

Dollar lower following Trump comments

The action on currency markets last week saw sterling under pressure. A combination of weaker than expected macro data (which in turn created uncertainty over the timing of the next BoE rate hike) and increased Brexit concerns weighed on the currency. Meantime, the dollar had been generally firmer over the week. However, comments from President Trump on Friday bemoaning 'dollar strength' as well as mentioning the potential for further trade tariffs acted as a drag on the currency.

So as trading gets underway this morning, the weaker sterling tone is reflected in EUR/GBP remaining above 89p. Meanwhile, GBP/USD is hovering around \$1.31. The currency had been as low as \$1.296 last week. However, the aforementioned President Trump comments coincided with the pair regaining the \$1.31 level. Similarly, EUR/USD opens this morning back up in \$1.17 territory, having at one stage last week flirted to the downside of \$1.16.

This week, from a sterling viewpoint, after the recent flurry of macro and political newsflow, the schedule is much quieter. As a result, the currency may get some respite. Although, sterling remains sensitive to any Brexit related headlines.

For the euro, there is a packed diary of survey data for July, including the flash Eurozone PMIs. Overall, no major changes are expected in the data versus June readings, meaning directional impact on the currency may be limited. The ECB meeting for July provides some event risk, although there are no expectations of any notable developments from the Governing Council this month.

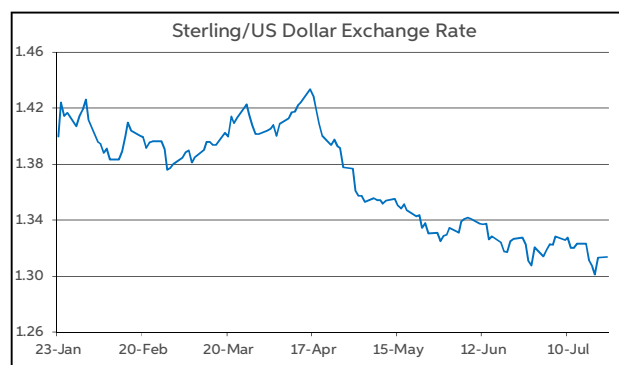
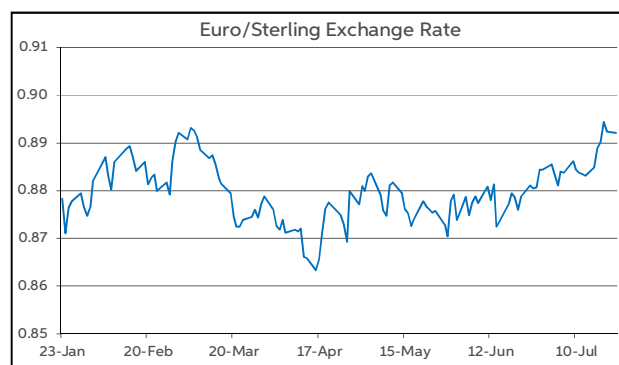
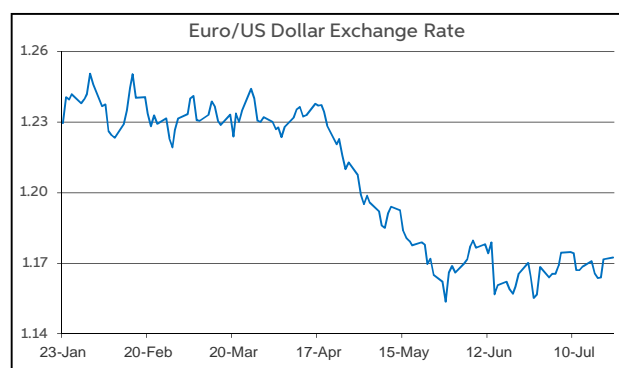
On the dollar side, there is also a busy data agenda, the highlight being Q2 GDP. However, given Friday's action, it may be politics/trade relations that has the greater potential impact.

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	1.875	2.07	2.34	2.80	2.83	2.91
EUR	0.00	-0.37	-0.32	-0.18	-0.16	0.29
GBP	0.50	0.59	0.76	1.01	1.05	1.29

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2017 to Date	
Dow Jones	25058.12	-0.03	+1.37	
S&P 500	2801.83	-0.09	+4.80	
FTSE 100	7678.79	-0.07	-0.12	
DJ Stoxx 50	3460.03	-0.33	-1.25	
ISEQ	6935.73	-0.67	-1.46	
Nikkei	22396.99	-1.33	-1.62	

Today's Opening Rates			
		% Change	
		Day *	End 2017
EUR/USD	1.1726	0.54	-2.25
EUR/GBP	0.8922	-0.32	0.44
GBP/USD	1.3139	0.84	-2.76
GBP/EUR	1.1204	0.33	-0.44
USD/JPY	110.94	-1.13	-1.54
EUR/JPY	130.08	-0.60	-3.77
* 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 Adrian Flanagan Enda Homan	FX Options	Mark Tuite Lenny Hogan	Reuters Phone	AIB 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

Monday 23 July 2018
07:29 am



Euro

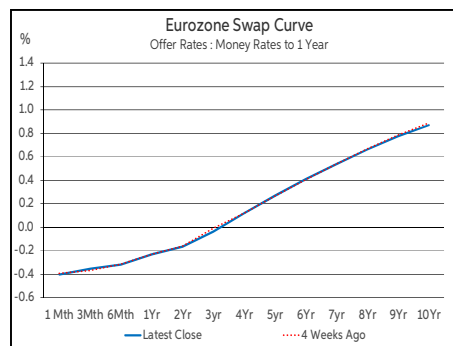
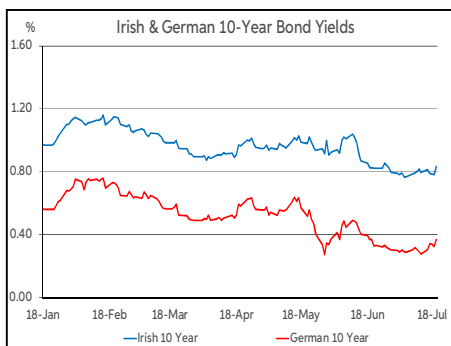
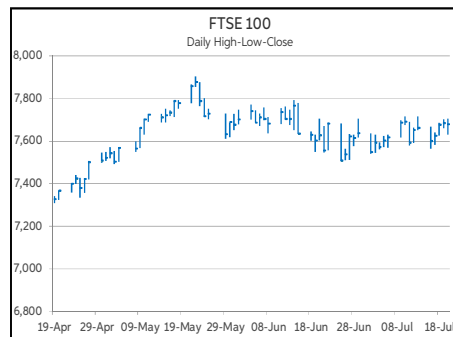
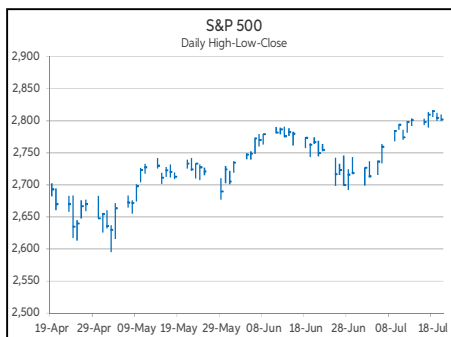
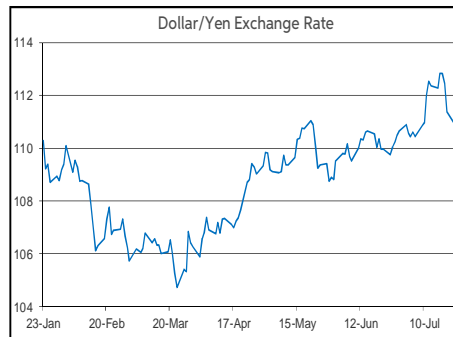
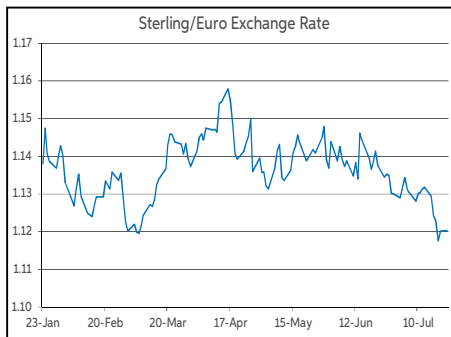
EUR/GBP	0.8922
EUR/USD	1.1726
EUR/JPY	130.08
EUR/SEK	10.379
EUR/DKK	7.4516
EUR/NOK	9.5867
EUR/CHF	1.1623
EUR/AUD	1.5796
EUR/HKD	9.2016
EUR/CAD	1.5399

Sterling

GBP/EUR	1.1204
GBP/USD	1.3139
GBP/CAD	1.7257
GBP/NZD	1.9281
GBP/JPY	145.76
GBP/SEK	11.6269
GBP/DKK	8.3482
GBP/NOK	10.7383
GBP/CHF	1.3022
GBP/AUD	1.7696

Dollar

USD/JPY	110.94
USD/CAD	1.3133
USD/CHF	0.9912
USD/CNY	6.7639
USD/BRL	3.7684
USD/RUB	63.3328
USD/INR	68.695
AUD/USD	0.7422
NZD/USD	0.6811



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 17
10 Year Yield %				
US	2.89	+6	+0	+49
Germany	0.37	+4	+4	-5
UK	1.23	+5	-8	+5
Ireland	0.83	+5	+1	N/A
Belgium	0.69	+5	-4	+7
France	0.67	+5	-2	-10
Italy	2.57	+8	-11	+58
Spain	1.30	+3	-4	-25
Portugal	1.77	+3	-4	-13
Greece	3.83	-0	-25	-22
5 Year Swap %				
US	2.89	+2	-1	+64
Eurozone	0.27	+0	+0	-5
UK	1.28	+3	-6	+25
2 Year Swap %				
US	2.79	-2	+0	+71
Eurozone	-0.17	-1	-1	-2
UK	1.04	+2	-2	+24
10 Year Government Bond Spreads to Benchmark bps				
Ireland	47	+1	-2	N/A
Belgium	32	+1	-7	+13
France	31	+1	-6	-5
Italy	220	+4	-15	+63
Spain	93	-1	-8	-19
Portugal	140	-2	-8	-8
Greece	346	-4	-28	-16

Commodities				
	% Change			
	Close	Day	4 Weeks	End 17
Brent Oil	73.07	+0.68	-3.28	+9.27
West Texas Oil	70.31	+1.28	+1.87	+16.29
CRB - All Commodity	192.62	+0.63	-2.49	-0.64
CRB - Food	342.3	+2.52	-3.02	+1.86
Gold \$	1232.2	+0.73	-2.98	-5.41

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