

Narrow FX ranges

Last week was for the most part bereft of action on the currency front. This was in large part due to an uneventful macro data/event calendar. The main pairs were confined to narrow ranges over the period. In level terms, EUR/USD mostly traded within the \$1.13-1.14 range. The EUR/GBP pair was changing hands in the 89-90p trading band. Overnight, renewed optimism regarding US/China trade relations, following weekend talks, has seen the Nikkei gain over 2% and the yen weaken, with USD/JPY above ¥108.

Ahead this week, the main focus from a data perspective will be on the US, with non-farm payrolls for June due. In May, payrolls printed much weaker than expected, with a reading of 75,000. This created an unhelpful backdrop for the dollar as it reinforced market expectations that the Fed could have to implement a number of rate cuts. Consensus forecasts are for a gain of 158,000 in June. However, if we got another significant downward surprise, it could bring some pressure to bear on the dollar. The other main US releases of note are the unemployment rate, earnings and ISMs.

For sterling, the main highlights are the PMI surveys for June. The manufacturing index is anticipated to have remained in contraction territory. The services PMI is expected to indicate a modest pace of growth in the sector. From a currency viewpoint, with the market awaiting clarity on Brexit (not expected over coming weeks) the data may not generate much reaction from sterling.

On the euro's side, the coming week is very dull in terms of macro releases. As a result, the currency is unlikely to get much direction from Eurozone data. Instead, attention may centre on attempts by EU leaders to agree on candidates for key EU positions, including that of ECB President. Talks are on-going this morning after yesterday's discussions were deadlocked.

John Fahey, Senior Economist, AIB

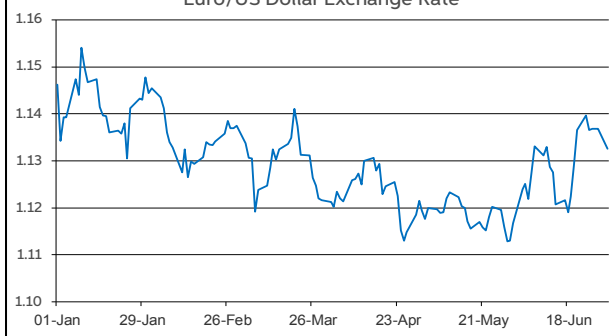
Today's Opening Rates

		% Change	
		Day *	End 2018
EUR/USD	1.1325	-0.33	-1.26
EUR/GBP	0.8933	-0.38	-0.57
GBP/USD	1.2675	0.03	-0.64
GBP/EUR	1.1189	0.38	0.57
USD/JPY	108.4	0.72	-1.06
EUR/JPY	122.76	0.38	-2.35

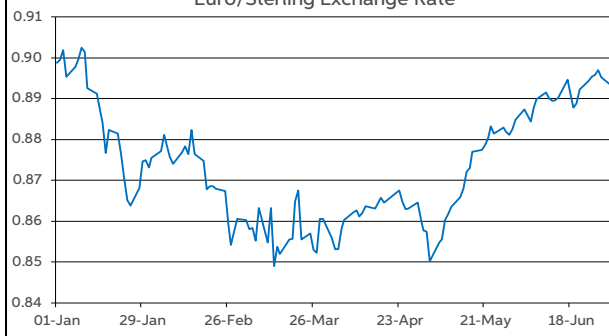
* v Previous Day's European Open

See Next Page for More Rates ▶▶▶

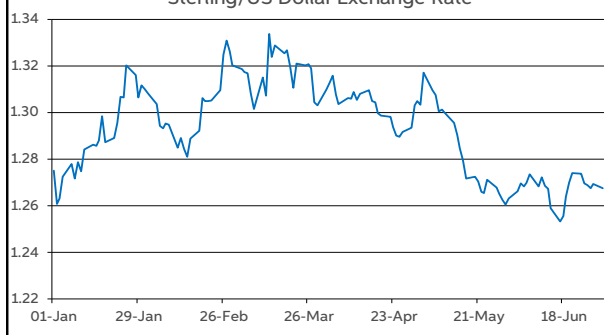
Euro/US Dollar Exchange Rate



Euro/Sterling Exchange Rate



Sterling/US Dollar Exchange Rate



Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	2.375	2.40	2.32	2.18	1.83	1.79
EUR	0.00	-0.39	-0.35	-0.21	-0.38	-0.22
GBP	0.75	0.72	0.77	0.95	0.84	0.90

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2018 to Date	
Dow Jones	26599.96	+0.28	+14.03	
S&P 500	2941.76	+0.58	+17.35	
FTSE 100	7425.63	+0.31	+10.37	
DJ Stoxx 50	3473.69	+0.91	+15.73	
ISEQ	6152.63	+0.74	+12.28	
Nikkei	21729.97	+2.13	+8.57	

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

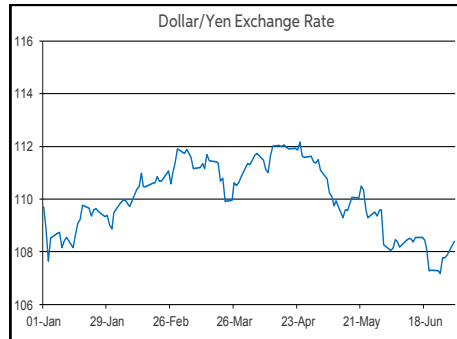
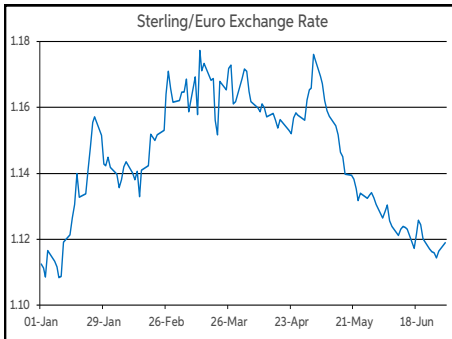
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite Lenny Hogan	Reuters Phone	AlBI 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

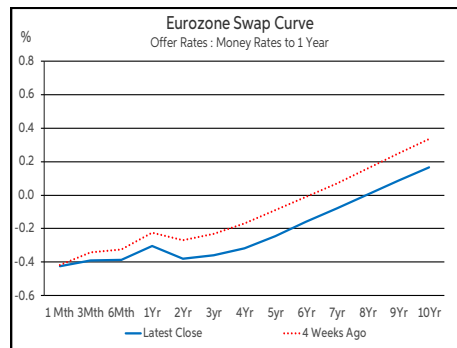
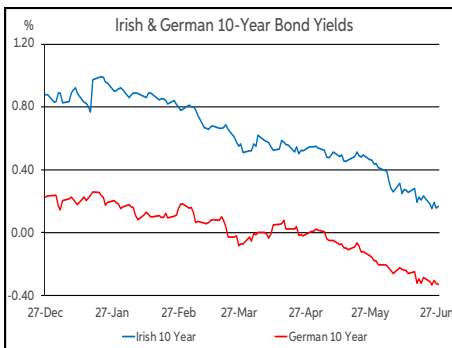
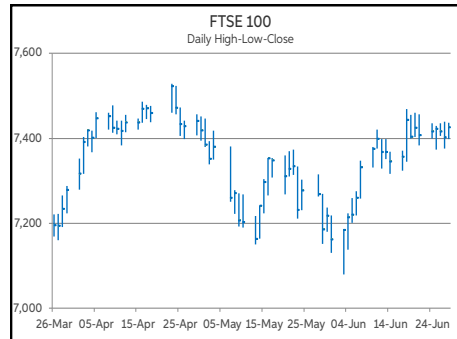
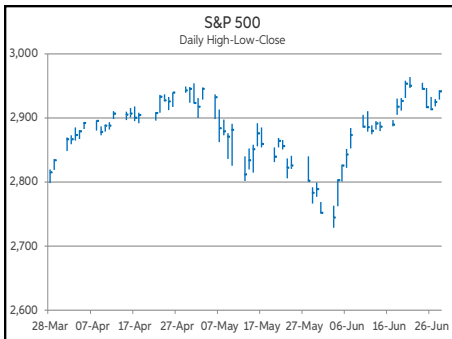
Monday 01 July 2019
07:22 am



Euro		Sterling		Dollar	
EUR/GBP	0.8934	GBP/EUR	1.119	USD/JPY	108.38
EUR/USD	1.1326	GBP/USD	1.2675	USD/CAD	1.31
EUR/JPY	122.77	GBP/CAD	1.6604	USD/CHF	0.9836
EUR/SEK	10.5469	GBP/NZD	1.8927	USD/CNY	6.8442
EUR/DKK	7.4638	GBP/JPY	137.37	USD/BRL	3.8508
EUR/NOK	9.6697	GBP/SEK	11.7981	USD/RUB	62.9448
EUR/CHF	1.1141	GBP/DKK	8.3517	USD/INR	68.955
EUR/AUD	1.6194	GBP/NOK	10.8239	AUD/USD	0.6993
EUR/HKD	8.8442	GBP/CHF	1.2469	NZD/USD	0.6697
EUR/CAD	1.4836	GBP/AUD	1.8124		



	Close	Change bps		
		Day	4 Weeks	End 18
10 Year Yield %				
US	2.01	-1	-13	-68
Germany	-0.33	-1	-13	-57
UK	0.83	+1	-6	-44
Ireland	0.17	+1	-25	N/A
Belgium	0.06	-0	-22	-70
France	-0.01	-0	-22	-71
Italy	2.09	-4	-57	-63
Spain	0.39	-0	-32	-103
Portugal	0.47	-0	-33	-124
Greece	2.41	-2	-45	-189
5 Year Swap %				
US	1.73	-0	-17	-83
Eurozone	-0.25	-4	-16	-48
UK	0.90	+0	-7	-42
2 Year Swap %				
US	1.77	+1	-22	-87
Eurozone	-0.38	-2	-11	-24
UK	0.83	+0	-5	-33
10 Year Government Bond Spreads to Benchmark bps				
Ireland	50	+2	-12	N/A
Belgium	39	+1	-10	-13
France	32	+0	-9	-14
Italy	242	-3	-45	-6
Spain	72	+1	-20	-46
Portugal	80	+0	-21	-67
Greece	274	-1	-33	-132



	Close	% Change		
		Day	4 Weeks	End 18
Brent Oil	66.55	+0.00	+3.19	+23.70
West Texas Oil	58.2	-1.66	+8.81	+28.90
CRB - All Commodity	181.04	-0.79	+3.24	+6.62
CRB - Food	347.78	-2.28	-1.09	+7.26
Gold \$	1409.9	-0.01	+7.95	+9.90

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