

Limited FX action

Currency markets adopted a subdued tone yesterday. As expected, the second day of Fed Chair Powell's congressional testimony provided no fresh insights into the central bank's policy outlook. Meanwhile, the release of the ECB's account of its June meeting merely served to confirm that it is considering further monetary easing, as outlined by a host of recent Governing Council speakers.

Data-wise, the US headline rate of inflation in June came in at 1.6%, in line with expectations. This represented a slight moderation from May, largely due to lower oil prices compared to a year earlier. The core measure did surprise slightly to the upside (2.1% vs f'cast 2.0%). Overall, dollar impact was limited. However, the better than expected core data may have helped bond yields continue to edge higher globally. US 10-year Treasury yields rose by 8bps to 2.14%.

In level terms, the muted action on currency markets sees the main pairs open this morning broadly unchanged from 24 hours previous. EUR/USD remains above the midpoint of the \$1.12-1.13 band, while EUR/GBP is trading just below the 90p mark. Elsewhere, cable GBP/USD continues to change hands in the \$1.25-26 range.

Turning to the day ahead, the only macro release of any note is the May reading of Eurozone industrial production. The expectation is for a 0.2% rise. However, there is the potential for an upside surprise, given very strong French and Italian data published on Wednesday. In any case, it is unlikely that today's release will prompt much of a move in the euro

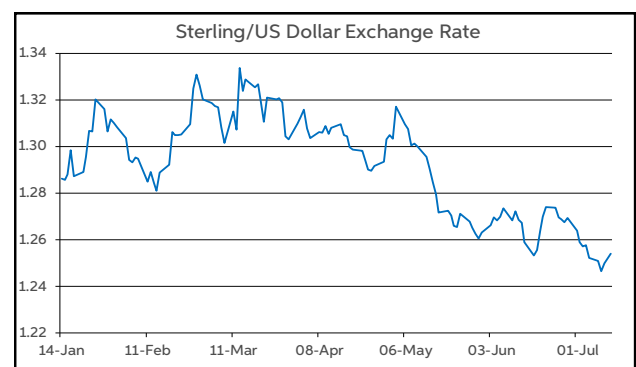
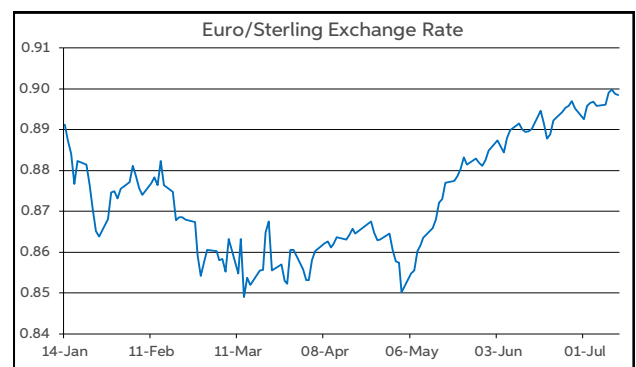
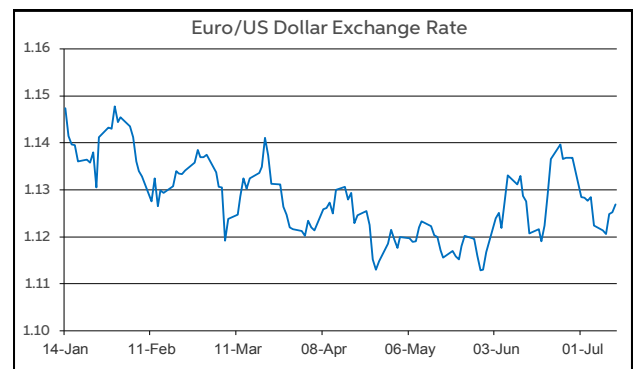
Elsewhere, the UK and US schedules are barren. Therefore, it would not be surprising to see the dollar and sterling continue to range trade heading into the weekend.

Conor Beakey, Economist, AIB

Today's Opening Rates			
		% Change	
		Day *	End 2018
EUR/USD	1.1269	-0.04	-1.74
EUR/GBP	0.8984	-0.10	0.00
GBP/USD	1.2541	0.05	-1.69
GBP/EUR	1.1128	0.10	0.00
USD/JPY	108.34	0.37	-1.11
EUR/JPY	122.12	0.33	-2.86

* v Previous Day's European Open

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Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	2.375	2.33	2.30	2.19	1.90	1.86
EUR	0.00	-0.39	-0.36	-0.25	-0.39	-0.19
GBP	0.75	0.72	0.77	0.89	0.80	0.88

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2018 to Date	
Dow Jones	27088.08	+0.85	+16.12	
S&P 500	2999.91	+0.23	+19.67	
FTSE 100	7509.82	-0.28	+11.62	
DJ Stoxx 50	3496.73	-0.14	+16.50	
ISEQ	6276.12	+0.66	+14.53	
Nikkei	21677.5	+0.16	+8.31	

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	AIB 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

Friday 12 July 2019
07:14 am



Euro

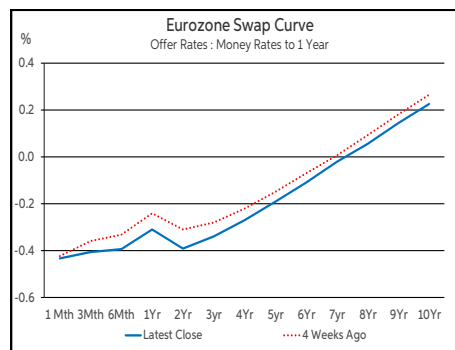
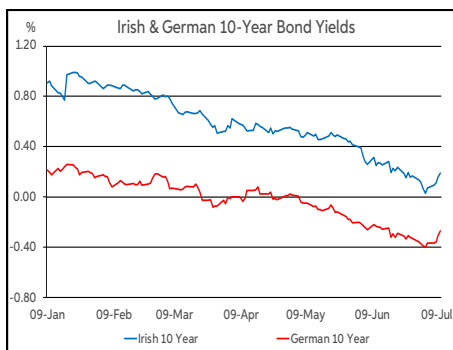
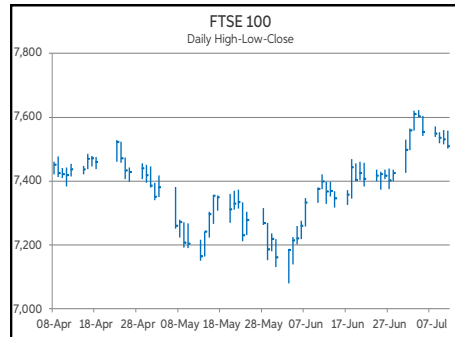
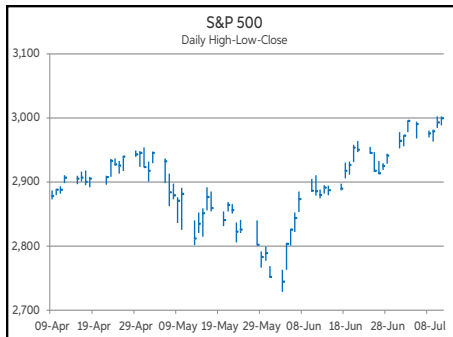
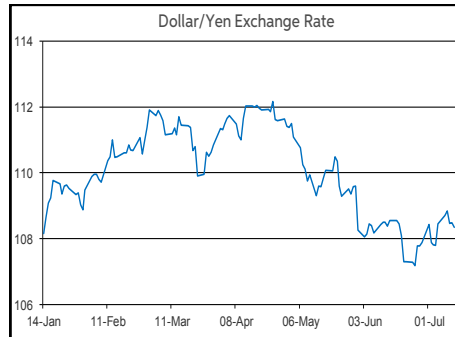
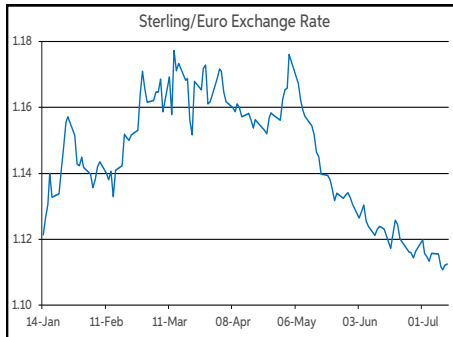
EUR/GBP	0.8984
EUR/USD	1.127
EUR/JPY	122.11
EUR/SEK	10.5552
EUR/DKK	7.467
EUR/NOK	9.6048
EUR/CHF	1.1148
EUR/AUD	1.6097
EUR/HKD	8.8145
EUR/CAD	1.468

Sterling

GBP/EUR	1.1128
GBP/USD	1.2541
GBP/CAD	1.6331
GBP/NZD	1.8759
GBP/JPY	135.87
GBP/SEK	11.7433
GBP/DKK	8.3088
GBP/NOK	10.6876
GBP/CHF	1.2407
GBP/AUD	1.7914

Dollar

USD/JPY	108.34
USD/CAD	1.3025
USD/CHF	0.989
USD/CNY	6.8721
USD/BRL	3.7562
USD/RUB	62.8237
USD/INR	68.57
AUD/USD	0.7
NZD/USD	0.6683



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 18
10 Year Yield %				
US	2.14	+8	+5	-54
Germany	-0.27	+4	-3	-51
UK	0.83	+8	+0	-43
Ireland	0.19	+3	-8	N/A
Belgium	0.09	+4	-8	-67
France	0.02	+4	-9	-68
Italy	1.70	-3	-66	-102
Spain	0.47	+4	-7	-94
Portugal	0.56	+6	-8	-115
Greece	2.22	-2	-44	-208
5 Year Swap %				
US	1.86	+6	+5	-70
Eurozone	-0.19	+2	-4	-42
UK	0.87	+4	-5	-44
2 Year Swap %				
US	1.87	+1	+2	-77
Eurozone	-0.39	-1	-8	-25
UK	0.79	+2	-8	-37
10 Year Government Bond Spreads to Benchmark bps				
Ireland	46	-1	-6	N/A
Belgium	36	-0	-6	-16
France	29	-0	-6	-18
Italy	197	-7	-63	-51
Spain	74	-0	-4	-44
Portugal	83	+2	-5	-64
Greece	249	-6	-42	-157

Commodities				
	Close	% Change		
		Day	4 Weeks	End 18
Brent Oil	66.52	-0.73	+8.50	+23.64
West Texas Oil	59.93	-0.58	+14.41	+32.74
CRB - All Commodity	183.68	-0.27	+5.31	+8.17
CRB - Food	348.25	+1.20	-0.37	+7.41
Gold \$	1404.4	-1.04	+4.59	+9.47

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