

## EUR/USD starts the week below \$1.09

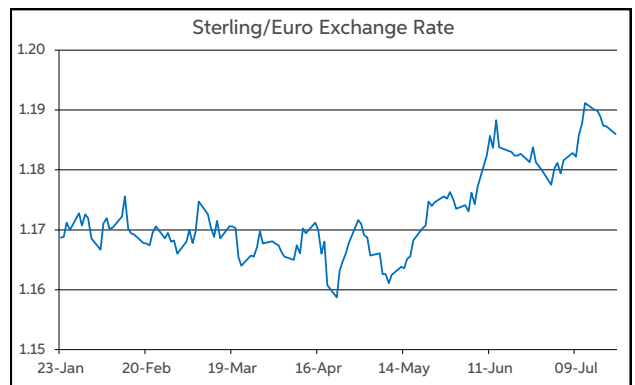
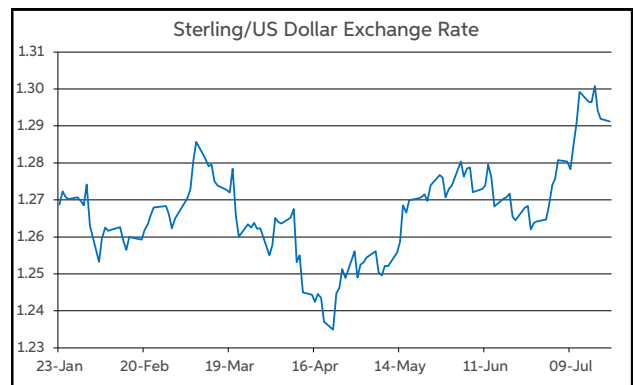
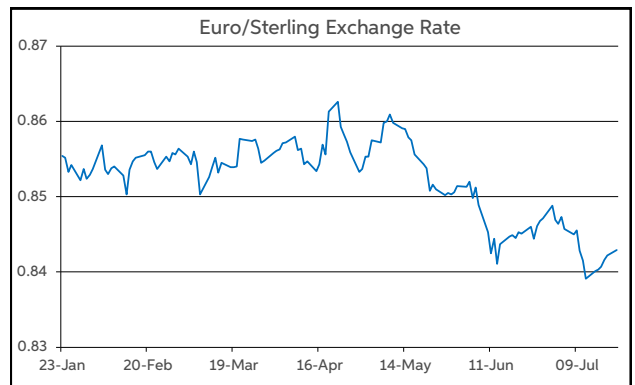
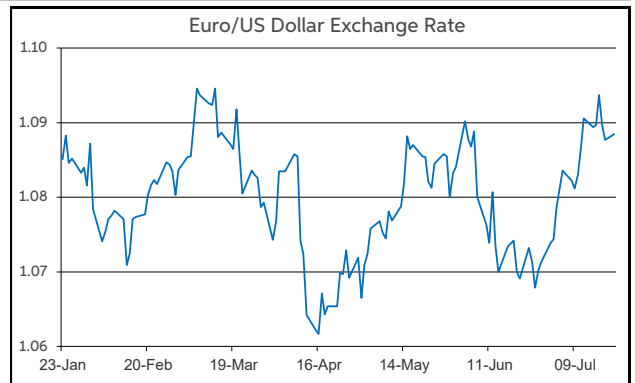
Last week was a tumultuous one on markets. Concerns of a potential escalation in trade tensions between the US and China, a major tech outage, and a flurry of Q2 earnings reports all impacted sentiment throughout the week. Overall, the Euro Stoxx 50 shed circa 4%, while the S&P 500 lost 2%. The ECB decision to leave policy on hold had little impact on markets. The main overarching message from the meeting was that the ECB remains data dependent and that the next meeting in September is “wide-open”.

Currency-wise, the dollar was under some downward pressure in the middle of the week. Meantime, sterling was supported by sticky wage and services inflation. This saw GBP/USD register a fresh YTD high of \$1.3044. At the same time, EUR/USD rose to a peak of \$1.0948. Meanwhile, amid speculation of further intervention from Japanese authorities, USD/JPY fell to ¥155.4. However, the dollar recouped its losses and gained the ascendancy as risk appetite soured heading into the weekend. President Biden’s decision to drop out of the US election has not impacted the dollar thus far.

As trading gets underway this morning, EUR/USD is operating back below the \$1.09 threshold. GBP/USD is changing hands in the lower half of the \$1.29-1.30 corridor. Meantime, EUR/GBP is trading up above the 84p handle. USD/JPY is in the upper half of the ¥156-157 range.

Turning to the week ahead, the highlight of a busy US data calendar will be the June reading of core-PCE inflation. The first reading of GDP for Q2 will also garner attention. In terms of more timely data, the flash PMIs for July in the US, Eurozone and UK are due. Elsewhere, a raft of other Eurozone survey data for July will be released.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.0885	0.00	-1.37
EUR/GBP	0.8429	0.19	-2.76
GBP/USD	1.2912	-0.19	1.44
GBP/EUR	1.1858	-0.19	2.84
USD/JPY	156.74	-0.46	11.12
EUR/JPY	170.64	-0.47	9.64

\* 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	5.38	5.46	5.54	5.08	4.60	4.15
EUR	4.25	3.63	3.70	3.43	3.07	2.75
GBP	5.25	5.12	5.08	4.79	4.65	4.17

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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

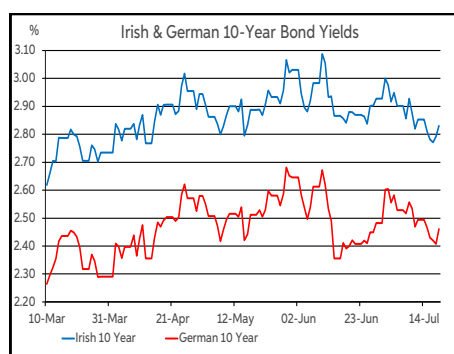
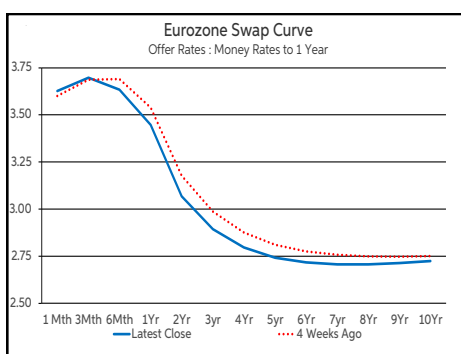
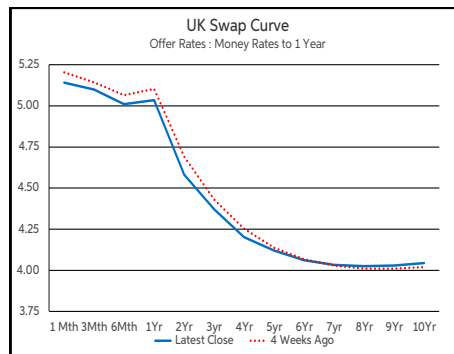
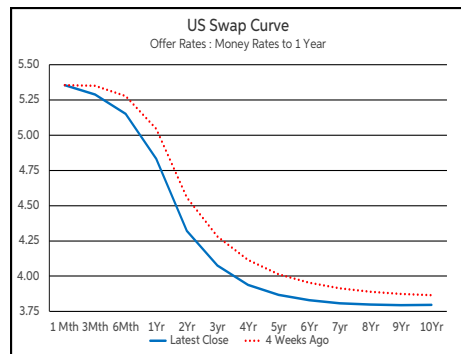
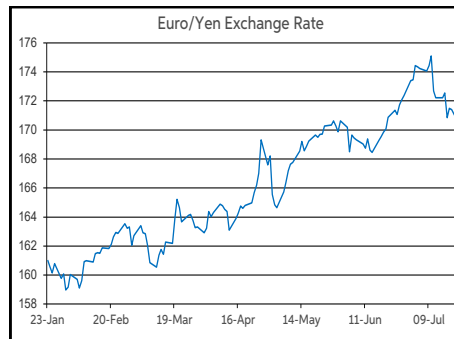
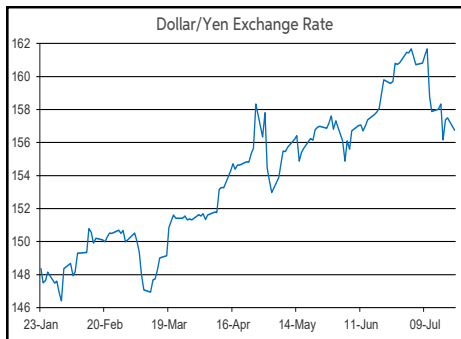
EUR/GBP	0.8429
EUR/USD	1.0885
EUR/JPY	170.64
EUR/SEK	11.6351
EUR/DKK	7.461
EUR/NOK	11.8984
EUR/CHF	0.9668
EUR/AUD	1.6334
EUR/HKD	8.5007
EUR/CAD	1.4948

## Sterling

GBP/EUR	1.1858
GBP/USD	1.2912
GBP/CAD	1.7732
GBP/NZD	2.1543
GBP/JPY	202.38
GBP/SEK	13.8017
GBP/DKK	8.849
GBP/NOK	14.106
GBP/CHF	1.1469
GBP/AUD	1.9375

## Dollar

USD/JPY	156.74
USD/CAD	1.3731
USD/CHF	0.888
USD/CNY	7.2729
USD/BRL	5.6112
USD/RUB	87.8
USD/INR	83.655
AUD/USD	0.6664
NZD/USD	0.5992



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 23
<b>10 Year Yield %</b>				
US	4.24	+5	-2	+38
Germany	2.46	+5	+5	+44
UK	4.13	+6	+4	+59
<b>5 Year Swap %</b>				
US	4.13	+4	-14	+34
Eurozone	2.74	+3	-6	+31
UK	4.12	+3	-1	+47
<b>2 Year Swap %</b>				
US	4.59	+4	-23	+25
Eurozone	3.07	+4	-10	+27
UK	4.61	+3	-8	+34
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	40	-1	-9	+6
Belgium	56	+0	-12	-10
France	67	+1	-9	+14
Italy	132	+1	-22	-36
Spain	78	-0	-14	-18
Portugal	61	+1	-13	-15
Greece	100	+1	-23	-5

Commodities				
	Close	% Change		
		Day	4 Weeks	End 23
Brent Oil	82.63	-2.91	-3.06	+7.26
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2400.8	-1.81	+3.47	+16.40

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