

US retail sales due today

Investor sentiment was mixed on markets yesterday. The Euro Stoxx 50 shed 1.1%, while at the close on Wall Street, the S&P 500 was up 0.8%. On bond markets, benchmark sovereign bond yields rose by 2-4bps across the board. Currency-wise, the main pairs continued to operate within very narrow ranges throughout the day. Elsewhere, oil prices moved back above \$75bbl.

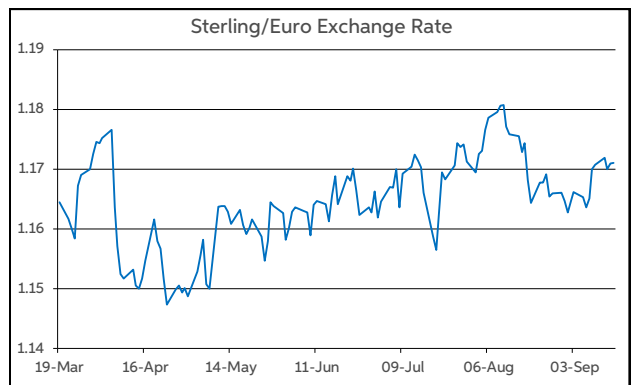
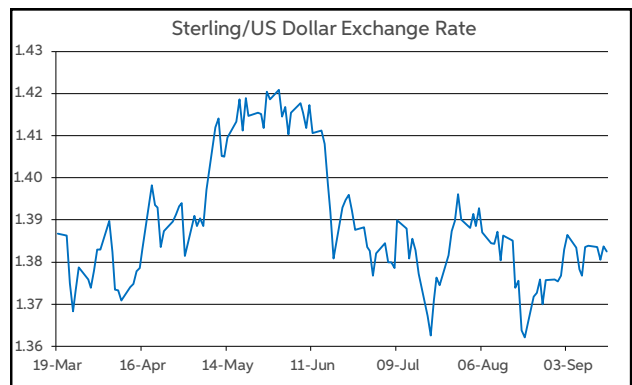
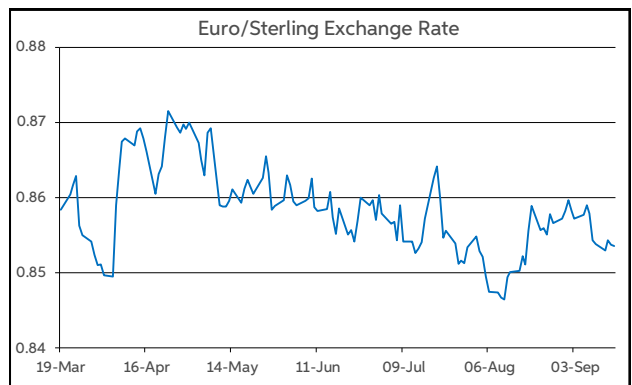
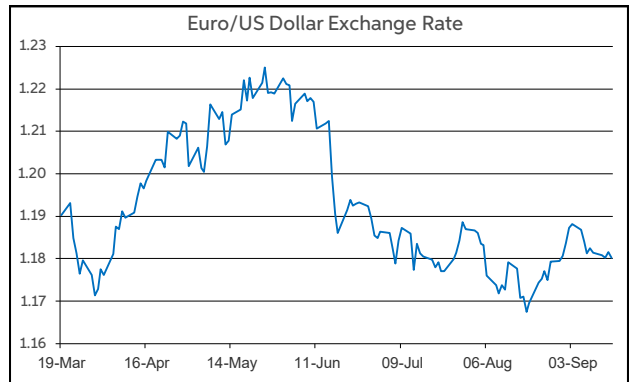
Data-wise, Eurozone industrial production beat the consensus, rising by 1.5% in July (vs +0.6% f'cast). The strong increase in July means that despite production in the auto-sector remaining 25% below its pre-pandemic level, output has regained its pre-Covid level in the Eurozone overall.

Similarly, industrial production has regained its February 2020 level in the US. The latest data for August showed that output increased by 0.4% in the month, in-line with the consensus. However, neither release had any discernable impact on the euro or the dollar.

Therefore, as trading gets underway this morning the main pairs open at almost identical levels to 24 hours ago. EUR/USD starts the day near to the \$1.18 threshold once again. Meantime, EUR/GBP remains in the lower half of the 85-86p corridor. Cable (GBP/USD) continues to trade within the \$1.38-1.39 range also.

Turning to the day ahead, the main release of note will be from the US. The August reading of retail sales is projected to show they fell by 0.8% in the month, having declined by 1.1% in July. Elsewhere in the US, the latest initial jobless claims data is due. However, barring any major surprises, the data may not impact the dollar.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1806	0.01	-3.33
EUR/GBP	0.8536	-0.14	-4.49
GBP/USD	1.3829	0.17	1.14
GBP/EUR	1.1711	0.14	4.70
USD/JPY	109.28	-0.31	5.85
EUR/JPY	129.02	-0.29	2.27

* 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	0.15	0.34	0.91
EUR	0.00	-0.56	-0.55	-0.51	-0.45	-0.27
GBP	0.10	0.05	0.07	0.33	0.55	0.82

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

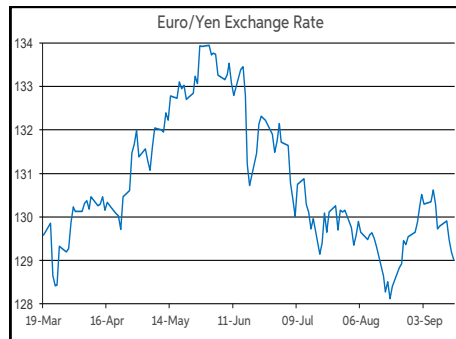
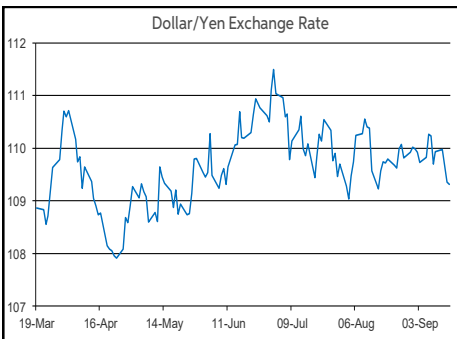
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

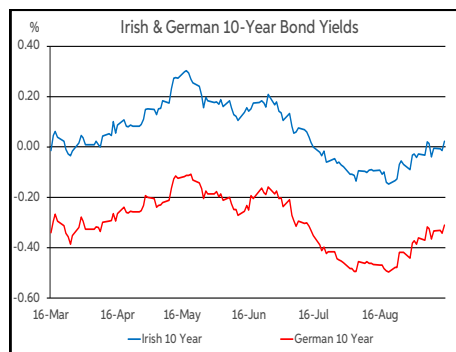
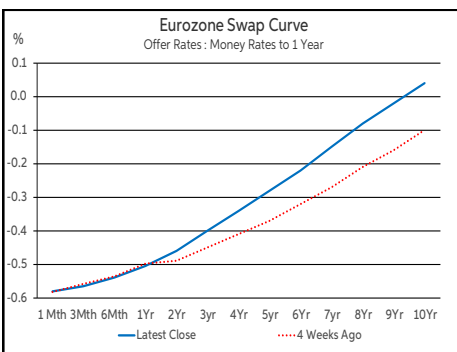
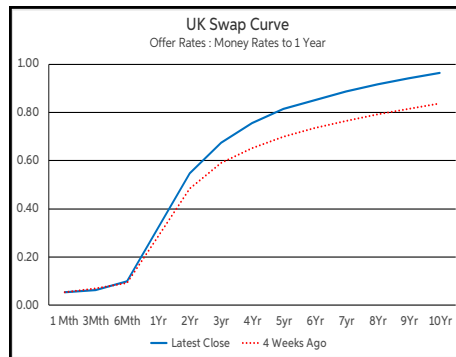
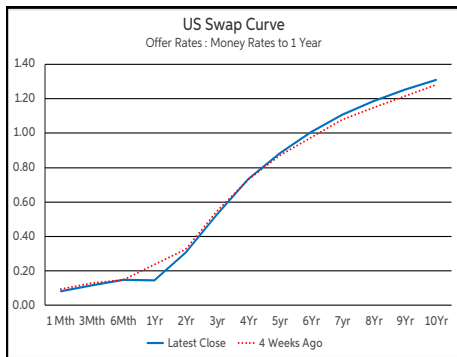
Thursday 16 September 2021
07:23 am



Euro		Sterling		Dollar	
EUR/GBP	0.8536	GBP/EUR	1.1711	USD/JPY	109.28
EUR/USD	1.1806	GBP/USD	1.3829	USD/CAD	1.2635
EUR/JPY	129.02	GBP/CAD	1.7471	USD/CHF	0.9207
EUR/SEK	10.1468	GBP/NZD	1.9449	USD/CNY	6.4366
EUR/DKK	7.4361	GBP/JPY	151.12	USD/BRL	5.2219
EUR/NOK	10.1364	GBP/SEK	11.8801	USD/RUB	72.3834
EUR/CHF	1.087	GBP/DKK	8.7101	USD/INR	73.42
EUR/AUD	1.6121	GBP/NOK	11.8684	AUD/USD	0.7322
EUR/HKD	9.1869	GBP/CHF	1.2733	NZD/USD	0.7107
EUR/CAD	1.4915	GBP/AUD	1.888		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.30	+2	+4	+39
Germany	-0.31	+3	+17	+27
UK	0.78	+4	+21	+58
5 Year Swap %				
US	0.88	+2	+5	+46
Eurozone	-0.28	+2	+10	+18
UK	0.81	+4	+12	+62
2 Year Swap %				
US	0.31	+2	+1	+11
Eurozone	-0.46	+0	+4	+7
UK	0.55	+1	+7	+52
10 Year Government Bond Spreads to Benchmark bps				
Ireland	40	+1	+1	+13
Belgium	31	+0	-2	+12
France	33	+1	-2	+10
Italy	101	+2	-3	-9
Spain	65	+0	-5	+2
Portugal	55	+1	-4	-8
Greece	109	-2	+6	-11



Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	75.46	+2.53	+10.60	+45.68
West Texas Oil	72.59	+2.92	+11.06	+50.13
Gold \$	1792.6	-0.65	+0.28	-5.48

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