

EUR/GBP back up above 90p

There was mixed tone to investor sentiment yesterday. Risk appetite was supported by some positive corporate newsflow as the earnings reporting season for Q2 got underway. In Europe, the Euro Stoxx 50 gained 1.6% on the day. This 'risk-on' mood carried over into the start on Wall Street. However, this was not sustained. The S&P 500 was down around 1% at the closing bell last night.

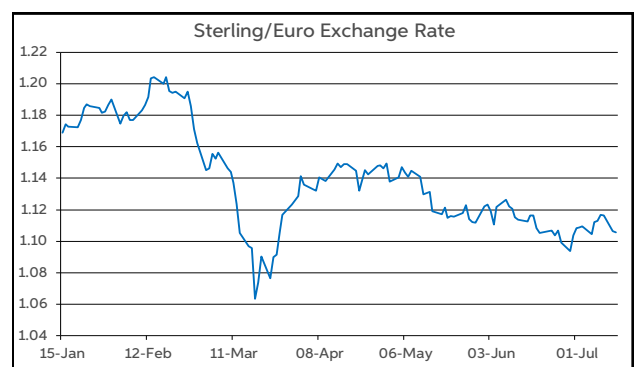
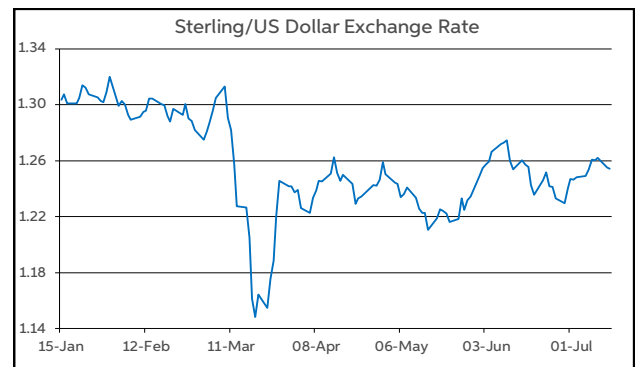
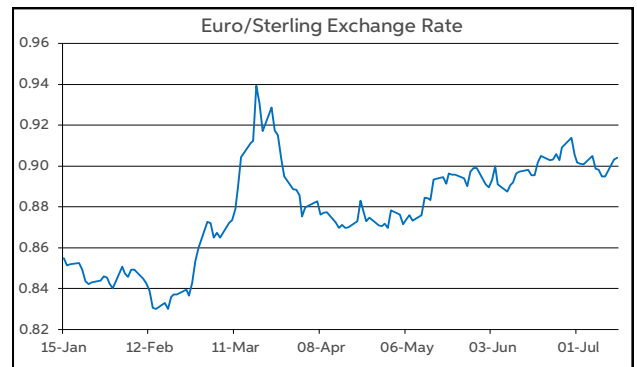
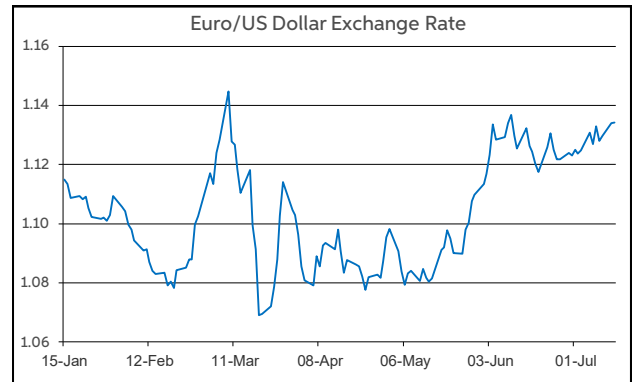
The action on currency markets was once again confined to relatively narrow ranges. Of the moves to register, sterling came under some downward pressure, ceding some of the ground it had made last week. This is reflected in EUR/GBP opening this morning back above the 90p mark. The softer tone to sterling is also evident in GBP/USD unable to hold onto the \$1.26 threshold.

Elsewhere, the euro had spent much of yesterday edging higher against the dollar. However, the more risk averse mood to market sentiment overnight has seen the pair move lower. As a result, EUR/USD is changing hands this morning broadly similar to 24 hours earlier.

Already today the May estimate of UK GDP has been published. The monthly growth rate disappointed versus expectations, printing at 1.8% (f'cast 5.5%). This suggests the rebound in activity may not be as quick as had been anticipated. In year-on-year terms, GDP fell by 24% in May.

While there has so far been limited reaction from sterling to the release, it may make it more challenging for the currency to get back on the front foot today. Turning to the rest of the day, the June print of US CPI is the only item of note on the macro diary, but dollar impact is likely to be negligible.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.1342	0.19	1.18
EUR/GBP	0.9041	1.05	6.94
GBP/USD	1.2543	-0.86	-5.40
GBP/EUR	1.1055	-1.04	-6.49
USD/JPY	107.26	0.36	-1.24
EUR/JPY	121.67	0.56	-0.13

* 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	0.17	0.28	0.24	0.24	0.34
EUR	0.00	-0.50	-0.44	-0.36	-0.37	-0.33
GBP	0.10	0.07	0.09	0.19	0.16	0.23

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

Tuesday 14 July 2020
07:17 am



Euro

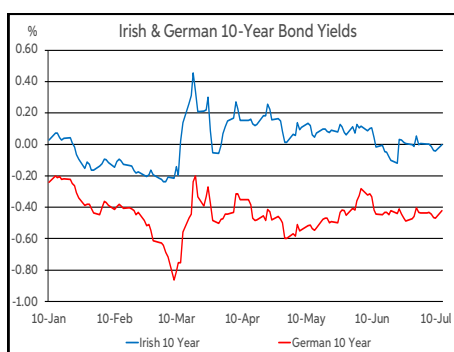
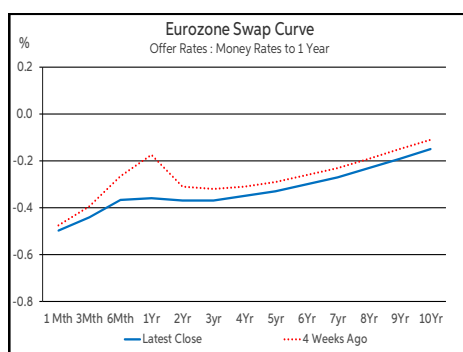
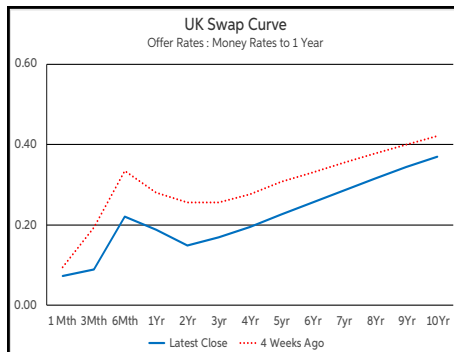
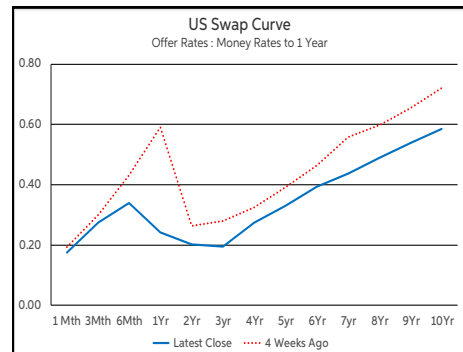
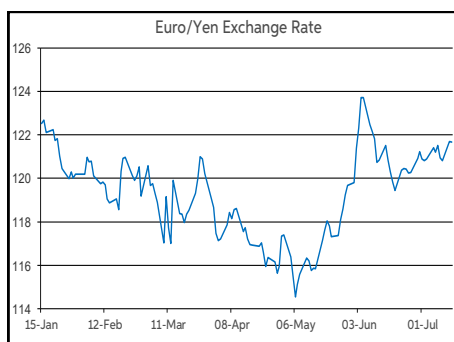
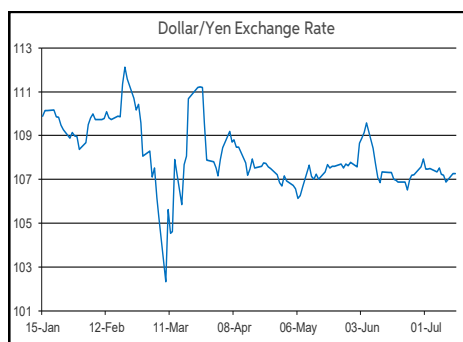
EUR/GBP	0.9041
EUR/USD	1.1342
EUR/JPY	121.67
EUR/SEK	10.4202
EUR/DKK	7.4441
EUR/NOK	10.7133
EUR/CHF	1.0682
EUR/AUD	1.6327
EUR/HKD	8.7907
EUR/CAD	1.5443

Sterling

GBP/EUR	1.1055
GBP/USD	1.2543
GBP/CAD	1.7078
GBP/NZD	1.92
GBP/JPY	134.54
GBP/SEK	11.5172
GBP/DKK	8.2305
GBP/NOK	11.8409
GBP/CHF	1.1809
GBP/AUD	1.8059

Dollar

USD/JPY	107.26
USD/CAD	1.361
USD/CHF	0.9415
USD/CNY	7.0104
USD/BRL	5.4029
USD/RUB	70.8246
USD/INR	75.44
AUD/USD	0.6945
NZD/USD	0.6529



Debt Markets				
	Close	Day	4 Weeks	End 19
10 Year Yield %				
US	0.62	-2	-10	-130
Germany	-0.42	+5	+3	-23
UK	0.18	+3	-3	-64
Ireland	0.01	+4	+0	-11
Belgium	-0.12	+4	-7	-22
France	-0.09	+5	-5	-22
Italy	1.31	+2	-10	-12
Spain	0.45	+2	-12	-2
Portugal	0.47	+3	-9	+2
Greece	1.23	-0	+3	-23
5 Year Swap %				
US	0.33	+2	-6	-138
Eurozone	-0.33	+3	-3	-21
UK	0.23	+2	-7	-65
2 Year Swap %				
US	0.20	+1	-6	-146
Eurozone	-0.37	+2	-5	-7
UK	0.15	+1	-10	-65
10 Year Government Bond Spreads to Benchmark bps				
Ireland	43	-1	-3	+12
Belgium	30	-1	-10	+1
France	32	-1	-8	+1
Italy	172	-3	-13	+11
Spain	86	-4	-15	+21
Portugal	88	-2	-12	+25
Greece	165	-5	+0	+0

Commodities				
	Close	Day	4 Weeks	End 19
Brent Oil	42.72	-1.20	+7.55	-35.27
West Texas Oil	40.06	-1.23	+8.07	-34.48
Gold \$	1802.7	+0.24	+4.53	+18.83

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