

Quiet start to a quiet week

There was a subdued tone to currency markets as the week got underway yesterday. This reflected a sparse schedule of data and events.

As a result, the main FX pairs open this morning broadly unchanged from 24 hours previous. In level terms, EUR/USD has retained its overall softer tone, continuing to trade below the \$1.16 level. Cable (GBP/USD) has continued to trade below \$1.30. Meanwhile, the EUR/GBP pair is currently changing hands just above the 89p mark.

In terms of the outlook for the day ahead, the release schedule remains light on both sides of the Atlantic, with no noteworthy data due. Therefore, we may see currency markets retain their lacklustre tone.

The data/events schedule for the remainder of the week is similarly light. Of the releases which may garner some attention, Friday's first reading of UK GDP for Q2 stands out. Growth was soft in Q1, though data in the second quarter indicated some improvement. Indeed, the consensus forecast is for quarterly growth of 0.4% in Q2, up from 0.2% in Q1. However, with some expectations that UK growth could be set to slow again in the second half of the year, this week's GDP figures may be of limited benefit to sterling.

In the US, the dollar will remain sensitive to any trade war related newsflow. Data-wise, US CPI inflation for July is due out, though any meaningful dollar impact seems unlikely. Meantime, the euro could struggle for fresh direction in the coming days, with German and French industrial production for June the only releases of any note.

Dara Turnbull, Economist, AIB

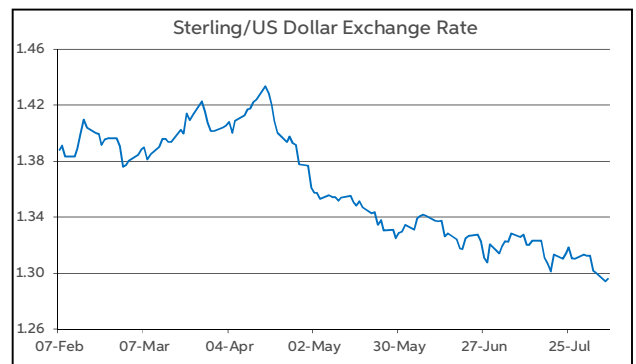
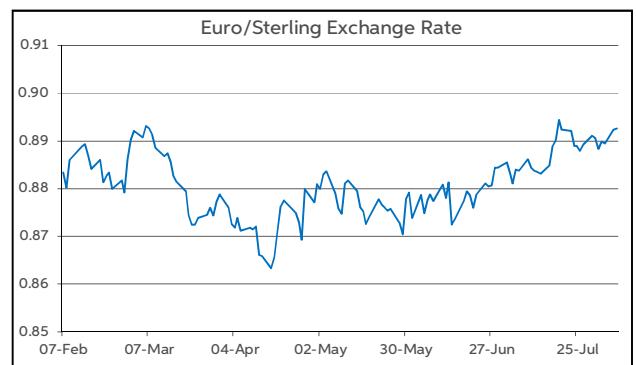
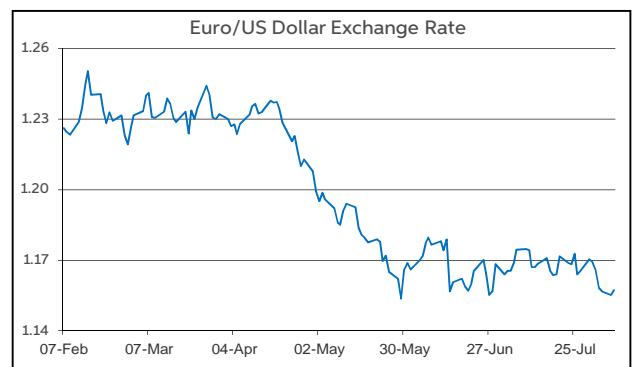
Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	1.875	2.08	2.34	2.83	2.87	2.95
EUR	0.00	-0.37	-0.32	-0.18	-0.13	0.32
GBP	0.75	0.72	0.81	1.05	1.11	1.36

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2017 to Date	
Dow Jones	25502.18	+0.16	+3.17	
S&P 500	2850.4	+0.35	+6.61	
FTSE 100	7663.78	+0.06	-0.31	
DJ Stoxx 50	3483.3	+0.03	-0.59	
ISEQ	6817.28	+0.39	-3.14	
Nikkei	22662.74	+0.69	-0.45	

Today's Opening Rates			
		% Change	
		Day *	End 2017
EUR/USD	1.1571	0.13	-3.54
EUR/GBP	0.8926	0.35	0.48
GBP/USD	1.2958	-0.25	-4.10
GBP/EUR	1.1197	-0.35	-0.48
USD/JPY	111.26	-0.07	-1.25
EUR/JPY	128.74	0.05	-4.76

* v Previous Day's European Open

See Next Page for More Rates ▶▶▶



All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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

Opening Levels

Tuesday 07 August 2018
07:30 am



Euro

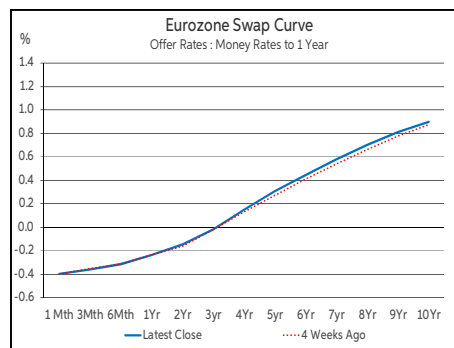
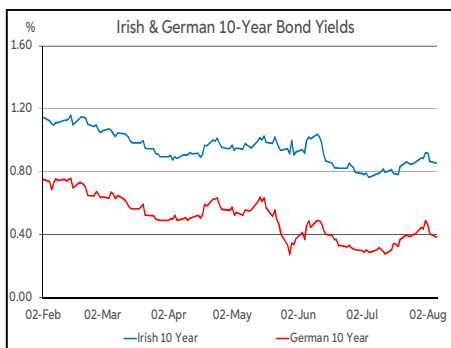
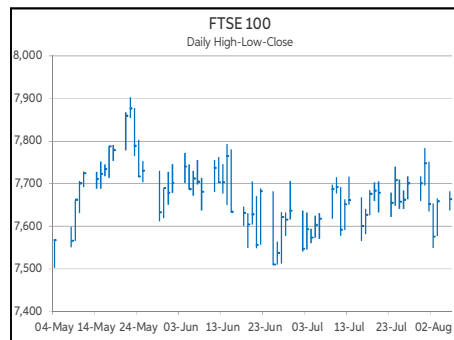
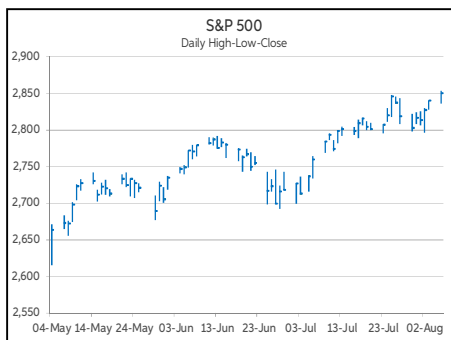
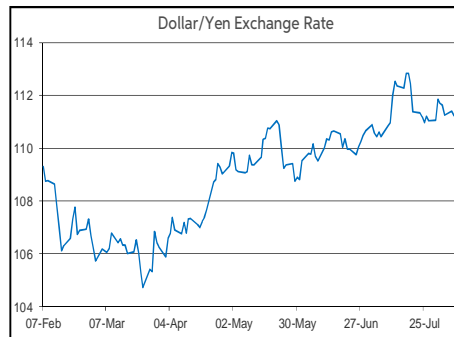
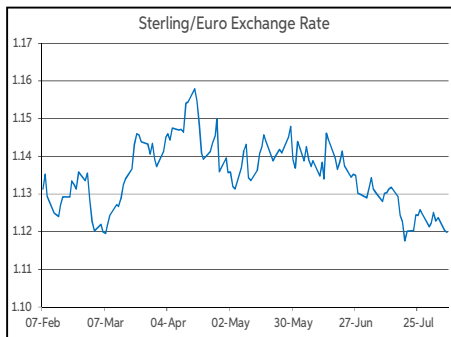
EUR/GBP	0.8926
EUR/USD	1.1571
EUR/JPY	128.74
EUR/SEK	10.321
EUR/DKK	7.4522
EUR/NOK	9.5162
EUR/CHF	1.1517
EUR/AUD	1.5601
EUR/HKD	9.0804
EUR/CAD	1.5018

Sterling

GBP/EUR	1.1197
GBP/USD	1.2959
GBP/CAD	1.6821
GBP/NZD	1.9235
GBP/JPY	144.18
GBP/SEK	11.5606
GBP/DKK	8.3449
GBP/NOK	10.6596
GBP/CHF	1.2899
GBP/AUD	1.7469

Dollar

USD/JPY	111.26
USD/CAD	1.2979
USD/CHF	0.9952
USD/CNY	6.8457
USD/BRL	3.7359
USD/RUB	63.5765
USD/INR	68.77
AUD/USD	0.7413
NZD/USD	0.6735



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 17
10 Year Yield %				
US	2.94	-1	+9	+54
Germany	0.38	-2	+8	-4
UK	1.30	-3	+3	+12
Ireland	0.85	-1	+7	N/A
Belgium	0.72	-4	+5	+11
France	0.71	-3	+7	-7
Italy	2.89	-3	+23	+89
Spain	1.37	-3	+9	-17
Portugal	1.74	-3	-3	-16
Greece	3.94	-9	+8	-10
5 Year Swap %				
US	2.91	-4	+3	+67
Eurozone	0.31	-2	+3	-1
UK	1.35	-4	+4	+32
2 Year Swap %				
US	2.82	-3	+2	+73
Eurozone	-0.15	-1	+1	-0
UK	1.10	-2	+5	+30
10 Year Government Bond Spreads to Benchmark bps				
Ireland	47	+1	-1	N/A
Belgium	34	-1	-3	+15
France	33	-0	-1	-3
Italy	251	-0	+15	+93
Spain	99	-1	+1	-14
Portugal	135	-0	-11	-12
Greece	356	-7	-1	-6

Commodities				
	Close	% Change		
		Day	4 Weeks	End 17
Brent Oil	73.75	+0.74	-5.53	+10.29
West Texas Oil	69.01	+0.76	-6.65	+14.14
CRB - All Commodity	193.93	+0.36	-2.17	+0.03
CRB - Food	336.46	+1.29	-3.72	+0.12
Gold \$	1207.8	-0.50	-4.00	-7.28

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