

Muted FX action

Currency markets adopted a subdued tone yesterday. A relatively quiet macro schedule, as well as a lack of Brexit-related newsflow, meant there was little to provide direction to the main pairs. Elsewhere, weak corporate earnings have seen equities under pressure. Wall Street closed 0.7% lower, while in overnight trading the Nikkei shed over 2%.

Data-wise, the highlight on this side of the Atlantic was UK CPI for June. However, with both headline and core inflation printing in line with expectations (2% and 1.8% respectively), there was no impact on sterling. In the US, the only release of any note was US housing starts for June. The data disappointed slightly to the downside but given their second tier nature, there was no reaction in the dollar.

In level terms, the muted action on forex markets sees the main pairs open this morning broadly unchanged from 24 hours previous. EUR/USD remains in the lower half of the \$1.12-1.13 band, while EUR/GBP continues to change hands above the 90p threshold. GBP/USD is still trading within the \$1.24-1.25 range

Turning to the day ahead, the macro agenda is once again barren in the Eurozone. Meanwhile, in the UK, June retail sales are due. In spite of good real wage rises over the past number of months, the forecast is for a 0.3% fall in sales, which would represent a third consecutive monthly fall. The impact on sterling, though, may be limited given the market's preoccupation with Brexit.

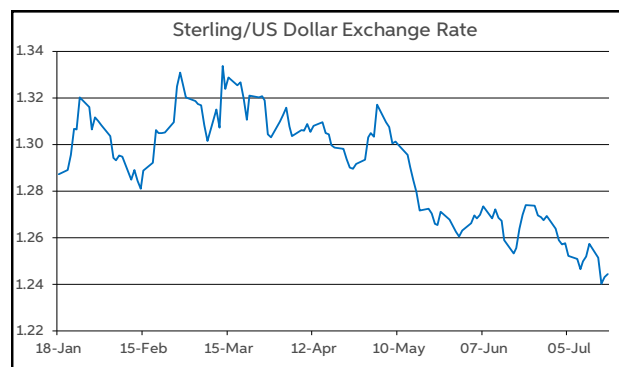
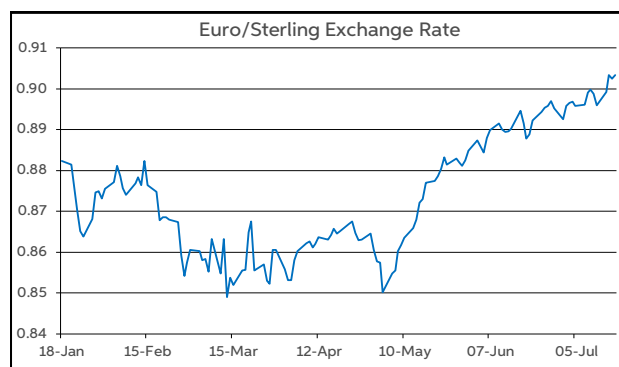
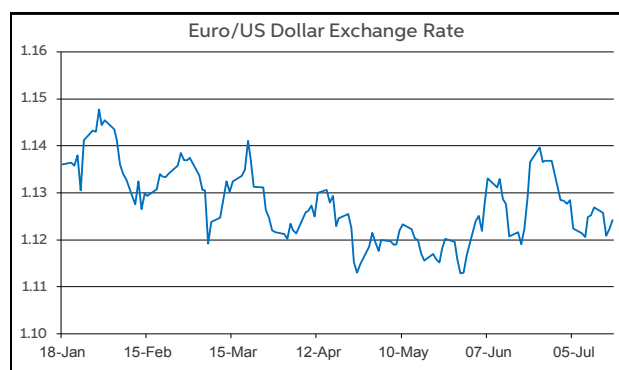
The US calendar is unlikely to provoke much of a move in the dollar today. The July reading of the Philly Fed index is due, although the regional complexion of the data means it may not attract much attention from a currency perspective.

Conor Beakey, Economist, AIB

Today's Opening Rates			
		% Change	
		Day *	End 2018
EUR/USD	1.1243	0.27	-1.97
EUR/GBP	0.9034	0.07	0.56
GBP/USD	1.2443	0.19	-2.46
GBP/EUR	1.1065	-0.07	-0.55
USD/JPY	107.63	-0.51	-1.76
EUR/JPY	121.01	-0.27	-3.74

* v Previous Day's European Open

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Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	2.375	2.30	2.30	2.22	1.84	1.79
EUR	0.00	-0.40	-0.37	-0.29	-0.41	-0.26
GBP	0.75	0.72	0.77	0.88	0.75	0.81

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2018 to Date	
Dow Jones	27219.85	-0.42	+16.69	
S&P 500	2984.42	-0.65	+19.05	
FTSE 100	7535.46	-0.55	+12.00	
DJ Stoxx 50	3501.58	-0.56	+16.66	
ISEQ	6313.43	-1.05	+15.21	
Nikkei	21004.78	-2.16	+4.95	

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

Thursday 18 July 2019
07:19 am



Euro

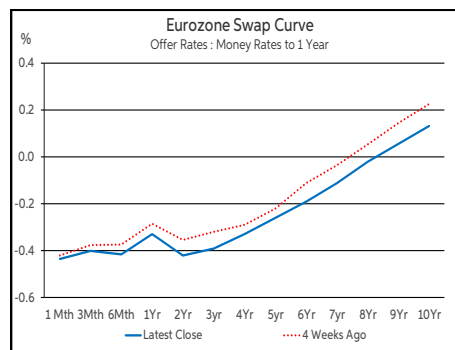
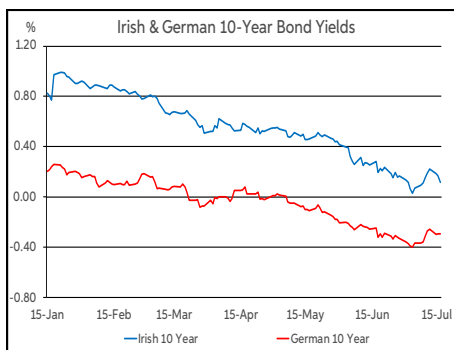
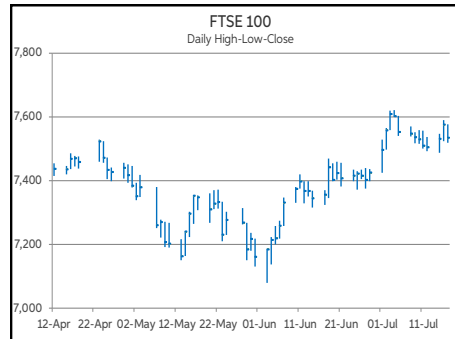
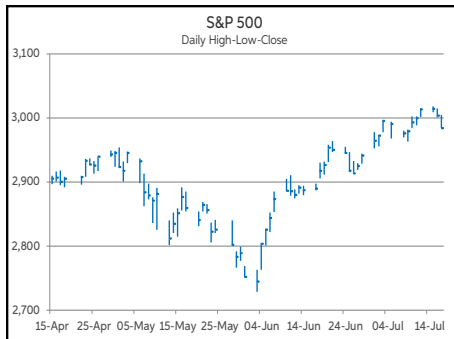
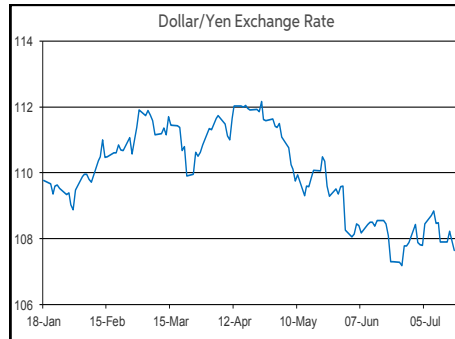
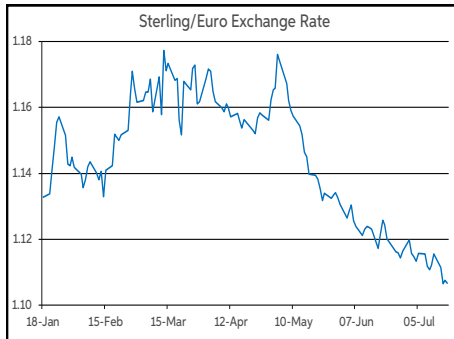
EUR/GBP	0.9034
EUR/USD	1.1243
EUR/JPY	121.01
EUR/SEK	10.516
EUR/DKK	7.4674
EUR/NOK	9.6421
EUR/CHF	1.1072
EUR/AUD	1.5974
EUR/HKD	8.7821
EUR/CAD	1.467

Sterling

GBP/EUR	1.1065
GBP/USD	1.2443
GBP/CAD	1.6238
GBP/NZD	1.8444
GBP/JPY	133.92
GBP/SEK	11.6325
GBP/DKK	8.2638
GBP/NOK	10.6732
GBP/CHF	1.2252
GBP/AUD	1.768

Dollar

USD/JPY	107.63
USD/CAD	1.3048
USD/CHF	0.9847
USD/CNY	6.8768
USD/BRL	3.7632
USD/RUB	62.8475
USD/INR	68.865
AUD/USD	0.7038
NZD/USD	0.6745



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 18
10 Year Yield %				
US	2.04	-6	+1	-64
Germany	-0.29	+0	+0	-53
UK	0.76	-6	-11	-51
Ireland	0.12	-5	-11	N/A
Belgium	0.02	-4	-10	-74
France	-0.04	-4	-8	-74
Italy	1.59	-2	-51	-112
Spain	0.42	-5	+2	-99
Portugal	0.50	-4	-5	-121
Greece	2.20	+0	-25	-210
5 Year Swap %				
US	1.78	-6	+5	-78
Eurozone	-0.26	-2	-4	-49
UK	0.80	-5	-12	-51
2 Year Swap %				
US	1.82	-5	+7	-82
Eurozone	-0.42	-1	-7	-28
UK	0.73	-4	-15	-43
10 Year Government Bond Spreads to Benchmark bps				
Ireland	41	-5	-11	N/A
Belgium	31	-5	-10	-21
France	25	-4	-8	-21
Italy	188	-2	-51	-60
Spain	71	-5	+2	-46
Portugal	79	-4	-5	-68
Greece	249	-0	-25	-158

Commodities				
	Close	% Change		
		Day	4 Weeks	End 18
Brent Oil	63.66	-1.07	+2.98	+18.33
West Texas Oil	56.5	-1.64	+5.14	+25.14
CRB - All Commodity	179.42	-0.37	+2.27	+5.66
CRB - Food	347.24	-0.44	-2.16	+7.10
Gold \$	1427.0	+1.44	+4.87	+11.23

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