

EUR/USD above \$1.15

Markets retained their upbeat tone yesterday. Sentiment was supported by the announcement early on Tuesday that EU leaders had agreed on a proposal for the Recovery Fund. However, the mood in the US was more cautious. This reflected some concerns that the Senate may delay approving a stimulus package to extend the enhanced jobless benefits, which expire on July 31st.

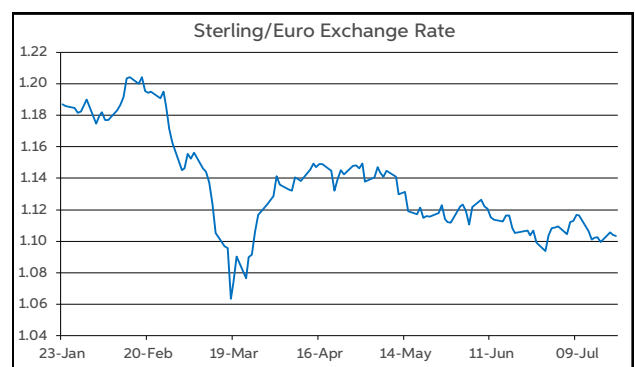
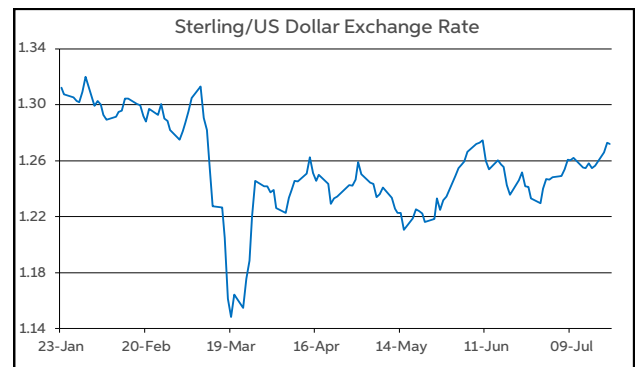
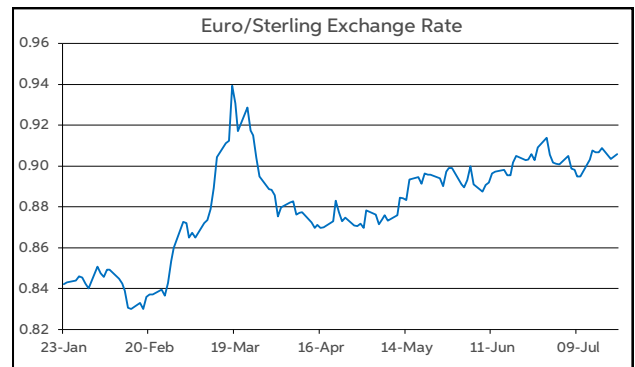
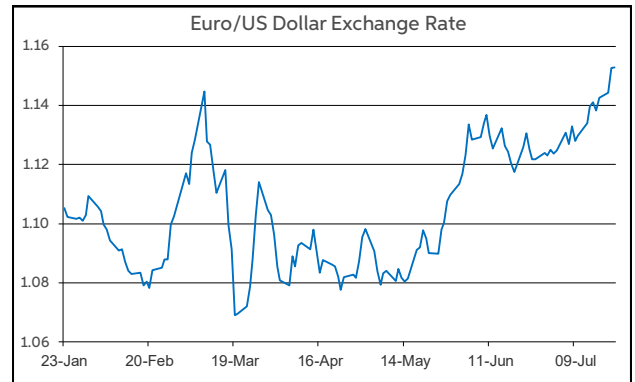
Against this backdrop, equities moved somewhat higher. In Europe, the Euro Stoxx 50 gained 0.5% on the day, while at the closing bell on Wall Street the S&P 500 was up a marginal 0.2%.

On currency markets, the dollar came under pressure yesterday. The greenback may have been held back by concerns over the US macro outlook. President Trump yesterday stated the Covid situation will get worse before it gets better. Meantime, the euro was also generally holding a firmer tone.

The above is reflected in EUR/USD opening this morning above the key \$1.15 support level, at a 18-month high. At the same time, cable (GBP/USD) has moved back above the \$1.27 level. Elsewhere, the modest gains for the euro have seen EUR/GBP move back into the upper half of the 90-91p range.

Turning to the day ahead, there is once again sparse look to the macro schedule. Indeed, the only item of any note is the June print of existing home sales in the US. However, it will be of negligible interest for dollar watchers. Overall then, we could be in for another quiet day on currency markets. However, it will be interesting to see whether EUR/USD can continue to hold above the \$1.15 level. Moves in the main pairs, if any, will likely be as a result of shifts in investor sentiment.

Conor Beakey, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.1528	0.88	2.84
EUR/GBP	0.9062	0.34	7.19
GBP/USD	1.2722	0.55	-4.05
GBP/EUR	1.1032	-0.34	-6.71
USD/JPY	106.87	-0.42	-1.60
EUR/JPY	123.23	0.46	1.15

* 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	0.26	0.23	0.22	0.32
EUR	0.00	-0.50	-0.44	-0.37	-0.39	-0.36
GBP	0.10	0.06	0.08	0.14	0.12	0.18

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

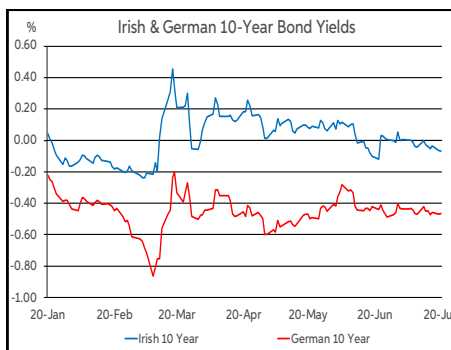
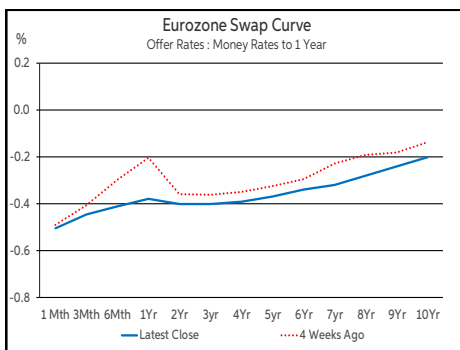
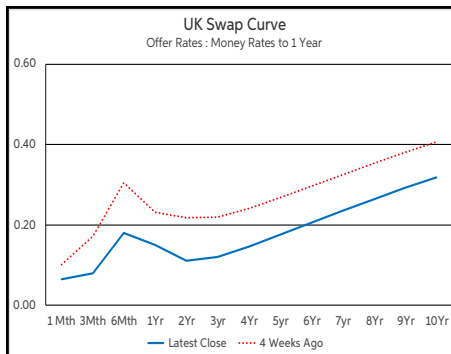
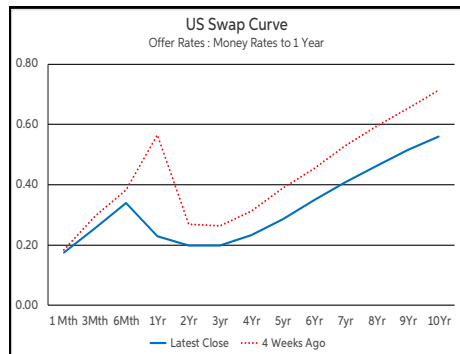
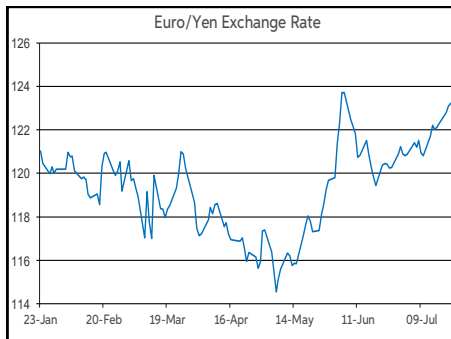
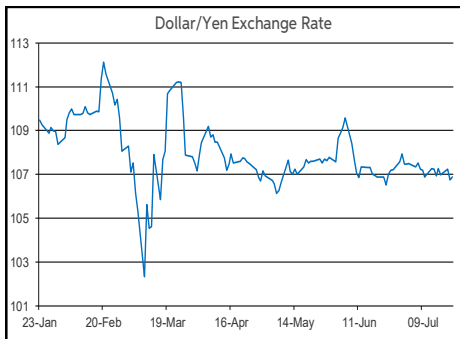
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

Wednesday 22 July 2020
07:10 am



Euro		Sterling		Dollar	
EUR/GBP	0.9062	GBP/EUR	1.1032	USD/JPY	106.87
EUR/USD	1.1528	GBP/USD	1.2722	USD/CAD	1.3441
EUR/JPY	123.23	GBP/CAD	1.7105	USD/CHF	0.9325
EUR/SEK	10.2305	GBP/NZD	1.9102	USD/CNY	6.9735
EUR/DKK	7.443	GBP/JPY	135.96	USD/BRL	5.1704
EUR/NOK	10.498	GBP/SEK	11.2886	USD/RUB	70.7
EUR/CHF	1.0752	GBP/DKK	8.2113	USD/INR	74.678
EUR/AUD	1.6126	GBP/NOK	11.5836	AUD/USD	0.7148
EUR/HKD	8.9351	GBP/CHF	1.1864	NZD/USD	0.6658
EUR/CAD	1.5501	GBP/AUD	1.7794		



Debt Markets				
	Close	Day	4 Weeks	End 19
10 Year Yield %				
US	0.61	-1	-11	-131
Germany	-0.46	+0	-6	-28
UK	0.14	-1	-8	-69
Ireland	-0.05	-0	-11	-17
Belgium	-0.17	+0	-8	-27
France	-0.16	+0	-7	-28
Italy	1.15	-1	-19	-28
Spain	0.37	-1	-13	-10
Portugal	0.37	-0	-13	-8
Greece	1.17	-0	-12	-29
5 Year Swap %				
US	0.29	-1	-6	-142
Eurozone	-0.37	-1	-4	-25
UK	0.18	-1	-8	-70
2 Year Swap %				
US	0.20	-0	-3	-146
Eurozone	-0.40	-1	-3	-10
UK	0.11	-1	-10	-68
10 Year Government Bond Spreads to Benchmark bps				
Ireland	41	-0	-5	+10
Belgium	29	+0	-2	+1
France	30	+0	-2	-0
Italy	161	-1	-13	-1
Spain	83	-1	-7	+17
Portugal	83	-1	-7	+20
Greece	163	-1	-7	-2

Commodities				
	Close	Day	4 Weeks	End 19
Brent Oil	44.32	+2.40	+3.96	-32.85
West Texas Oil	41.76	+2.28	+3.37	-31.70
Gold \$	1841.6	+1.44	+4.25	+21.40

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