

Better than expected data aid the dollar

The moves on currency markets last week were relatively limited, with the main pairs generally confined to narrow trading ranges. Although, the dollar did move higher at the end of the week. The greenback was supported by better than expected data. On Friday, non-farm payrolls came in at 1.7m (f'cast +1.5m), while the unemployment rate edged down to 10.2% (f'cast 10.5%).

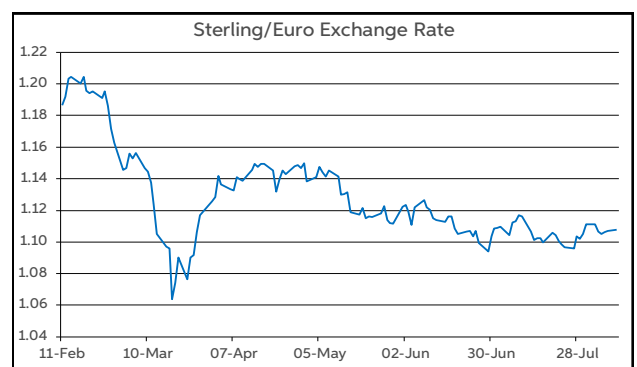
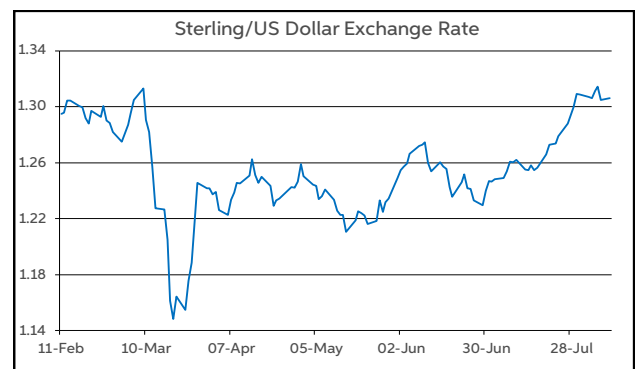
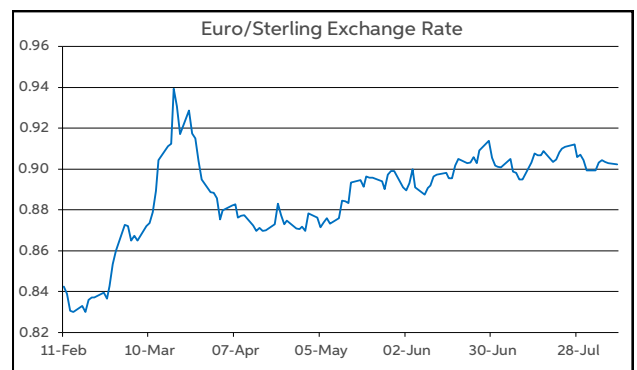
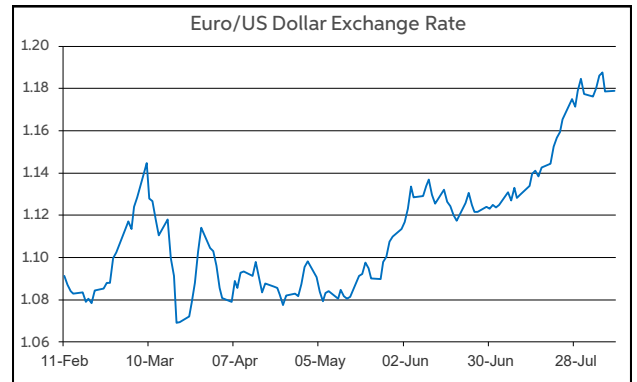
Meanwhile, sterling experienced some support following the conclusion of the BoE meeting which saw the central bank revise up its macro projections by more than had been anticipated. However, the currency failed to hold onto most of these gains.

In level terms, the firmer dollar tone is reflected in EUR/USD opening this morning back below the \$1.18 level. At the same time, cable (GBP/USD) is operating back down at the midpoint of \$1.30-1.31. Meanwhile, EUR/GBP is changing hands within the 90-91p range, having at times tested below the lower end of this band.

This week, there is a raft of UK data due for Q2, including the first estimate of GDP and the labour market bulletin. Of particular interest will be the June GDP figure as lockdown restrictions were eased considerably in the month. However, sterling impact may be relatively limited in the absence of a major surprise.

In the US, updates on how the economy has been progressing through July will be provided by the retail sales and industrial output reports. Despite the re-imposition of Covid restrictions, data have continued to print ahead of expectations. If this continues, it could provide some support to the dollar. Meanwhile, there is little out to be of influence to the euro, with Q2 employment figures and industrial output for July the highlights.

Conor Beakey, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.1784	-0.41	5.12
EUR/GBP	0.9024	0.02	6.74
GBP/USD	1.3055	-0.45	-1.54
GBP/EUR	1.1076	-0.02	-6.32
USD/JPY	105.78	0.22	-2.61
EUR/JPY	124.65	-0.22	2.31

* v Previous Day's European Open

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Opening Interest Rates						
	Base Rate	Money Market		Swap Rates		
		1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	0.125	0.16	0.25	0.21	0.23	0.31
EUR	0.00	-0.51	-0.48	-0.42	-0.42	-0.38
GBP	0.10	0.06	0.07	0.12	0.12	0.19

All rates quoted are indicative market rates

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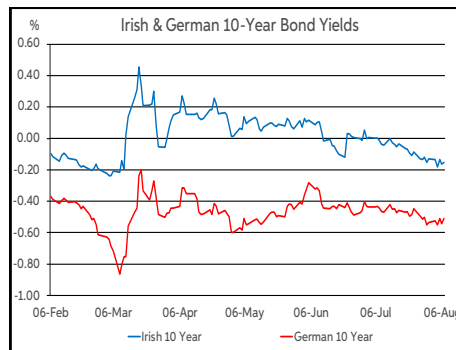
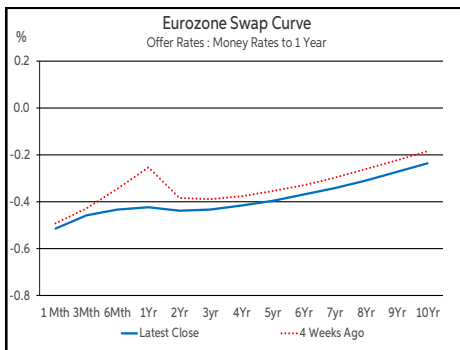
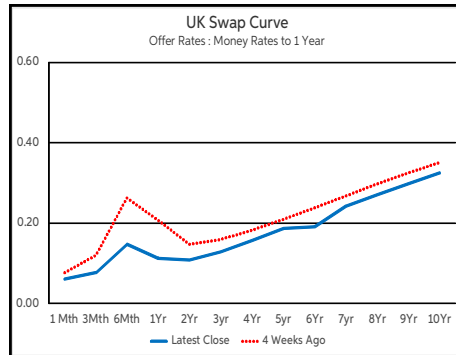
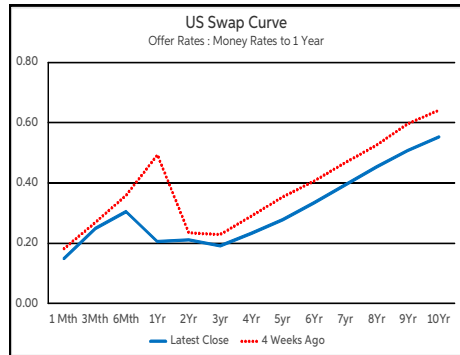
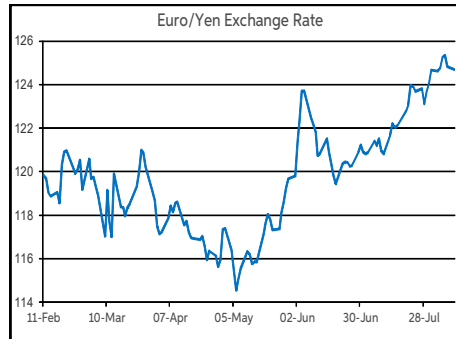
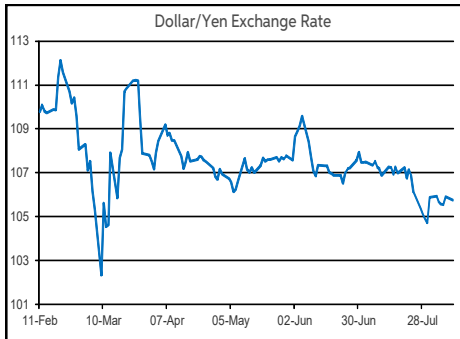
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Opening Levels

Monday 10 August 2020
07:31 am



Euro		Sterling		Dollar	
EUR/GBP	0.9024	GBP/EUR	1.1076	USD/JPY	105.78
EUR/USD	1.1784	GBP/USD	1.3055	USD/CAD	1.3377
EUR/JPY	124.65	GBP/CAD	1.7466	USD/CHF	0.9134
EUR/SEK	10.3081	GBP/NZD	1.9774	USD/CNY	6.9659
EUR/DKK	7.4487	GBP/JPY	138.1	USD/BRL	5.4384
EUR/NOK	10.6411	GBP/SEK	11.4167	USD/RUB	73.5256
EUR/CHF	1.0765	GBP/DKK	8.2518	USD/INR	74.88
EUR/AUD	1.6456	GBP/NOK	11.7892	AUD/USD	0.716
EUR/HKD	9.1322	GBP/CHF	1.1927	NZD/USD	0.6599
EUR/CAD	1.5765	GBP/AUD	1.8227		



Debt Markets				
	Close	Day	4 Weeks	End 19
10 Year Yield %				
US	0.57	+3	-8	-135
Germany	-0.51	+3	-4	-32
UK	0.14	+3	-2	-69
5 Year Swap %				
US	0.28	+1	-4	-143
Eurozone	-0.40	+0	-4	-27
UK	0.19	+2	-2	-69
2 Year Swap %				
US	0.21	+2	+2	-145
Eurozone	-0.44	-1	-4	-14
UK	0.11	+1	-3	-69
10 Year Government Bond Spreads to Benchmark bps				
Ireland	37	-2	-7	+7
Belgium	27	-2	-4	-2
France	29	-1	-3	-1
Italy	149	-4	-26	-12
Spain	80	-3	-10	+14
Portugal	81	-4	-9	+18
Greece	152	-4	-18	-13

Commodities				
	Close	Day	4 Weeks	End 19
Brent Oil	44.4	-1.53	+2.68	-32.73
West Texas Oil	41.16	-1.84	+1.48	-32.68
Gold \$	2034.6	-1.38	+13.14	+34.12

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