

## Busy week for US and UK data

Last week saw limited action on the currency front. The data calendar was lacking in top tier releases. Meanwhile, the main event of note, Fed Chair Powell's semi-annual testimony, was largely along expected lines, that rate cuts are coming.

As a result, the main FX pairs were confined to tight ranges over the period. In level terms, EUR/USD mostly traded within the \$1.12-1.13 band, while EUR/GBP was changing hands in the upper half of 89-90p. Meantime, cable (GBP/USD) operated in a \$1.245-1.257 trading range.

In contrast, both equity and fixed income markets experienced a bit more action. Wall Street hit new record highs, while US, Eurozone and UK bond markets all registered rising yields levels. The latter was a result of markets reigning in somewhat the extent of monetary policy easing that they had been anticipating.

Of course, incoming macro data will be a crucial factor in determining the magnitude of central bank easing. In this regard, the coming week contains some useful releases.

From a dollar viewpoint, retail sales (June) and consumer sentiment (July) will provide important insights into the key household spending sector of the US economy. For sterling, we get a raft of labour market updates for the three months to May. This includes unemployment, employment and wage growth. On the euro's side, the macro diary is very sparse.

Overall though, unless the data produce significant surprises, the main FX pairs may continue to trade within relatively narrow ranges.

**John Fahey, Senior Economist, AIB**

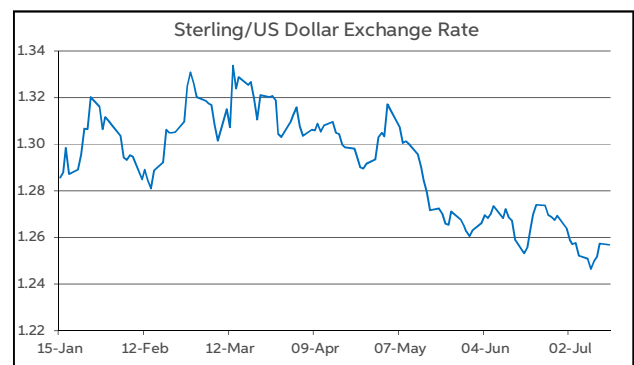
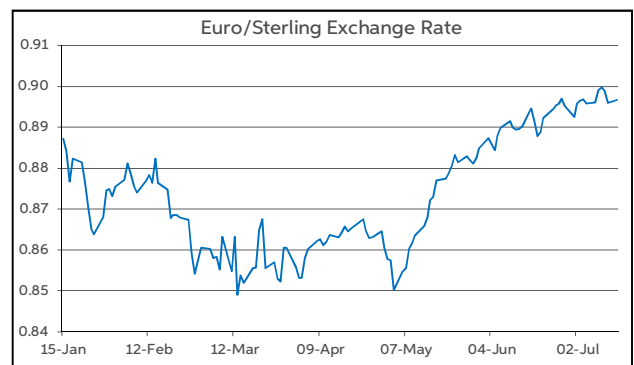
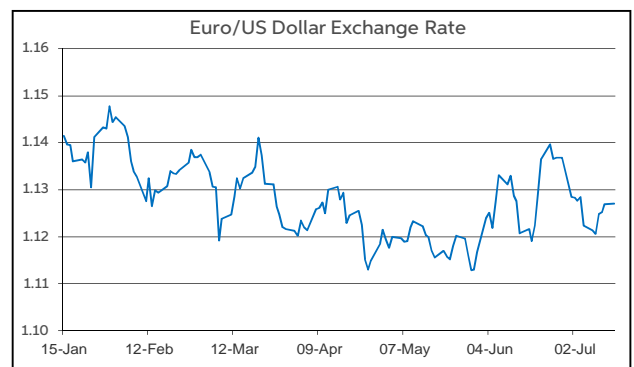
Opening Interest Rates						
Base Rate	Short Term			Long Term		
	1-Mth	3-Mth	12-Mth	2-Yr	5-Yr	
USD	2.375	2.33	2.32	2.23	1.88	1.87
EUR	0.00	-0.39	-0.36	-0.28	-0.39	-0.19
GBP	0.75	0.72	0.77	0.90	0.79	0.87

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2018 to Date	
Dow Jones	27332.03	+0.90	+17.17	
S&P 500	3013.77	+0.46	+20.22	
FTSE 100	7505.97	-0.05	+11.56	
DJ Stoxx 50	3497.63	+0.03	+16.53	
ISEQ	6295.11	+0.30	+14.88	
Nikkei	21685.9	+0.00	+8.35	

Today's Opening Rates			
		% Change	
		Day *	End 2018
EUR/USD	1.1272	0.01	-1.72
EUR/GBP	0.8967	-0.20	-0.19
GBP/USD	1.2568	0.22	-1.48
GBP/EUR	1.1149	0.20	0.19
USD/JPY	108.03	-0.27	-1.40
EUR/JPY	121.78	-0.25	-3.13

\* 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

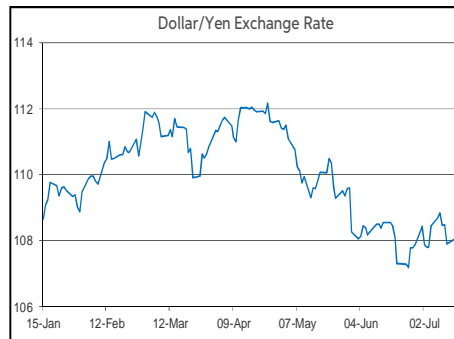
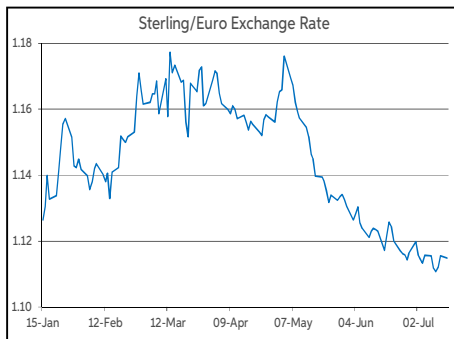
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite Lenny Hogan	Reuters Phone	AIB 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

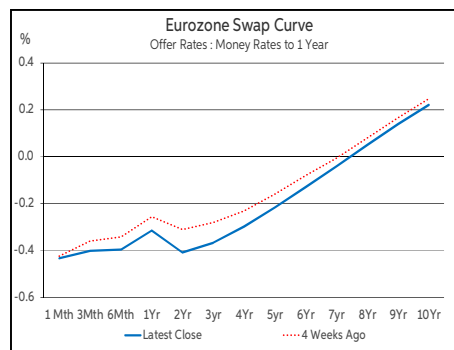
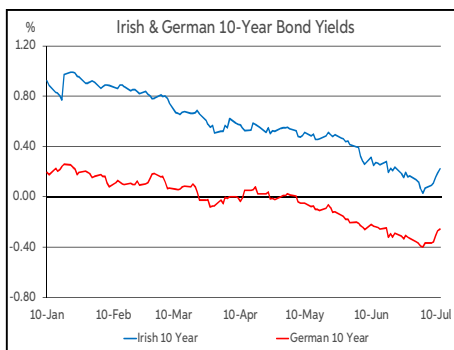
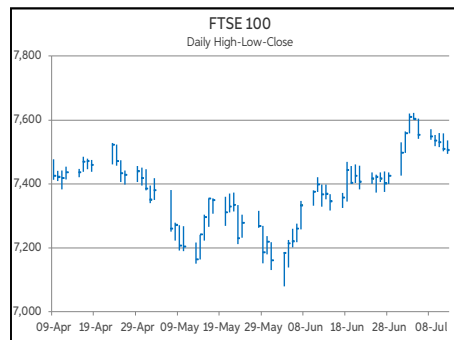
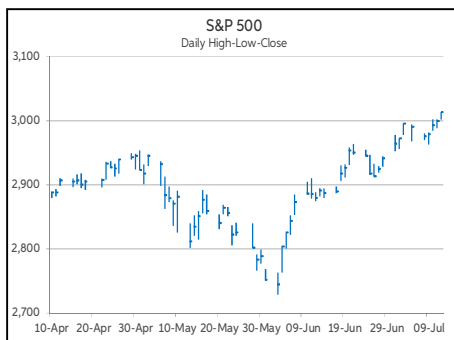
Monday 15 July 2019  
07:29 am



Euro		Sterling		Dollar	
EUR/GBP	0.8967	GBP/EUR	1.1149	USD/JPY	108.03
EUR/USD	1.1272	GBP/USD	1.2568	USD/CAD	1.3026
EUR/JPY	121.78	GBP/CAD	1.6373	USD/CHF	0.9845
EUR/SEK	10.5554	GBP/NZD	1.8706	USD/CNY	6.8736
EUR/DKK	7.466	GBP/JPY	135.77	USD/BRL	3.7402
EUR/NOK	9.6198	GBP/SEK	11.7668	USD/RUB	63.0225
EUR/CHF	1.1098	GBP/DKK	8.3235	USD/INR	68.59
EUR/AUD	1.6034	GBP/NOK	10.7256	AUD/USD	0.7029
EUR/HKD	8.823	GBP/CHF	1.2373	NZD/USD	0.6717
EUR/CAD	1.4683	GBP/AUD	1.7881		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 18
<b>10 Year Yield %</b>				
US	2.12	-2	+4	-56
Germany	-0.26	+1	+0	-49
UK	0.83	+0	-1	-43
Ireland	0.22	+3	-4	N/A
Belgium	0.14	+4	-2	-62
France	0.06	+4	-3	-64
Italy	1.72	+2	-61	-100
Spain	0.55	+8	+6	-86
Portugal	0.63	+8	+4	-107
Greece	2.31	+8	-37	-199
<b>5 Year Swap %</b>				
US	1.84	-2	+5	-72
Eurozone	-0.22	-4	-6	-45
UK	0.87	-2	-5	-45
<b>2 Year Swap %</b>				
US	1.86	-3	+1	-78
Eurozone	-0.41	-3	-10	-27
UK	0.78	-2	-9	-39
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	48	+2	-4	N/A
Belgium	39	+3	-2	-13
France	31	+3	-4	-15
Italy	197	+1	-61	-50
Spain	81	+7	+6	-37
Portugal	89	+6	+4	-58
Greece	256	+7	-37	-150



Commodities				
	Close	% Change		
		Day	4 Weeks	End 18
Brent Oil	66.72	+0.30	+7.60	+24.01
West Texas Oil	59.99	+0.10	+14.33	+32.87
CRB - All Commodity	184.36	+0.37	+5.46	+8.57
CRB - Food	350.39	+2.14	-1.42	+8.07
Gold \$	1416.0	+0.83	+5.53	+10.37

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