

Fed and Q2 GDP data on this week's agenda

Last week saw some volatility on markets, which is not unusual over the summer period due to lighter trading volumes. The week started in a risk averse mood, reflected in equity markets and bond yields falling.

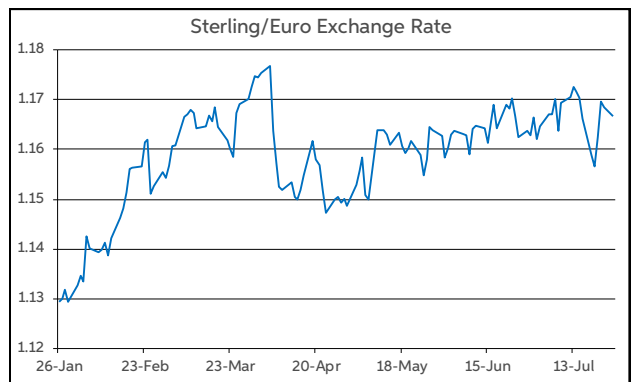
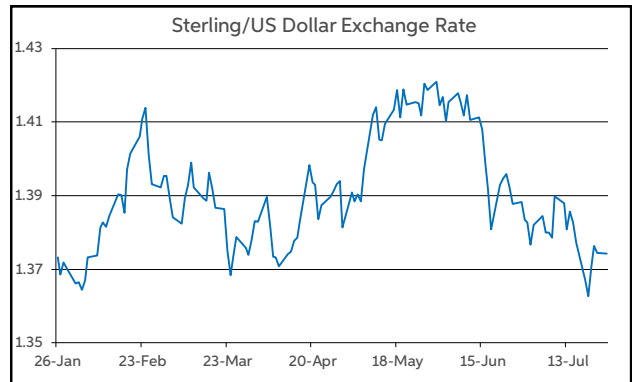
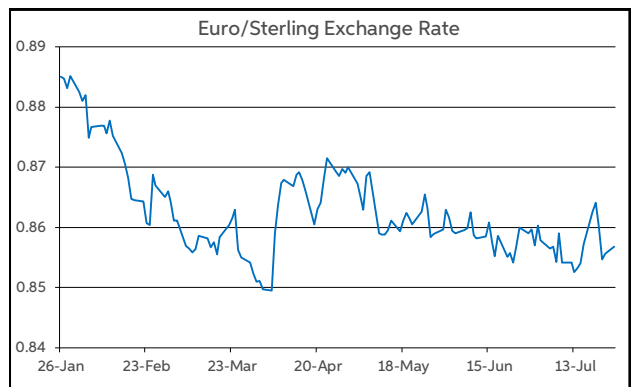
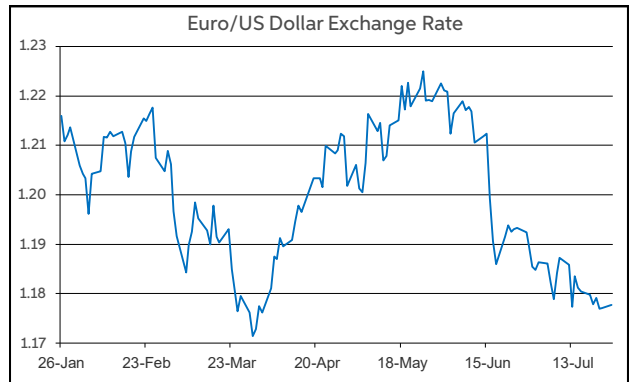
However, investor sentiment improved from Tuesday onwards, with the main equity indices managing to post weekly gains of between 1.5-2.0%. Meanwhile, on bond markets, after briefly testing down at the 1.2% level, the closely watched 10-year US Treasury yield finished Friday broadly similar to where it had started on Monday, near to 1.3%.

On the currency front, once again the action was confined to very tight ranges. The main event of the week, the ECB meeting for July, had very little impact on the euro. In terms of the key pairs, EUR/USD traded in a \$1.175-1.183 range, EUR/GBP was contained within a 85.4-86.7p band. The respective pairs are opening at \$1.177 and 85.7p this morning.

Looking ahead to this week, it's the turn of the US Fed to hold its policy setting meeting. From a dollar viewpoint, it could be a non-event. No policy changes are envisaged and on the main issue of QE tapering, expectations are low for any new insight/info as to when it could be announced.

Data-wise, there is a fairly busy schedule this week. It includes flash readings of the Q2 GDP from the US and Eurozone. The GDP numbers are expected to confirm that growth picked up in the quarter as restrictions were eased and economies re-opened. Inflation figures from the US and Eurozone will also be closely assessed, given their elevated levels recently.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1777	0.09	-3.57
EUR/GBP	0.8569	0.19	-4.12
GBP/USD	1.3742	-0.11	0.50
GBP/EUR	1.1666	-0.19	4.29
USD/JPY	110.29	0.04	6.83
EUR/JPY	129.89	0.10	2.96

* 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	0.09	0.13	0.15	0.30	0.79
EUR	0.00	-0.56	-0.54	-0.52	-0.48	-0.35
GBP	0.10	0.05	0.07	0.24	0.44	0.68

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

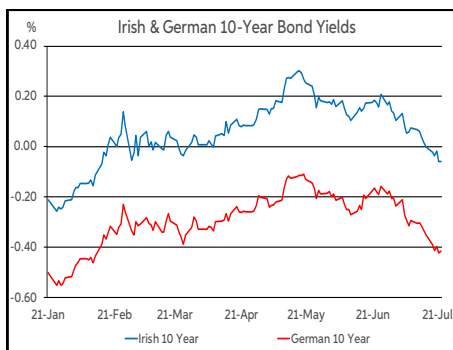
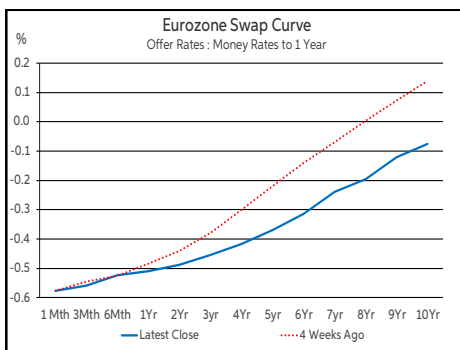
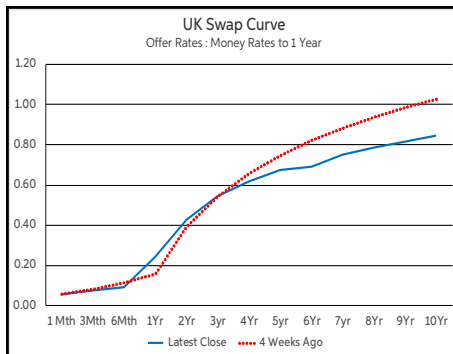
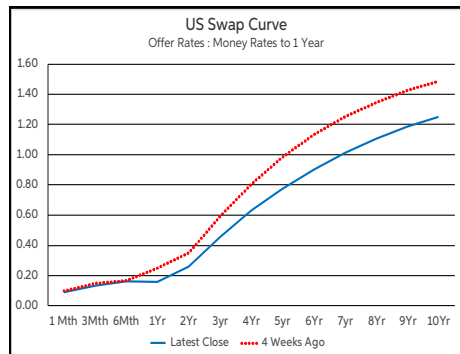
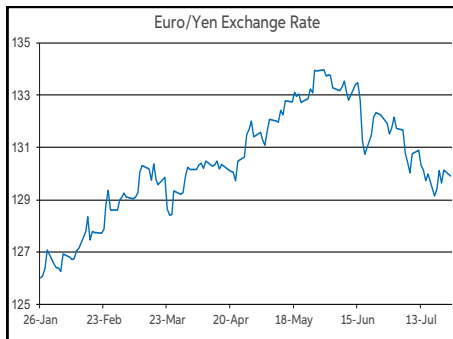
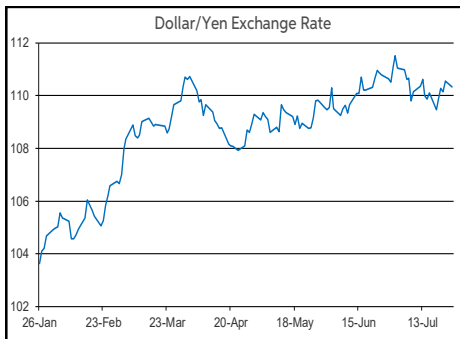
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Opening Levels

Monday 26 July 2021
07:24 am



Euro		Sterling		Dollar	
EUR/GBP	0.8569	GBP/EUR	1.1668	USD/JPY	110.29
EUR/USD	1.1777	GBP/USD	1.3742	USD/CAD	1.2584
EUR/JPY	129.91	GBP/CAD	1.729	USD/CHF	0.9188
EUR/SEK	10.2384	GBP/NZD	1.9733	USD/CNY	6.4861
EUR/DKK	7.4363	GBP/JPY	151.56	USD/BRL	5.2006
EUR/NOK	10.4858	GBP/SEK	11.9407	USD/RUB	74.0434
EUR/CHF	1.0821	GBP/DKK	8.6757	USD/INR	74.46
EUR/AUD	1.6022	GBP/NOK	12.2292	AUD/USD	0.7348
EUR/HKD	9.1545	GBP/CHF	1.2627	NZD/USD	0.6961
EUR/CAD	1.482	GBP/AUD	1.8699		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.28	+0	-24	+36
Germany	-0.41	+1	-26	+16
UK	0.59	+2	-20	+39
Ireland	-0.02	+0	-27	+28
Belgium	-0.11	+0	-28	+28
France	-0.09	-0	-28	+26
Italy	0.63	-2	-29	+11
Spain	0.28	-1	-20	+22
Portugal	0.20	-1	-27	+14
Greece	0.66	-1	-18	+3
5 Year Swap %				
US	0.77	-1	-18	+35
Eurozone	-0.37	-2	-14	+9
UK	0.67	+1	-7	+48
2 Year Swap %				
US	0.26	-1	-6	+6
Eurozone	-0.49	-1	-4	+4
UK	0.43	-0	+4	+40
10 Year Government Bond Spreads to Benchmark bps				
Ireland	39	-1	-1	+12
Belgium	31	-1	-2	+12
France	33	-1	-3	+9
Italy	104	-3	-4	-5
Spain	69	-2	+5	+6
Portugal	61	-2	-1	-2
Greece	107	-2	+7	-13

Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	74.1	+0.42	-2.73	+43.05
West Texas Oil	72.24	+0.12	-2.65	+49.41
Gold \$	1801.3	-0.30	+1.18	-5.02

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