

Busy macro diary today

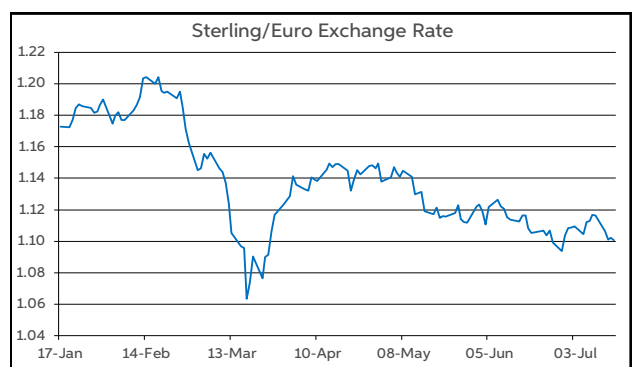
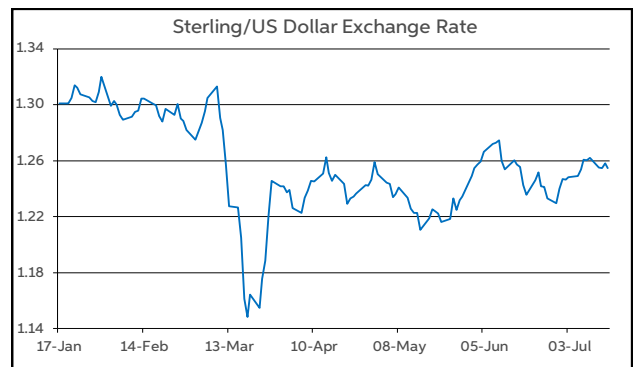
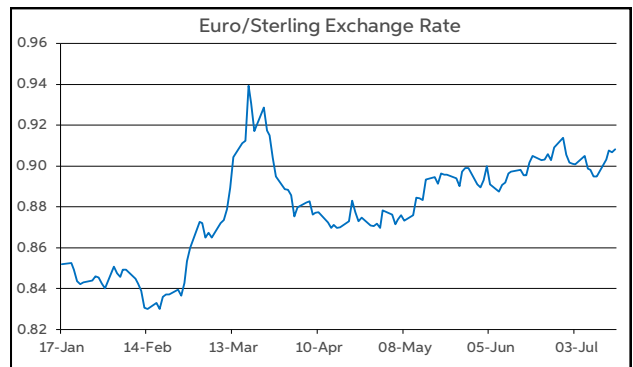
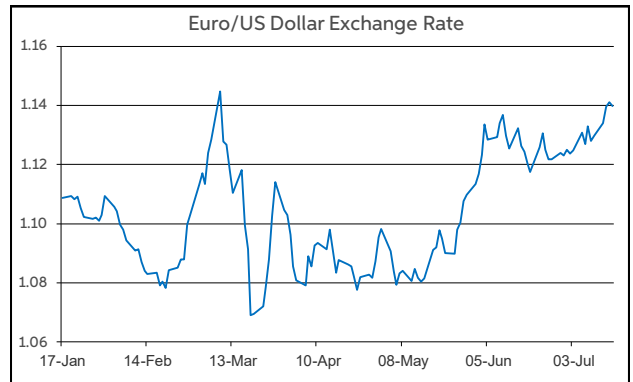
The improvement in risk appetite from overnight Tuesday carried over into yesterday. Sentiment was supported by encouraging news reports regarding two potential Covid-19 vaccines. Solid corporate earnings reports also provided a helpful backdrop, as did the macro diary (US induction production) The 'risk-on' mood was reflected in gains for the main equity indices. In Europe, the Euro Stoxx 50 posted a rise of 1.7%. Meanwhile at the closing bell on Wall Street last night, the S&P 500 was up around 1%.

On currency markets, the action over the past 24 hours has been confined to fairly tight ranges. The improved risk backdrop did see the dollar remain under some mild downward pressure. Overall though, the starting levels for the main FX pairs this morning look broadly similar to yesterday's open. EUR/USD continues to trade near to the \$1.14 threshold. Meantime, EUR/GBP has edged slightly higher within the 90-91p band. Elsewhere, GBP/USD opens at the midpoint of \$1.25-1.26.

Today's busy macro calendar has already seen some releases. Overnight, it was confirmed that the Chinese economy bounced back strongly from the 9.8% contraction in Q1. GDP increased by 11.5% in Q2. Meanwhile, the UK labour market bulletin for the 3 months to May was released just a short time ago. The data highlighted, in part, the effectiveness of the Job Retention Scheme, with employment falling by less than forecast and the unemployment rate held at 3.9%.

Later today, the ECB will hold its policy meeting for July. No changes are expected and therefore it is likely to be a non-event for the euro. Meanwhile, for the dollar, retail sales (June) and weekly jobless claims are the main highlight.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.1398	0.04	1.68
EUR/GBP	0.9083	0.22	7.44
GBP/USD	1.2546	-0.20	-5.38
GBP/EUR	1.1004	-0.22	-6.93
USD/JPY	106.91	-0.32	-1.57
EUR/JPY	121.84	-0.30	0.01

* 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	0.24	0.23	0.34
EUR	0.00	-0.51	-0.43	-0.38	-0.37	-0.35
GBP	0.10	0.07	0.08	0.17	0.15	0.21

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

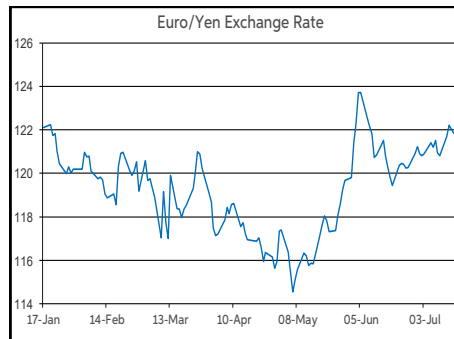
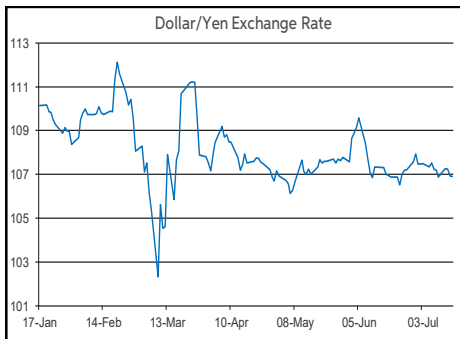
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

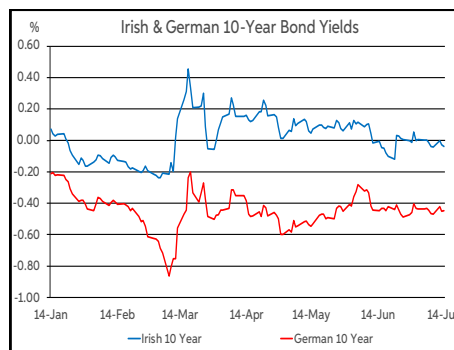
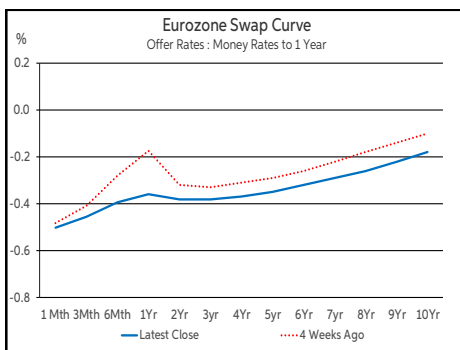
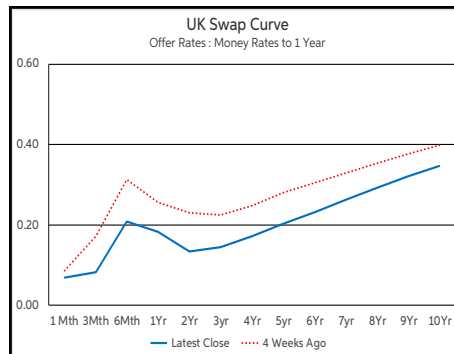
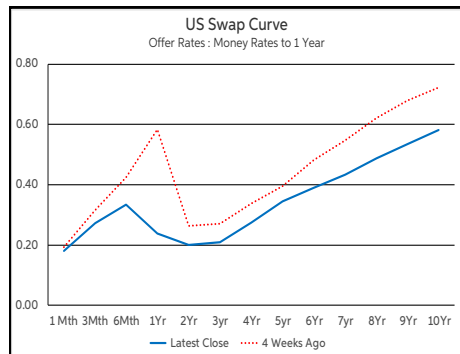
Thursday 16 July 2020
07:17 am



Euro		Sterling		Dollar	
EUR/GBP	0.9086	GBP/EUR	1.1004	USD/JPY	106.91
EUR/USD	1.1396	GBP/USD	1.2545	USD/CAD	1.3504
EUR/JPY	121.84	GBP/CAD	1.6941	USD/CHF	0.9455
EUR/SEK	10.3633	GBP/NZD	1.9131	USD/CNY	6.9969
EUR/DKK	7.4454	GBP/JPY	134.12	USD/BRL	5.3698
EUR/NOK	10.6121	GBP/SEK	11.4026	USD/RUB	71.0385
EUR/CHF	1.0779	GBP/DKK	8.1933	USD/INR	75.233
EUR/AUD	1.6298	GBP/NOK	11.6769	AUD/USD	0.6992
EUR/HKD	8.8352	GBP/CHF	1.1861	NZD/USD	0.6555
EUR/CAD	1.5394	GBP/AUD	1.7939		



Debt Markets				
	Close	Day	4 Weeks	End 19
10 Year Yield %				
US	0.63	+1	-10	-129
Germany	-0.44	+0	-2	-26
UK	0.17	+2	-3	-66
Ireland	-0.02	-1	-2	-14
Belgium	-0.15	-1	-10	-25
France	-0.13	-0	-8	-25
Italy	1.27	-1	-11	-16
Spain	0.43	+1	-14	-4
Portugal	0.44	+1	-12	-1
Greece	1.30	+2	+13	-16
5 Year Swap %				
US	0.34	+3	-2	-136
Eurozone	-0.35	-1	-5	-23
UK	0.20	+0	-6	-67
2 Year Swap %				
US	0.20	+0	-6	-146
Eurozone	-0.38	-1	-5	-8
UK	0.13	+0	-9	-66
10 Year Government Bond Spreads to Benchmark bps				
Ireland	42	-1	+0	+12
Belgium	29	-1	-8	+1
France	31	-1	-6	+0
Italy	171	-1	-9	+10
Spain	87	+1	-12	+21
Portugal	88	+1	-10	+25
Greece	175	+1	+15	+10



Commodities				
	Close	Day	4 Weeks	End 19
Brent Oil	43.79	+2.07	+7.57	-33.65
West Texas Oil	41.2	+2.23	+8.68	-32.61
Gold \$	1811.3	+0.21	+4.92	+19.40

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