

EUR/USD opens at \$1.18

The action on currency markets yesterday was relatively uneventful. Of the limited moves to register, the euro made some minor gains against both the dollar and sterling. The dollar at times experienced some support, but it did not prove sustained.

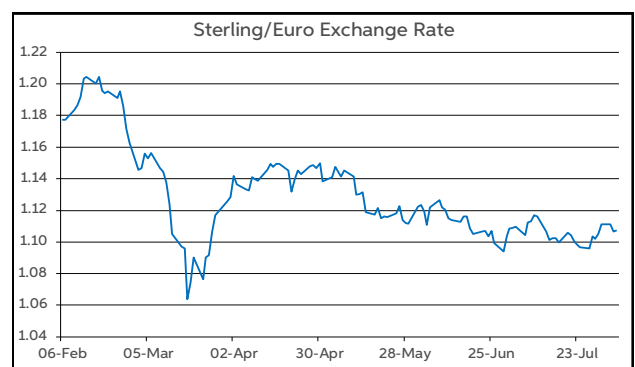
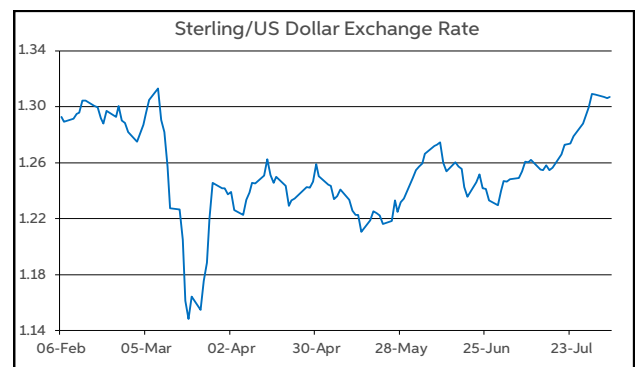
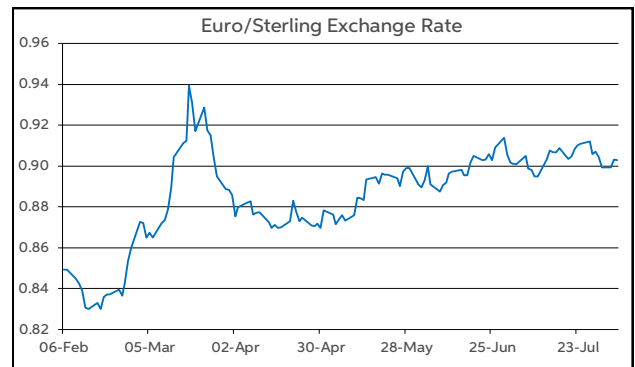
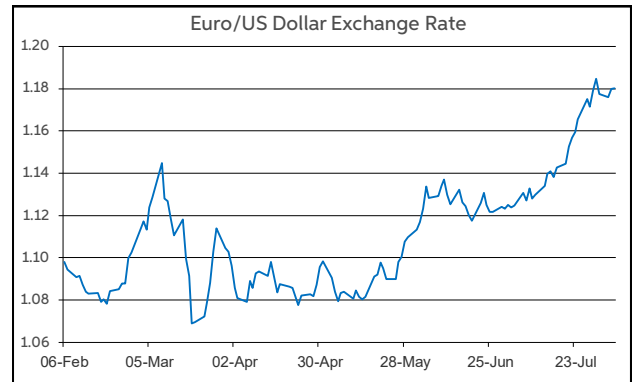
In level terms, the slightly firmer euro tone is reflected in EUR/USD opening this morning up at the \$1.18 threshold. At the same time, EUR/GBP is operating back up in the lower half of the 90-91p range. Meanwhile, cable (GBP/USD) is changing hands just above the midpoint of the \$1.30-1.31 band.

Elsewhere on markets, the action was similarly subdued. In what was choppy trading, the main equity indices managed to edge slightly higher despite some weak corporate earnings reports and concerns over Covid-19 hotspots. The Euro Stoxx was up 0.2%, while the S&P 500 gained 0.4%. Bonds also saw some support, with benchmark yields trending lower.

Today, the data calendar contains the June print of Eurozone retail sales. The release will be looked to for further evidence that household spending picked up as lockdowns were eased. In the US, the non-manufacturing ISM for July will feature. It is anticipated that the re-imposition of restrictions in response to the rise in new Covid cases in parts of the country will see the index lose ground, but remain above 50.

Overall though, while the releases will be of interest from an economic perspective, FX impact may be impacted. As a result, we could be in for a relatively uneventful session today. Moves in the main pairs, if any, will likely be as a result of shifts in sentiment.

Conor Beakey, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.1799	0.23	5.25
EUR/GBP	0.9028	0.31	6.79
GBP/USD	1.3069	-0.08	-1.43
GBP/EUR	1.1073	-0.31	-6.36
USD/JPY	105.74	-0.27	-2.64
EUR/JPY	124.77	-0.06	2.41

* 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	0.15	0.25	0.20	0.21	0.26
EUR	0.00	-0.52	-0.47	-0.44	-0.43	-0.40
GBP	0.10	0.06	0.08	0.12	0.10	0.14

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

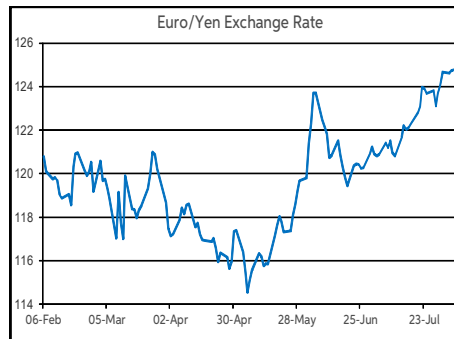
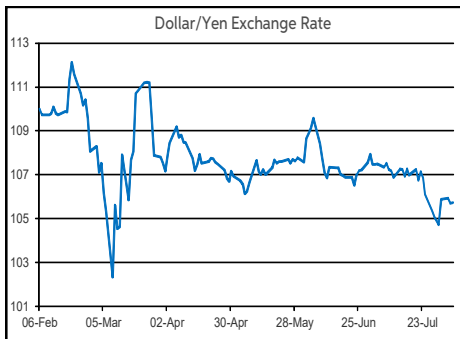
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

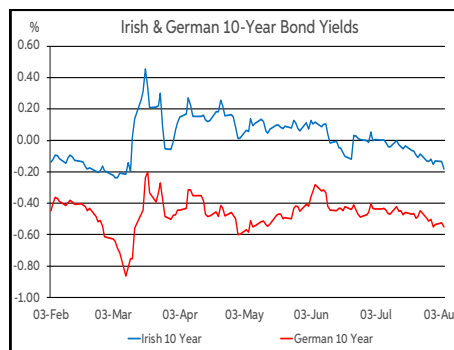
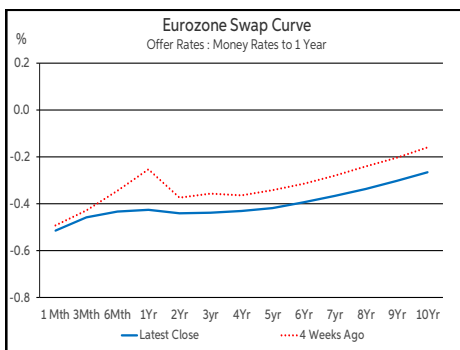
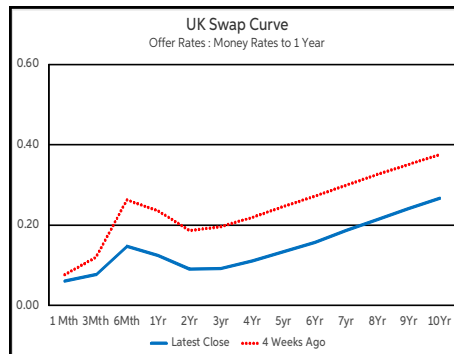
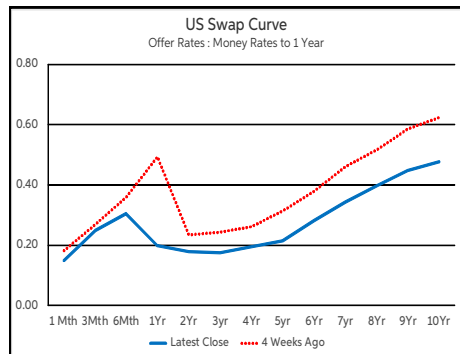
Wednesday 05 August 2020
07:19 am



Euro		Sterling		Dollar	
EUR/GBP	0.9028	GBP/EUR	1.1073	USD/JPY	105.74
EUR/USD	1.1799	GBP/USD	1.3069	USD/CAD	1.3298
EUR/JPY	124.77	GBP/CAD	1.7383	USD/CHF	0.913
EUR/SEK	10.288	GBP/NZD	1.9707	USD/CNY	6.9584
EUR/DKK	7.449	GBP/JPY	138.2	USD/BRL	5.29
EUR/NOK	10.7316	GBP/SEK	11.3913	USD/RUB	73.312
EUR/CHF	1.0775	GBP/DKK	8.2489	USD/INR	74.93
EUR/AUD	1.6447	GBP/NOK	11.8869	AUD/USD	0.7174
EUR/HKD	9.1441	GBP/CHF	1.1933	NZD/USD	0.663
EUR/CAD	1.5693	GBP/AUD	1.8211		



Debt Markets				
	Close	Day	4 Weeks	End 19
10 Year Yield %				
US	0.51	-4	-13	-141
Germany	-0.55	-3	-12	-36
UK	0.08	-3	-11	-75
5 Year Swap %				
US	0.21	-3	-10	-149
Eurozone	-0.42	-2	-7	-30
UK	0.13	-2	-11	-74
2 Year Swap %				
US	0.18	-1	-1	-148
Eurozone	-0.44	-1	-6	-14
UK	0.09	-1	-9	-70
10 Year Government Bond Spreads to Benchmark bps				
Ireland	38	-2	-7	+7
Belgium	29	-0	-0	+1
France	31	-1	-0	+0
Italy	157	-3	-15	-5
Spain	84	-4	-1	+19
Portugal	86	-2	+1	+23
Greece	159	-3	+4	-5



Commodities				
	Close	Day	4 Weeks	End 19
Brent Oil	44.43	+0.63	+3.13	-32.68
West Texas Oil	41.67	+2.06	+2.66	-31.84
Gold \$	2018.1	+2.09	+12.47	+33.03

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