

## Cautious mood persists

The market action across all of the main asset classes was fairly limited yesterday. Investor sentiment continued to hold a cautious tone, with key equity indices under some downward pressure for much of the day. At the close last night on Wall Street, the S&P 500 index was down by 0.6% on the day.

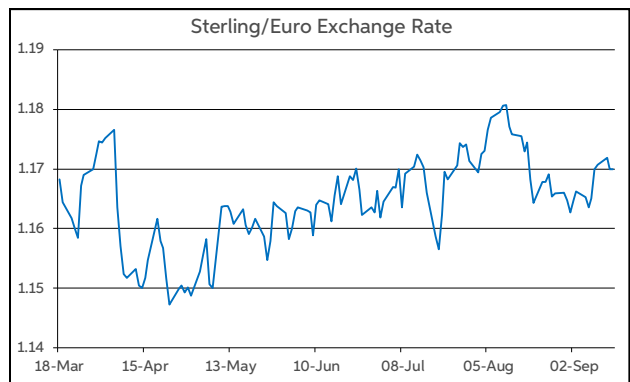
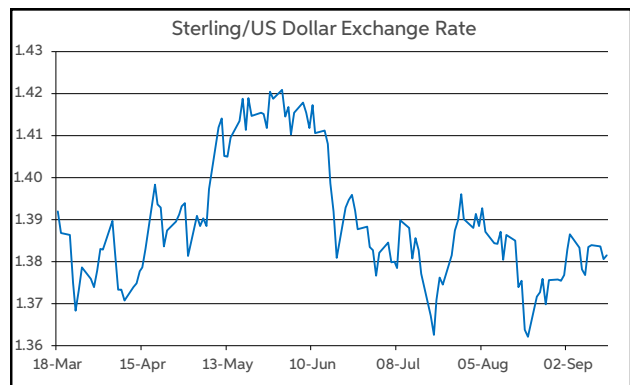
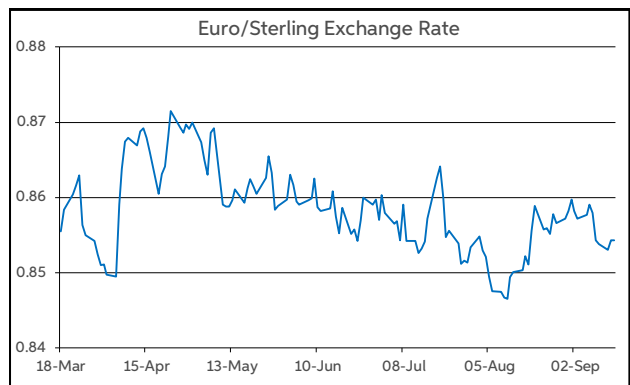
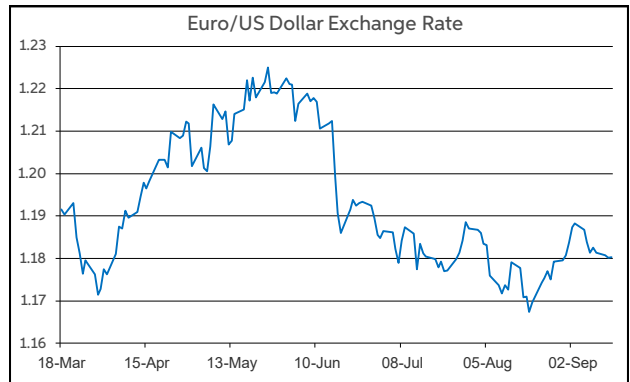
The macro diary yesterday was busier compared to Monday. The main focus and data highlight was US CPI inflation figures for August. The headline inflation rate printed in line with expectations, edging down to 5.3% from 5.4%. Meanwhile, the core rate slowed by more than anticipated, although it still remained elevated at 4% (versus forecast for 4.2%).

Given the largely uneventful macro backdrop, it was no surprise to see the main currency pairs spend the day operating within very narrow trading ranges. Indeed, most of the majors open this morning broadly unchanged compared to 24 hours earlier.

In level terms, EUR/USD starts the day once again near to the \$1.18 threshold. Meanwhile, EUR/GBP remains in the lower half of the 85-86p trading band. Elsewhere, on the currency front, cable (GBP/USD) continues to trade within the \$1.38-1.39 range.

Already this morning, UK CPI data for August has been released. The headline rate rose sharply to 3.2% y/y from 2% in July and above the consensus forecast for 2.9%. UK inflation is expected to rise further over the coming months. However, the BoE anticipate that it will ease back noticeably next year. The remainder of today's macro schedule is dominated by industrial production updates, from the Eurozone for July and from the US for August.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1803	-0.08	-3.36
EUR/GBP	0.8543	0.11	-4.41
GBP/USD	1.3815	-0.17	1.04
GBP/EUR	1.1701	-0.11	4.61
USD/JPY	109.53	-0.47	6.09
EUR/JPY	129.29	-0.55	2.48

\* 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	0.17	0.32	0.90
EUR	0.00	-0.56	-0.54	-0.52	-0.45	-0.28
GBP	0.10	0.05	0.07	0.32	0.54	0.78

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

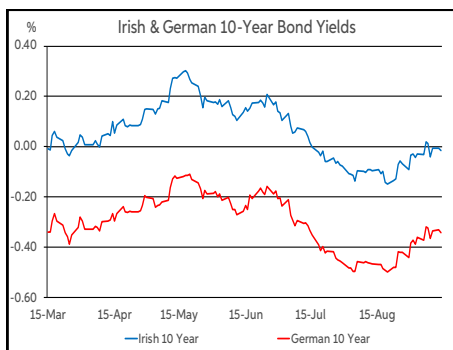
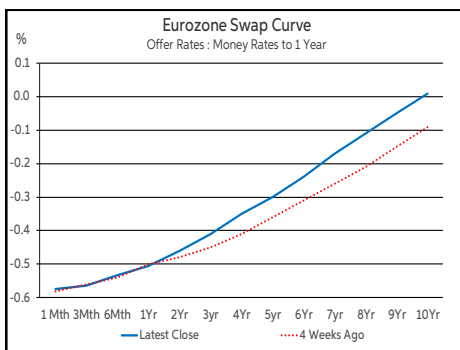
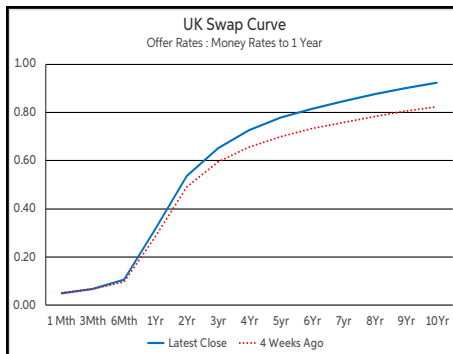
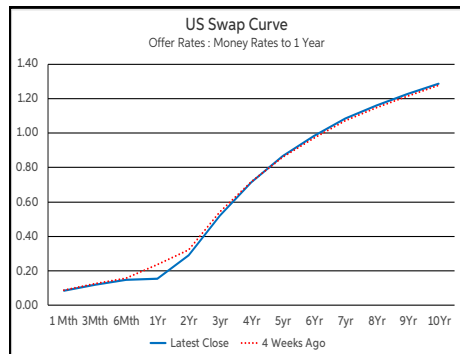
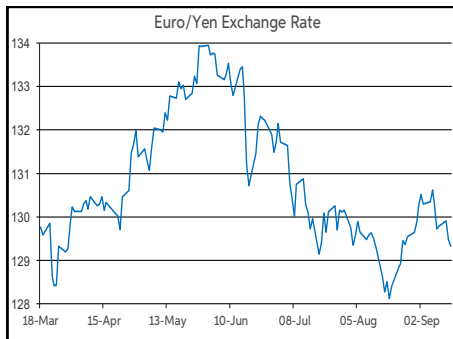
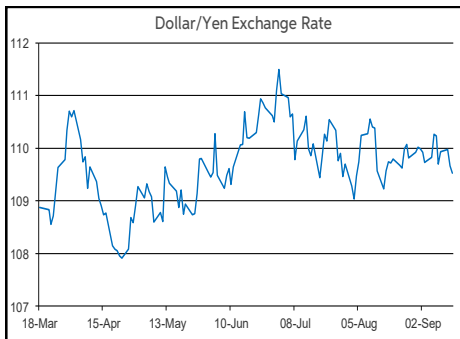
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

Wednesday 15 September 2021  
07:25 am



Euro		Sterling		Dollar	
EUR/GBP	0.8544	GBP/EUR	1.1701	USD/JPY	109.53
EUR/USD	1.1802	GBP/USD	1.3814	USD/CAD	1.2691
EUR/JPY	129.29	GBP/CAD	1.7537	USD/CHF	0.9198
EUR/SEK	10.1706	GBP/NZD	1.9483	USD/CNY	6.4423
EUR/DKK	7.4361	GBP/JPY	151.3	USD/BRL	5.2398
EUR/NOK	10.213	GBP/SEK	11.8972	USD/RUB	73.02
EUR/CHF	1.0859	GBP/DKK	8.7013	USD/INR	73.67
EUR/AUD	1.6136	GBP/NOK	11.9479	AUD/USD	0.7314
EUR/HKD	9.1809	GBP/CHF	1.2707	NZD/USD	0.7087
EUR/CAD	1.4983	GBP/AUD	1.8884		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
<b>10 Year Yield %</b>				
US	1.28	-4	+2	+37
Germany	-0.34	-1	+13	+24
UK	0.74	-1	+18	+54
<b>5 Year Swap %</b>				
US	0.05	-1	+12	+36
Belgium	-0.03	-2	+10	+35
France	-0.02	-2	+11	+33
Italy	0.65	-4	+7	+13
Spain	0.31	-3	+8	+26
Portugal	0.21	-2	+8	+15
Greece	0.77	+0	+22	+14
<b>2 Year Swap %</b>				
US	0.87	-2	+3	+44
Eurozone	-0.30	-1	+7	+16
UK	0.78	+2	+8	+59
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	39	+0	-0	+12
Belgium	31	-0	-3	+12
France	33	-0	-2	+9
Italy	99	-3	-6	-11
Spain	65	-2	-5	+2
Portugal	55	-1	-5	-9
Greece	111	+1	+9	-10

Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	73.6	+0.12	+6.62	+42.08
West Texas Oil	70.53	-0.01	+6.06	+45.87
Gold \$	1804.3	+0.60	+1.03	-4.86

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