

## US inflation in focus today

After last week's risk averse mood to investor sentiment, there continued to be a somewhat cautious tone yesterday. Although the main equity indices on both sides of the Atlantic managed not to lose any further ground and edge slightly higher on the day. In Europe, the Euro Stoxx 50 was up 0.5%. Meanwhile at the closing bell on Wall Street last night, the S&P 500 was up a modest 0.2% on the day.

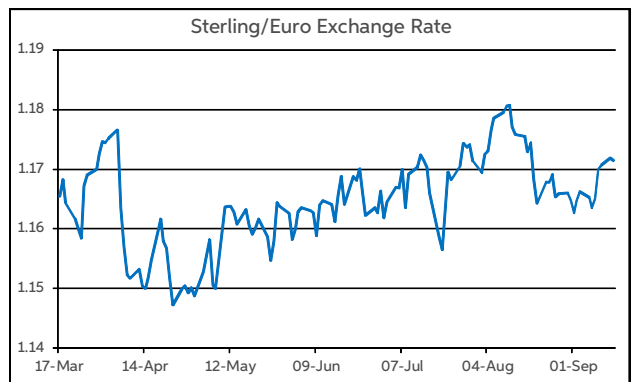
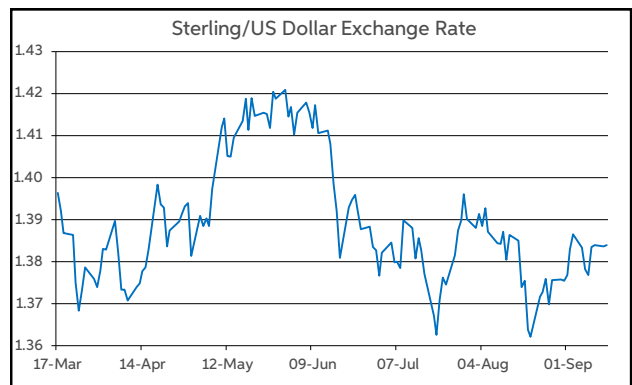
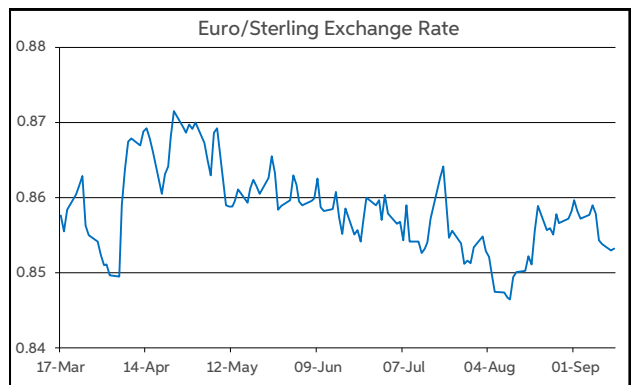
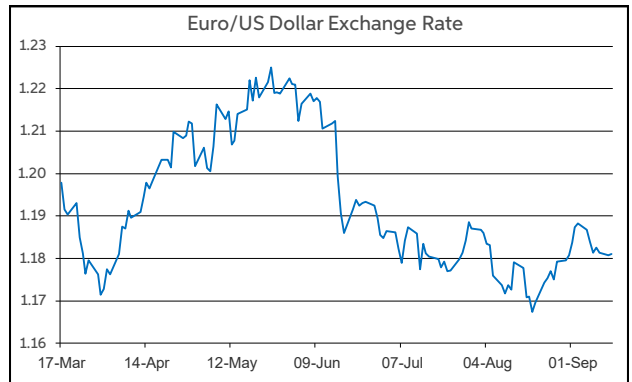
The macro data/event calendar was very quiet. Indeed, there were no releases of any note from either the Eurozone, US or UK. From a currency viewpoint, given this quiet backdrop, there was no newsflow/developments for the majors to digest.

As a result, the main pairs were confined to very tight ranges. The dearth of action has continued in overnight trading. This is evident in the most of the key pairs opening this morning showing very little movement compared to 24 hours earlier.

In level terms, EUR/USD remains in a very narrow range close to the \$1.18 threshold. Meanwhile, EUR/GBP is pinned down in the lower half of the 85-86p trading band. Elsewhere, GBP/USD continues to change hands within \$1.38-1.39.

Today's macro diary has a busier schedule of releases. Already this morning, we have had a raft of UK labour market data. This included the unemployment rate printing in line with expectations, at 4.6% (from 4.7%) in the three months to July. Meanwhile, later today, the focus will be on US inflation with the CPI readings for August due. In July, inflation remained elevated at multi-year highs. The headline rate is expected to edge moderately lower to 5.3%, while the core rate is forecast at 4.2%.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.181	0.14	-3.30
EUR/GBP	0.8532	0.01	-4.53
GBP/USD	1.3839	0.11	1.21
GBP/EUR	1.1716	-0.01	4.75
USD/JPY	110.07	0.10	6.62
EUR/JPY	129.98	0.20	3.03

\* 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	0.16	0.34	0.92
EUR	0.00	-0.56	-0.54	-0.51	-0.45	-0.28
GBP	0.10	0.05	0.07	0.32	0.53	0.77

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 14 September 2021  
07:26 am



## Euro

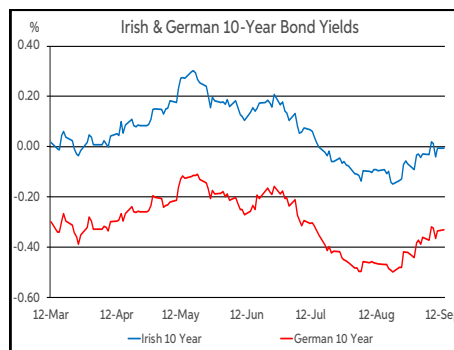
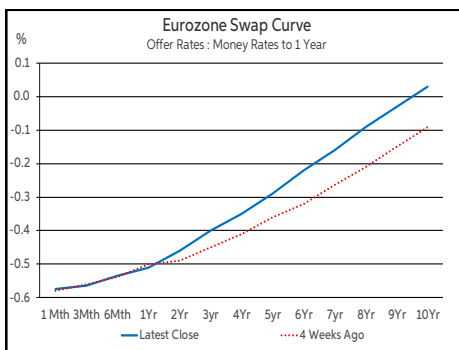
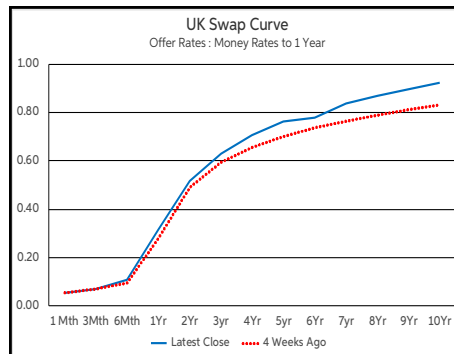
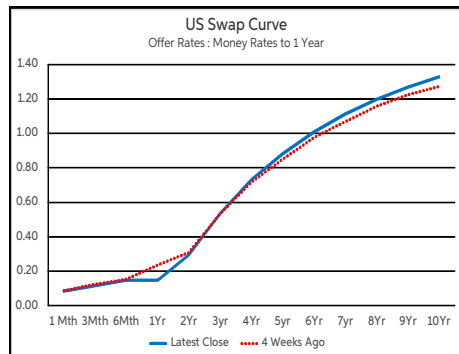
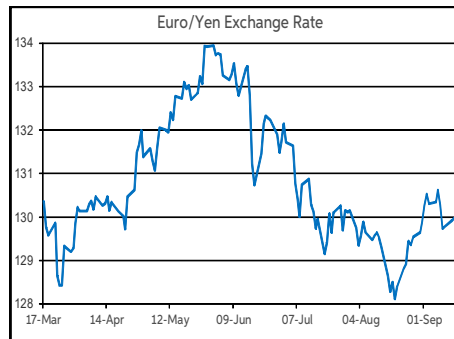
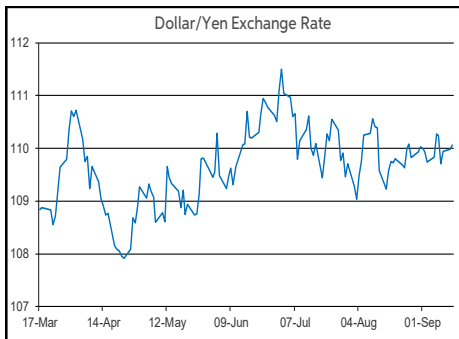
EUR/GBP	0.8532
EUR/USD	1.181
EUR/JPY	129.98
EUR/SEK	10.1708
EUR/DKK	7.436
EUR/NOK	10.2094
EUR/CHF	1.0888
EUR/AUD	1.6103
EUR/HKD	9.1867
EUR/CAD	1.4935

## Sterling

GBP/EUR	1.1716
GBP/USD	1.3839
GBP/CAD	1.7509
GBP/NZD	1.9465
GBP/JPY	152.33
GBP/SEK	11.9116
GBP/DKK	8.7125
GBP/NOK	11.9575
GBP/CHF	1.2754
GBP/AUD	1.8864

## Dollar

USD/JPY	110.07
USD/CAD	1.2652
USD/CHF	0.9217
USD/CNY	6.4474
USD/BRL	5.2144
USD/RUB	72.7661
USD/INR	73.605
AUD/USD	0.7333
NZD/USD	0.7106



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
<b>10 Year Yield %</b>				
US	1.33	-2	+6	+41
Germany	-0.33	+0	+14	+25
UK	0.75	-1	+17	+55
<b>Ireland</b>				
Ireland	0.06	-0	+12	+36
Belgium	-0.02	-0	+12	+37
France	0.00	-0	+12	+34
Italy	0.69	-2	+12	+17
Spain	0.34	-0	+11	+28
<b>Portugal</b>				
Portugal	0.23	-1	+11	+17
<b>Greece</b>				
Greece	0.76	-1	+21	+13
<b>5 Year Swap %</b>				
US	0.88	-1	+6	+46
Eurozone	-0.29	-0	+8	+17
UK	0.76	-0	+7	+57
<b>2 Year Swap %</b>				
US	0.30	-0	+3	+10
Eurozone	-0.46	+0	+4	+7
UK	0.52	+0	+3	+49
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	39	-1	-2	+12
Belgium	31	-1	-2	+12
France	33	-1	-2	+10
Italy	102	-2	-2	-8
Spain	67	-1	-3	+4
Portugal	56	-2	-3	-8
Greece	109	-2	+7	-11

Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	73.51	+0.81	+5.75	+41.91
West Texas Oil	70.54	+1.03	+4.60	+45.89
Gold \$	1793.5	+0.34	+0.35	-5.43

This publication is for information purposes and is not an invitation to deal. The information is believed to be reliable but is not guaranteed. Any expressions of opinions are subject to change without notice. This publication is not to be reproduced in whole or in part without prior permission. In the Republic of Ireland it is distributed by Allied Irish Banks, p.l.c. In the UK it is distributed by Allied Irish Banks, p.l.c. and Allied Irish Bank (GB). In Northern Ireland it is distributed by Allied Irish Bank (NI). In the United States of America it is distributed by Allied Irish Banks, p.l.c. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland. Allied Irish Bank (GB) and AIB (NI) are trade marks used under licence by AIB Group (UK) p.l.c. (a wholly owned subsidiary of Allied Irish Banks, p.l.c.), incorporated in Northern Ireland. Registered Office 92 Ann Street, Belfast BT1 3HH. Registered Number NI018800. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In the United States of America, Allied Irish Banks, p.l.c., New York Branch, is a branch licensed by the New York State Department of Financial Services. Deposits and other investment products are not FDIC insured, they are not guaranteed by any bank and they may lose value. Please note that telephone calls may be recorded in line with market practice.