

## All quiet on FX markets

There was a muted start to the week on currency markets yesterday. The main pairs were largely confined to narrow trading ranges. As a result, the dollar held onto the ground it had regained on Friday, having come under heavy pressure last week.

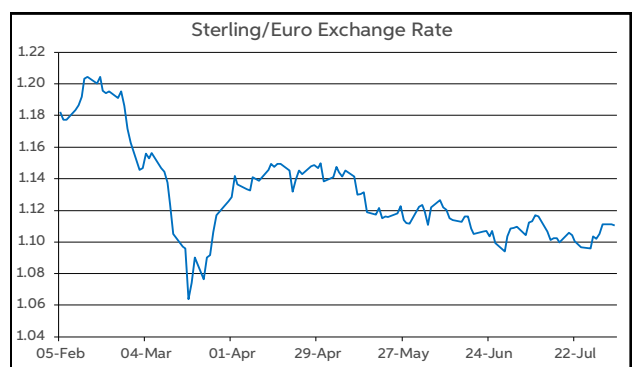
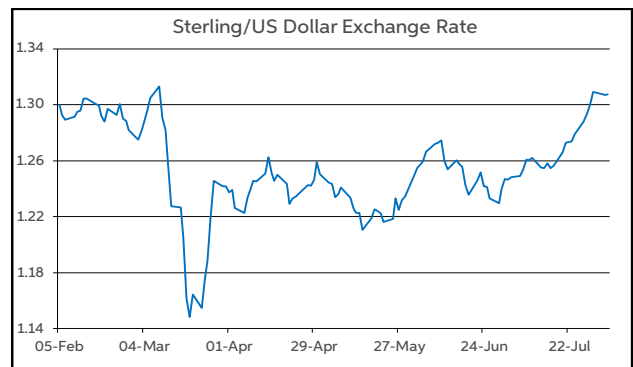
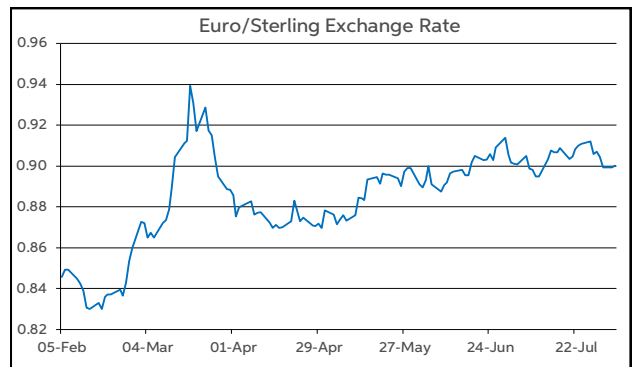
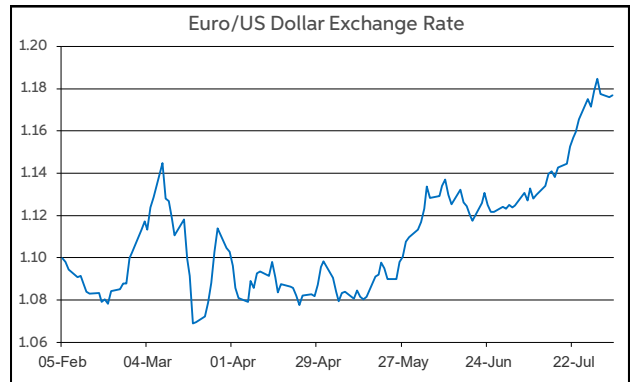
In level terms, this is reflected in EUR/USD opening this morning back below the \$1.18 threshold, having tested \$1.19 early on Friday. At the same time, cable (GBP/USD) has moved back under the \$1.31 level. Meanwhile, EUR/GBP continues to range trade and is changing hands at the 90p handle.

More generally, over the past 24 hours investors have been in an upbeat mood. Positive corporate earnings reports more than offset concerns over new Covid infections. European equities made some good gains, with the Euro Stoxx 50 rising by 2.3%. In the US, the S&P 500 increased by a more modest 0.7%.

Data-wise, the US manufacturing ISM for July was the only release of any note yesterday. It rose to 54.2 from 52.6, which was slightly above expectations (53.6). The index was boosted by a significant increase in both new orders and output. However, it was concerning that the employment subcomponent remained well below the key 50 threshold.

Turning to the day ahead, there is once again a very sparse look to the macro release schedule. Indeed, there are no data prints due of any note. As a result, barring any moves in the main pairs linked to shifts in investor sentiment, we could be in for a muted session on FX markets. Investors will continue to keep a close eye on US-China tensions, incoming Covid-19 newsflow and the efforts to pass a fresh stimulus package in the US Senate.

**Conor Beakey, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.1769	-0.04	4.99
EUR/GBP	0.9002	0.09	6.48
GBP/USD	1.3075	-0.12	-1.39
GBP/EUR	1.1106	-0.09	-6.09
USD/JPY	106.06	0.23	-2.35
EUR/JPY	124.84	0.19	2.47

\* 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	0.16	0.25	0.20	0.20	0.27
EUR	0.00	-0.51	-0.46	-0.43	-0.42	-0.39
GBP	0.10	0.06	0.08	0.12	0.11	0.16

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

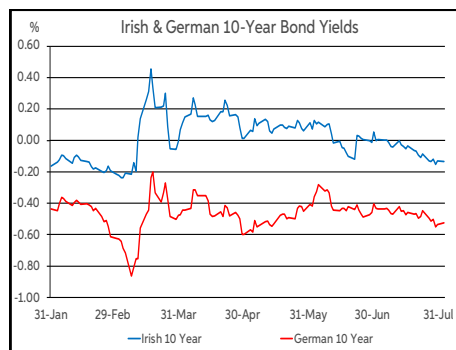
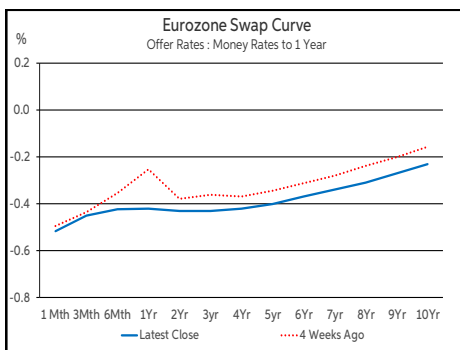
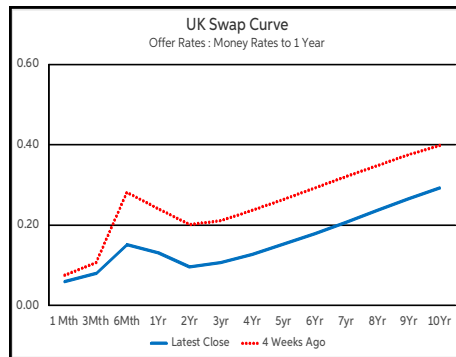
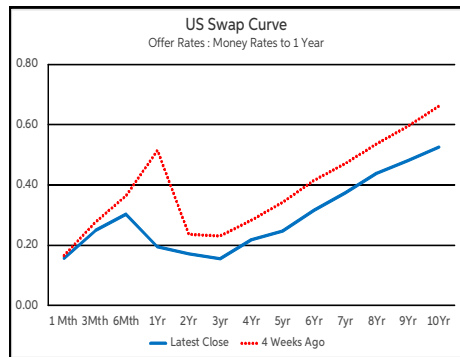
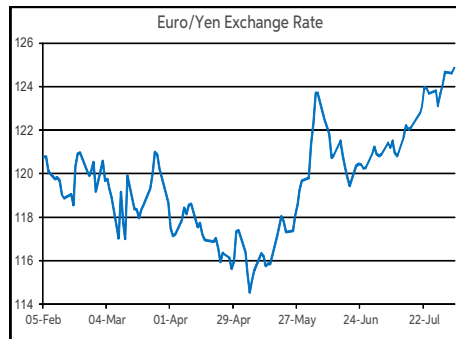
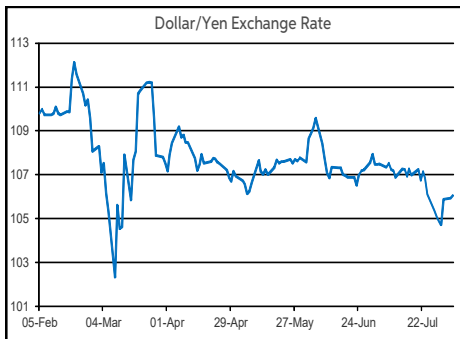
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

Tuesday 04 August 2020  
07:24 am



Euro		Sterling		Dollar	
EUR/GBP	0.9002	GBP/EUR	1.1106	USD/JPY	106.06
EUR/USD	1.1769	GBP/USD	1.3075	USD/CAD	1.3378
EUR/JPY	124.84	GBP/CAD	1.7491	USD/CHF	0.9173
EUR/SEK	10.2868	GBP/NZD	1.9758	USD/CNY	6.9804
EUR/DKK	7.4451	GBP/JPY	138.67	USD/BRL	5.3202
EUR/NOK	10.7347	GBP/SEK	11.4212	USD/RUB	73.0238
EUR/CHF	1.08	GBP/DKK	8.2691	USD/INR	75.075
EUR/AUD	1.6509	GBP/NOK	11.9187	AUD/USD	0.7129
EUR/HKD	9.1208	GBP/CHF	1.1993	NZD/USD	0.6614
EUR/CAD	1.5744	GBP/AUD	1.8338		



Debt Markets				
	Close	Day	4 Weeks	End 19
<b>10 Year Yield %</b>				
US	0.55	+2	-12	-136
Germany	-0.52	+1	-9	-34
UK	0.10	-0	-10	-72
Ireland	-0.12	-1	-14	-24
Belgium	-0.23	-1	-10	-33
France	-0.20	-1	-9	-33
Italy	1.08	-0	-23	-35
Spain	0.36	+1	-7	-11
Portugal	0.36	+1	-7	-9
Greece	1.10	+0	-9	-35
<b>5 Year Swap %</b>				
US	0.25	+0	-8	-146
Eurozone	-0.40	-0	-5	-28
UK	0.15	-0	-11	-72
<b>2 Year Swap %</b>				
US	0.17	+0	-5	-149
Eurozone	-0.43	+0	-4	-13
UK	0.10	-1	-10	-70
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	40	-2	-5	+10
Belgium	30	-2	-0	+1
France	32	-1	+0	+1
Italy	160	-1	-14	-2
Spain	88	+0	+2	+22
Portugal	88	-0	+2	+25
Greece	163	-1	+0	-2

Commodities				
	Close	Day	4 Weeks	End 19
Brent Oil	44.15	+1.96	+2.44	-33.11
West Texas Oil	40.83	+1.82	+0.79	-33.22
Gold \$	1976.7	+0.10	+10.83	+30.30

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