

US payrolls due today

There was a mixed mood on markets yesterday. The Euro Stoxx 50 gained 0.6%. On Wall Street, the S&P 500 finished flat for the day. In terms of fixed income markets, sovereign bond yields fell by 1-9bps across the board, falling the most in the Eurozone. Elsewhere, oil prices continued to decline, falling by a further 2%, moving below \$95 per barrel.

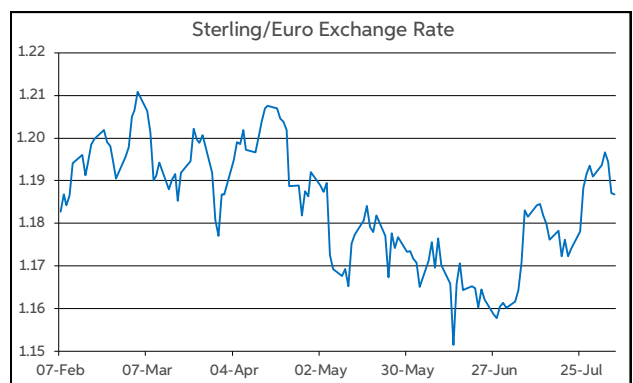
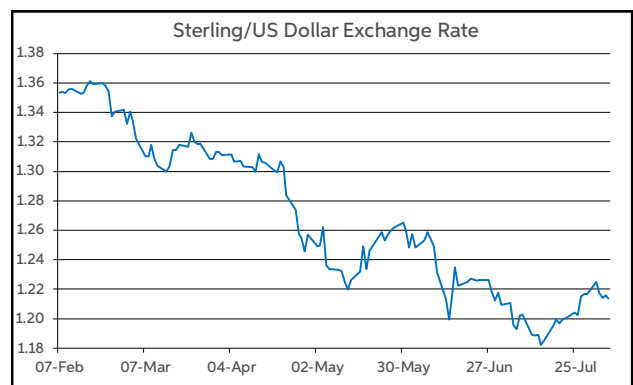
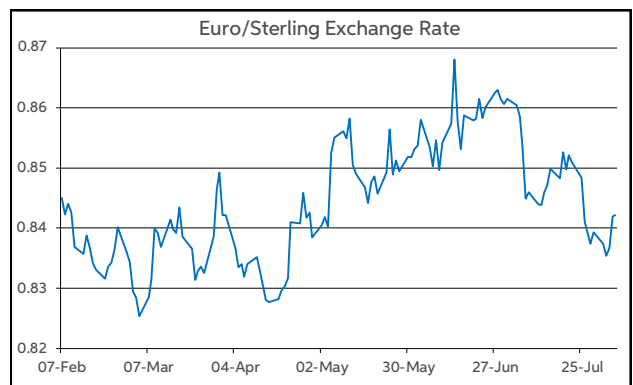
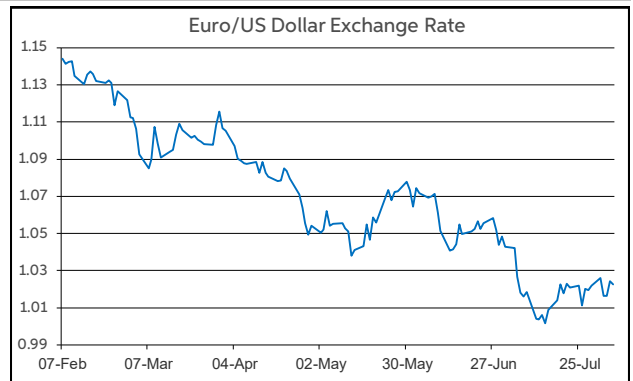
Meanwhile, the Bank of England hiked rates by 50bps as expected. The Bank rate is now at 1.75%. However, the BoE was quite downbeat on the outlook for the UK economy. It sees GDP contracting by between 1-1.5% in 2023, but retains a hawkish bias in terms of rate hikes, as inflation is projected to peak at over 13% in Q4 2022. Futures contracts are pricing in around 100bps of tightening between now and the end of the year.

Sterling was holding a softer tone yesterday, as the BoE's gloomy assessment of the UK's economic prospects weighed on the currency. GBP/USD traded to a low of \$1.206, while EUR/GBP rose to a high of 84.3p. Elsewhere, the euro was on the front-foot, while the dollar was under some slight downward pressure.

In level terms, EUR/GBP opens this morning up in the 84-85p range. EUR/USD has regained the \$1.02 handle, and is operating in the lower half of the \$1.02-1.03 corridor. GBP/USD remains below the midpoint of \$1.21-1.22.

Today, the US labour market report for July is due. Payrolls, which have been growing at a robust pace of 450k on average so far this year are forecast to rise by 250k in July. Meanwhile, the unemployment rate is projected to be unchanged at 3.6%. Barring any major surprise though, the data may not impact the dollar.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.0225	0.62	-10.05
EUR/GBP	0.8421	0.74	0.25
GBP/USD	1.2137	-0.14	-10.29
GBP/EUR	1.1866	-0.74	-0.25
USD/JPY	133.36	-0.25	15.88
EUR/JPY	136.38	0.36	4.21

* 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	2.375	2.38	2.83	3.47	3.32	2.84
EUR	0.50	-0.04	0.25	0.99	1.21	1.38
GBP	1.25	1.67	2.00	2.87	2.90	2.58

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

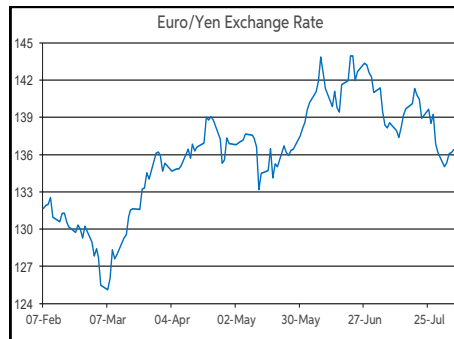
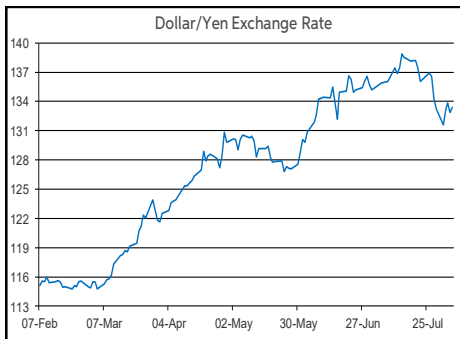
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Opening Levels

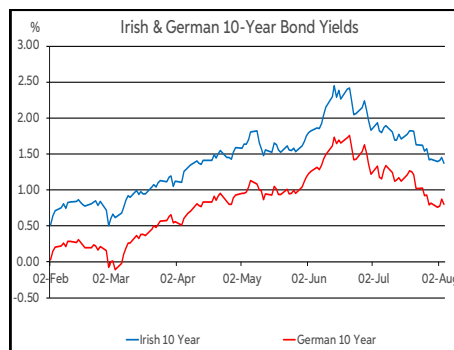
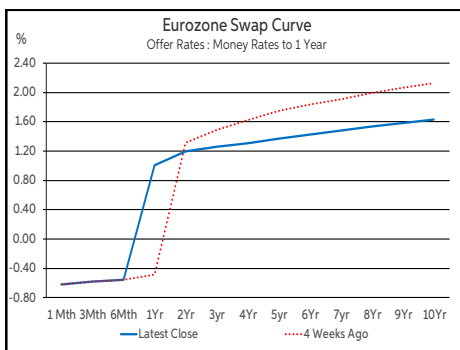
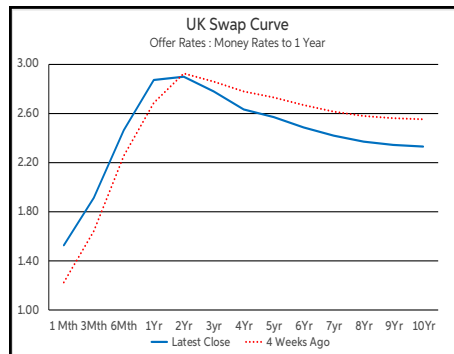
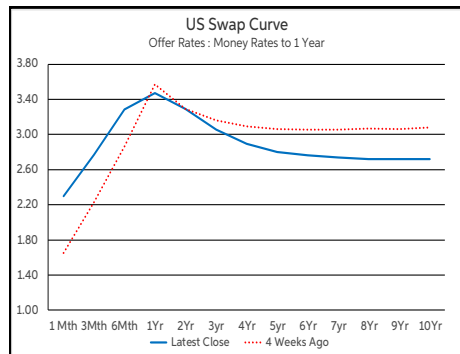
Friday 05 August 2022
07:28 am



Euro		Sterling		Dollar	
EUR/GBP	0.8421	GBP/EUR	1.1866	USD/JPY	133.36
EUR/USD	1.0225	GBP/USD	1.2137	USD/CAD	1.287
EUR/JPY	136.38	GBP/CAD	1.5622	USD/CHF	0.9567
EUR/SEK	10.3586	GBP/NZD	1.9276	USD/CNY	6.7461
EUR/DKK	7.4413	GBP/JPY	161.86	USD/BRL	5.2119
EUR/NOK	9.9654	GBP/SEK	12.296	USD/RUB	60.35
EUR/CHF	0.9783	GBP/DKK	8.8324	USD/INR	79.194
EUR/AUD	1.4678	GBP/NOK	11.8308	AUD/USD	0.6965
EUR/HKD	8.0267	GBP/CHF	1.1616	NZD/USD	0.6295
EUR/CAD	1.316	GBP/AUD	1.7424		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	2.69	-1	-31	+118
Germany	0.81	-6	-48	+99
UK	1.89	-2	-24	+92
5 Year Swap %				
US	2.80	-3	-22	+147
Eurozone	1.37	-3	-37	+136
UK	2.57	-3	-15	+130
2 Year Swap %				
US	3.29	-0	+4	+235
Eurozone	1.20	-3	-11	+150
UK	2.90	-1	-2	+171
10 Year Government Bond Spreads to Benchmark bps				
Ireland	59	-2	-1	+16
Belgium	59	-1	-7	+23
France	55	-1	-1	+18
Italy	214	-1	+5	+77
Spain	110	-1	-1	+33
Portugal	103	-2	-8	+37
Greece	217	-0	-7	+68



Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	94.12	-2.75	-10.06	+21.01
West Texas Oil	91.29	-2.10	-12.74	+21.19
Gold \$	1791.1	+1.48	+2.96	-2.04

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