	-1	-7
Greece	118	+4	+18	-3

Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	72.22	-0.54	+4.61	+39.42
West Texas Oil	69.34	-1.04	+4.18	+43.41
Gold \$	1823.1	-0.17	+5.41	-3.87

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