

Packed macro schedule this week

The moves on currency markets last week were generally confined to narrow ranges. Although, sterling did make some gains. This may have been linked to optimism surrounding the EU-UK trade talks and the unveiling of more fiscal stimulus.

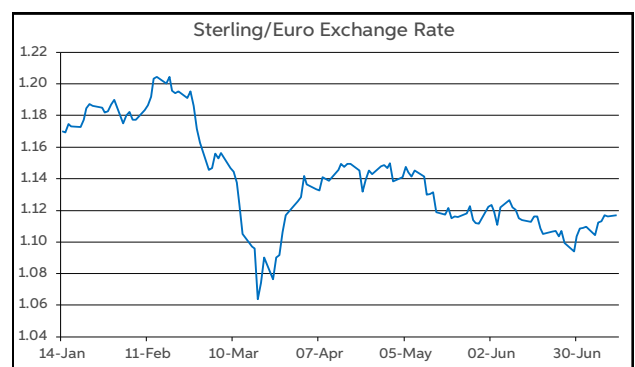
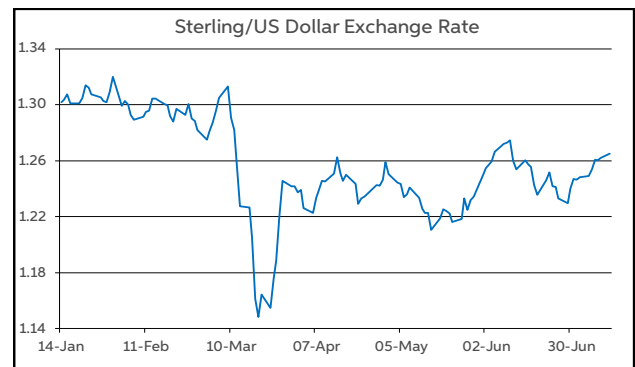
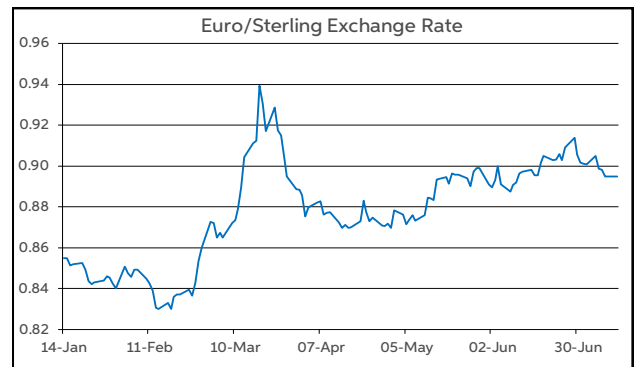
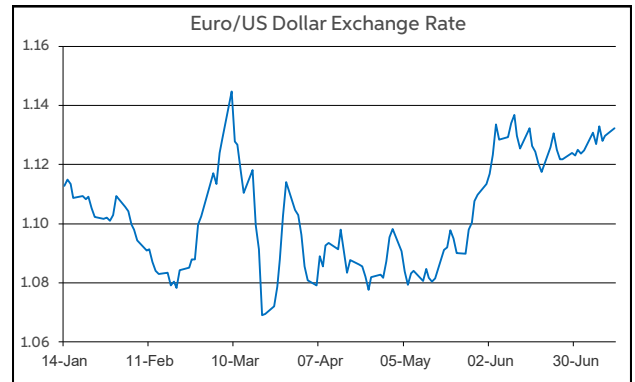
In level terms, the support for sterling sees EUR/GBP start this week at the midpoint of the 89-90p band. At the same time, cable (GBP/USD) is changing hands above the \$1.26 threshold. Meanwhile, EUR/USD opens above the \$1.13 mark, having oscillated around this handle for much of last week.

This week, the ECB will hold its July policy meeting. However, with no changes to policy expected it may be a non-event for the euro. Although, markets will be interested to hear the Governing Council's latest assessment of economic conditions. The European Council will also hold a special summit on Friday to try and agree on the EU Budget for 2021-27, which includes the Recovery Fund.

In the UK, there is a raft of data due. This includes the latest monthly estimate of GDP and labour market bulletin (both May), as well as the June print of CPI. The data are expected to provide further evidence of a partial recovery in the economy following the severe lockdown in April. However, the extent of the recovery may be limited as many Covid-19 restrictions remained in place in the month. Sterling impact, barring any surprises, could be limited.

Across the Atlantic, the highlight is the retail sales report for June. Industrial production figures for the same month and the July reading of the 'Uni of Michigan' measure of consumer confidence will also feature. Overall though, the dollar may prove more reactive to shifts in investor sentiment this week than to the data.

Conor Beakey, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.1323	0.48	1.01
EUR/GBP	0.8951	-0.04	5.88
GBP/USD	1.2649	0.52	-4.60
GBP/EUR	1.1168	0.04	-5.55
USD/JPY	106.89	-0.04	-1.58
EUR/JPY	121.06	0.45	-0.63

* 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	0.18	0.27	0.23	0.23	0.34
EUR	0.00	-0.50	-0.44	-0.39	-0.38	-0.33
GBP	0.10	0.08	0.09	0.19	0.15	0.21

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

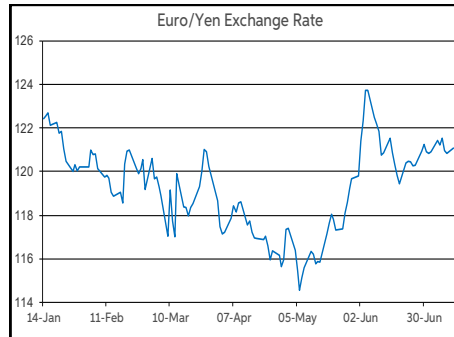
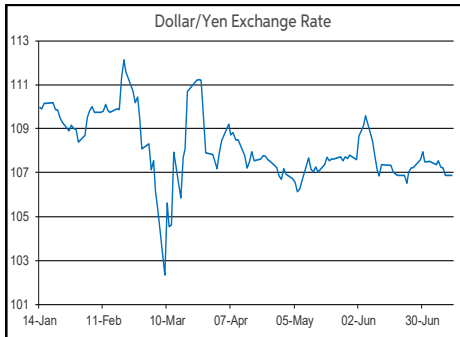
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

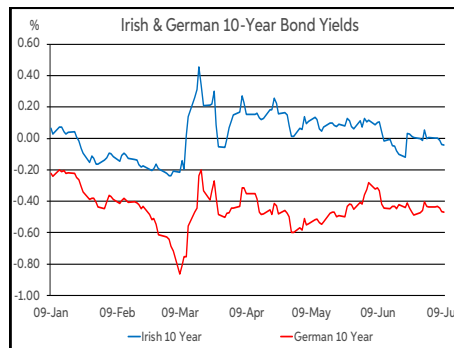
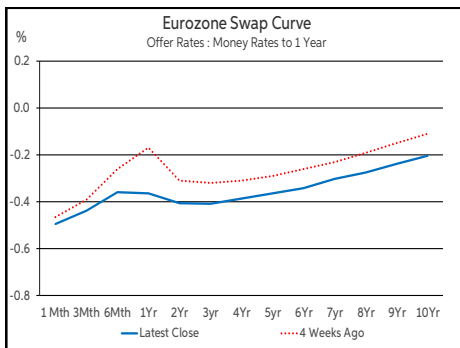
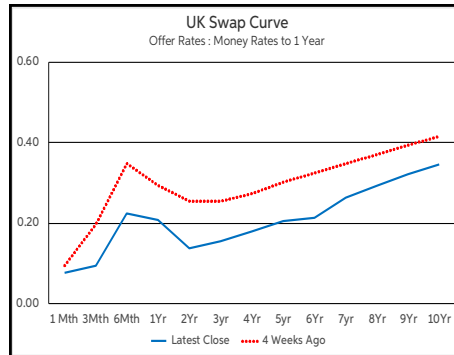
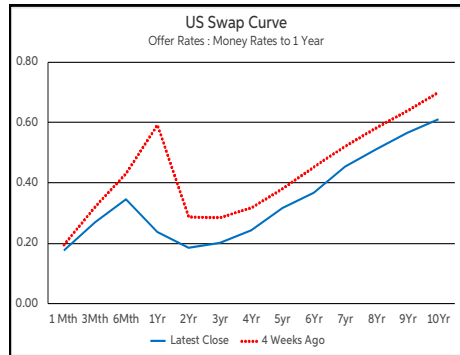
Monday 13 July 2020
07:27 am



Euro		Sterling		Dollar	
EUR/GBP	0.8951	GBP/EUR	1.1168	USD/JPY	106.89
EUR/USD	1.1323	GBP/USD	1.2649	USD/CAD	1.3569
EUR/JPY	121.06	GBP/CAD	1.7163	USD/CHF	0.9395
EUR/SEK	10.3954	GBP/NZD	1.9245	USD/CNY	7.0004
EUR/DKK	7.4476	GBP/JPY	135.22	USD/BRL	5.3238
EUR/NOK	10.6497	GBP/SEK	11.6071	USD/RUB	70.6558
EUR/CHF	1.064	GBP/DKK	8.3179	USD/INR	75.15
EUR/AUD	1.6242	GBP/NOK	11.893	AUD/USD	0.697
EUR/HKD	8.7753	GBP/CHF	1.1884	NZD/USD	0.6568
EUR/CAD	1.5363	GBP/AUD	1.8143		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 19
10 Year Yield %				
US	0.64	+3	-7	-128
Germany	-0.47	-1	-3	-28
UK	0.16	-0	-5	-67
Ireland	-0.02	-0	-6	-14
Belgium	-0.16	-0	-11	-26
France	-0.14	-0	-10	-26
Italy	1.29	+1	-13	-14
Spain	0.43	+2	-18	-4
Portugal	0.44	+1	-15	-1
Greece	1.23	+12	-4	-23
5 Year Swap %				
US	0.32	+2	-6	-139
Eurozone	-0.37	-1	-7	-24
UK	0.20	-2	-8	-67
2 Year Swap %				
US	0.18	-3	-7	-148
Eurozone	-0.41	-2	-9	-11
UK	0.14	-2	-11	-66
10 Year Government Bond Spreads to Benchmark bps				
Ireland	44	+1	-3	+14
Belgium	31	+1	-8	+3
France	33	+1	-7	+2
Italy	176	+1	-10	+14
Spain	90	+3	-15	+24
Portugal	90	+2	-12	+27
Greece	170	+12	-1	+6



Commodities				
	% Change			
	Close	Day	4 Weeks	End 19
Brent Oil	43.24	+2.10	+11.64	-34.48
West Texas Oil	40.56	+2.32	+11.92	-33.66
Gold \$	1798.3	-0.25	+3.96	+18.54

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