

## Tight ranges on the FX front

It was a fairly muted start to the week on financial markets yesterday. This was to be expected in light of the very quiet macro data and event calendar.

Indeed, after the overnight releases of a raft of Chinese macro updates, including Q2 GDP, the only data of any note from yesterday's European/US schedules was the New York Empire manufacturing survey for July. While the index posted its biggest gain in over 2 years, given its specific regional focus, it did not generate a reaction from the dollar.

Overall then, the main currency pairs has spent the last 24 hours confined to relatively narrow ranges. Of the limited action to register, sterling is slightly lower. In level terms this is reflected in EUR/GBP changing hands up near the 90p mark, while cable (GBP/USD) has edged down to the lower end of its \$1.25-1.26 trading range. Elsewhere, EUR/USD continues to trade within the \$1.12-1.13 band.

Looking ahead to today, the global macro agenda has a busier schedule compared to yesterday. For sterling, there is a raft of labour market data for the three month period to May to digest (incl. unemployment, employment and wage growth). In the Eurozone, the German ZEW is the main highlight.

Meantime, in the US, we get a broad range of macro indicators. This includes the main release of the week, retail sales (June), as well as industrial production (June) and homebuilder sentiment (July). However, unless the data surprises significantly, it may not be enough to arouse the main FX pairs from their current state of inertia.

**John Fahey, Senior Economist, AIB**

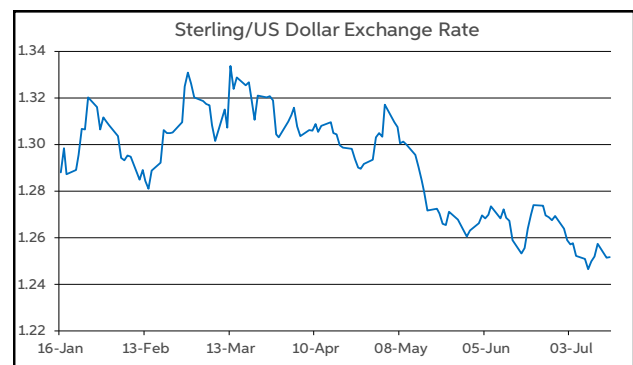
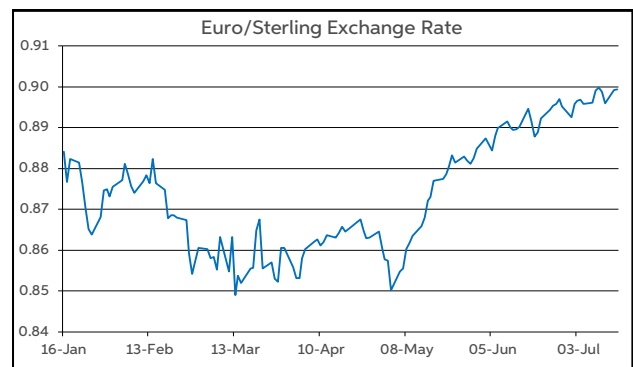
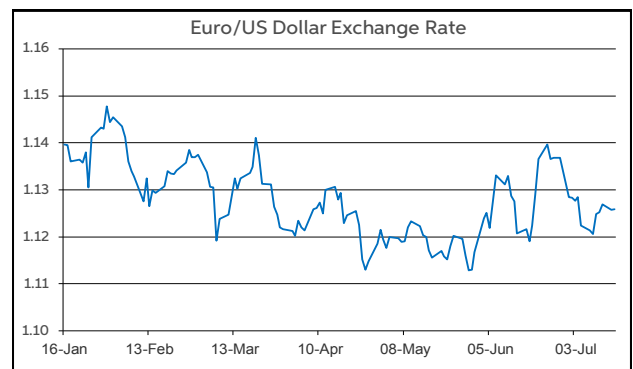
| Opening Interest Rates |           |            |       |        |           |       |
|------------------------|-----------|------------|-------|--------|-----------|-------|
|                        | Base Rate | Short Term |       |        | Long Term |       |
|                        |           | 1-Mth      | 3-Mth | 12-Mth | 2-Yr      | 5-Yr  |
| USD                    | 2.375     | 2.31       | 2.30  | 2.21   | 1.86      | 1.85  |
| EUR                    | 0.00      | -0.39      | -0.36 | -0.28  | -0.40     | -0.22 |
| GBP                    | 0.75      | 0.72       | 0.77  | 0.89   | 0.77      | 0.85  |

| Equity Indices |              |           |                  |  |
|----------------|--------------|-----------|------------------|--|
|                | Latest Close | % Changes |                  |  |
|                |              | on Day    | End 2018 to Date |  |
| Dow Jones      | 27359.16     | +0.10     | +17.28           |  |
| S&P 500        | 3014.3       | +0.02     | +20.24           |  |
| FTSE 100       | 7531.72      | +0.34     | +11.94           |  |
| DJ Stoxx 50    | 3502.22      | +0.13     | +16.69           |  |
| ISEQ           | 6322.06      | +0.43     | +15.37           |  |
| Nikkei         | 21535.25     | -0.69     | +7.60            |  |

| Today's Opening Rates |        |          |          |
|-----------------------|--------|----------|----------|
|                       |        | % Change |          |
|                       |        | Day *    | End 2018 |
| EUR/USD               | 1.1259 | -0.10    | -1.83    |
| EUR/GBP               | 0.8994 | 0.29     | 0.11     |
| GBP/USD               | 1.2516 | -0.39    | -1.89    |
| GBP/EUR               | 1.1115 | -0.29    | -0.11    |
| USD/JPY               | 108.04 | 0.02     | -1.39    |
| EUR/JPY               | 121.64 | -0.10    | -3.24    |

\* 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<br>Shane Gargan<br>Enda Homan | FX Options     | Mark Tuite<br>Lenny Hogan | Reuters<br>Phone | AIB<br>00353-1-7724018 | Morning Comment | John Fahey<br>john.j.fahey@aib.ie |
|         |  | Equity Options | Gary Luff                 |                  |                        |                 |                                   |

# Opening Levels

Tuesday 16 July 2019  
07:25 am



## Euro

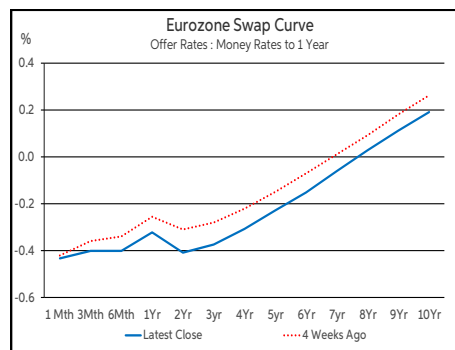
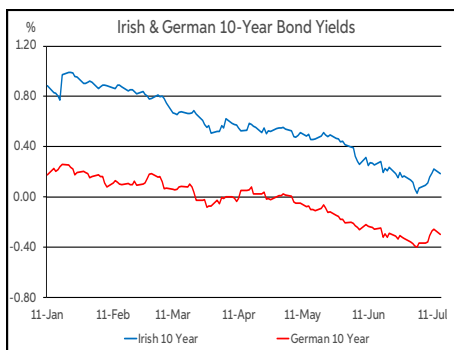
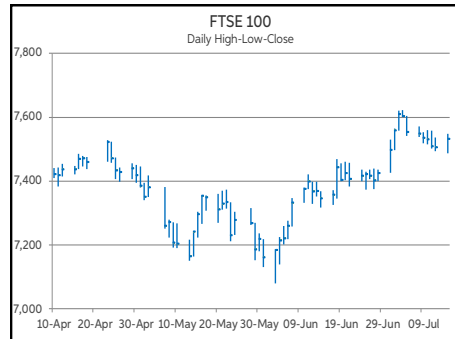
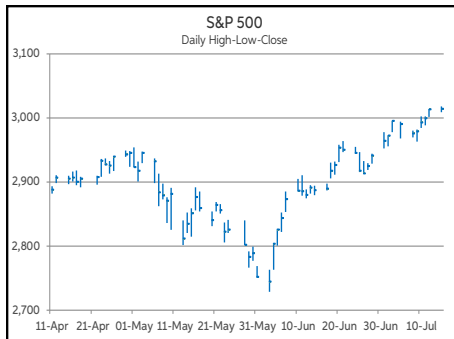
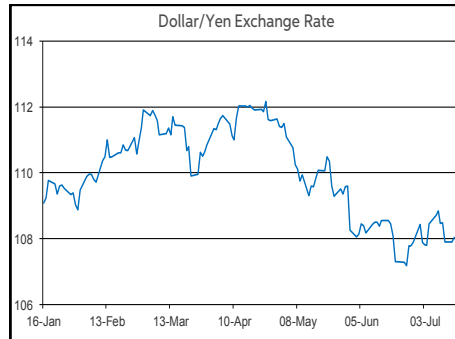
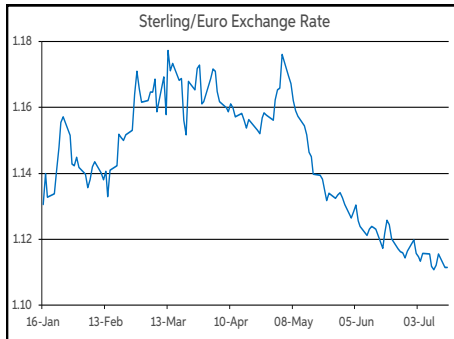
|         |         |
|---------|---------|
| EUR/GBP | 0.8994  |
| EUR/USD | 1.1259  |
| EUR/JPY | 121.64  |
| EUR/SEK | 10.5309 |
| EUR/DKK | 7.4665  |
| EUR/NOK | 9.6121  |
| EUR/CHF | 1.1093  |
| EUR/AUD | 1.6004  |
| EUR/HKD | 8.8001  |
| EUR/CAD | 1.4685  |

## Sterling

|         |         |
|---------|---------|
| GBP/EUR | 1.1115  |
| GBP/USD | 1.2516  |
| GBP/CAD | 1.6325  |
| GBP/NZD | 1.858   |
| GBP/JPY | 135.22  |
| GBP/SEK | 11.6999 |
| GBP/DKK | 8.2993  |
| GBP/NOK | 10.6864 |
| GBP/CHF | 1.2331  |
| GBP/AUD | 1.7785  |

## Dollar

|         |         |
|---------|---------|
| USD/JPY | 108.04  |
| USD/CAD | 1.3049  |
| USD/CHF | 0.9851  |
| USD/CNY | 6.872   |
| USD/BRL | 3.7551  |
| USD/RUB | 62.6774 |
| USD/INR | 68.541  |
| AUD/USD | 0.7034  |
| NZD/USD | 0.6733  |



| Debt Markets  |       |            |         |        |
|---|-------|------------|---------|--------|
|   | Close | Change bps |         |        |
|   |       | Day        | 4 Weeks | End 18 |
| <b>10 Year Yield %</b>                                  |       |            |         |        |
| US  | 2.09  | -3         | -0      | -59    |
| Germany   | -0.30 | -4         | -5      | -53    |
| UK  | 0.80  | -4         | -5      | -47    |
| <b>5 Year Swap %</b>                                    |       |            |         |        |
| US  | 1.80  | -5         | -4      | -76    |
| Eurozone  | -0.23 | -4         | -8      | -46    |
| UK  | 0.84  | -4         | -8      | -48    |
| <b>2 Year Swap %</b>                                    |       |            |         |        |
| US  | 1.83  | -5         | -6      | -81    |
| Eurozone  | -0.41 | -2         | -10     | -27    |
| UK  | 0.76  | -2         | -11     | -40    |
| <b>10 Year Government Bond Spreads to Benchmark bps</b> |       |            |         |        |
| Ireland   | 48    | +0         | -5      | N/A    |
| Belgium   | 38    | -2         | -4      | -15    |
| France  | 30    | -1         | -5      | -16    |
| Italy   | 193   | -4         | -60     | -54    |
| Spain   | 79    | -2         | +2      | -39    |
| Portugal  | 87    | -2         | +0      | -60    |
| Greece  | 257   | +1         | -36     | -149   |

| Commodities         |        |          |         |        |
|---------------------|--------|----------|---------|--------|
|                     | Close  | % Change |         |        |
|                     |        | Day      | 4 Weeks | End 18 |
| Brent Oil           | 66.48  | -0.36    | +9.09   | +23.57 |
| West Texas Oil      | 59.3   | -1.15    | +14.17  | +31.34 |
| CRB - All Commodity | 183.08 | -0.69    | +4.97   | +7.82  |
| CRB - Food          | 348.68 | -1.71    | -2.24   | +7.54  |
| Gold \$             | 1414.5 | -0.11    | +5.58   | +10.26 |

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