

PMI surveys in focus today

Currency markets retained their generally subdued tone yesterday. Although, the euro has come under some modest downward pressure. The latest ECB bank lending survey (Q2), which showed that banks have tightened credit standards given the unfavourable economic outlook, may have weighed somewhat on the currency.

Meantime, as expected Boris Johnson was announced as the new leader of the Conservative Party yesterday. His first speech as leader provided no fresh insights into his approach towards Brexit. As a result, sterling reaction was muted.

Overall then, as trading gets underway this morning the slightly softer euro is reflected in EUR/USD falling to the midpoint of the \$1.11-1.12 band. Meanwhile, EUR/GBP has edged further away from the 90p level. Elsewhere, cable (GBP/USD) remains within the \$1.24-1.25 range.

Turning to the day ahead, the UK schedule is very quiet. However, sterling could be sensitive to political developments in the UK. The Queen will today ask Boris Johnson to form a government, paving the way for him to become the new PM.

In the Eurozone, the focus will be on the flash Markit PMIs for July. The consensus is weaker services activity will leave the composite index near its current levels. Meanwhile, the manufacturing PMI looks to have held well below the key 50 level for a 6th straight month. A weak set of PMIs could be unhelpful for the euro.

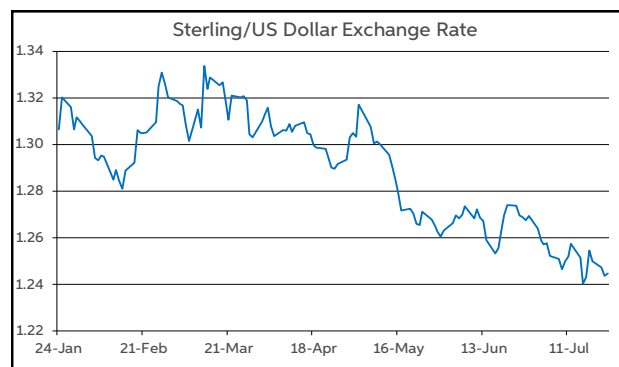
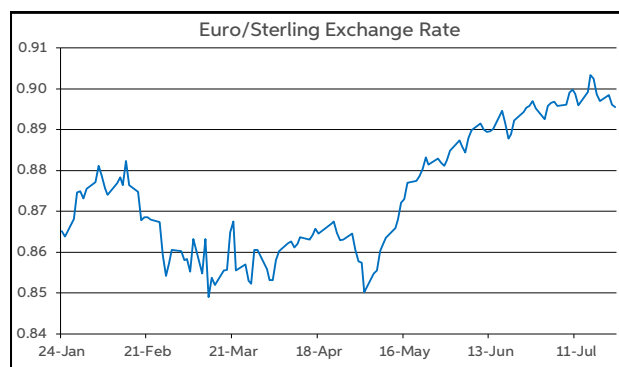
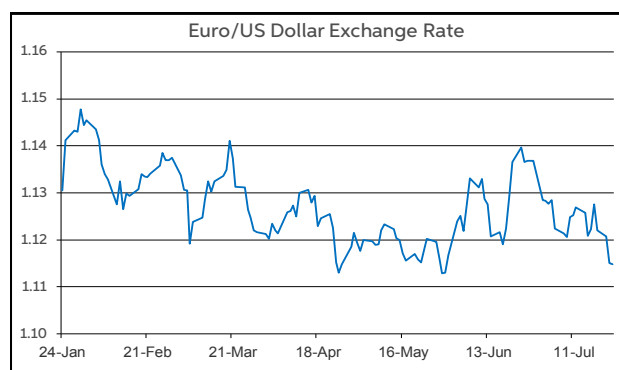
Across the Atlantic, July PMIs are also due. Both the manufacturing and service sector indices are projected to have moved up slightly, while remaining at levels consistent with weak growth. Overall, barring a major surprise, dollar impact is likely to be negligible.

Conor Beakey, Economist, AIB

Today's Opening Rates			
		% Change	
		Day *	End 2018
EUR/USD	1.115	-0.37	-2.78
EUR/GBP	0.8956	-0.29	-0.31
GBP/USD	1.2445	-0.09	-2.45
GBP/EUR	1.116	0.29	0.31
USD/JPY	108.1	-0.03	-1.33
EUR/JPY	120.54	-0.41	-4.11

* 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	2.27	2.28	2.19	1.86	1.81
EUR	0.00	-0.41	-0.37	-0.31	-0.43	-0.30
GBP	0.75	0.71	0.78	0.86	0.71	0.76

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2018 to Date	
Dow Jones	27349.19	+0.65	+17.24	
S&P 500	3005.47	+0.68	+19.89	
FTSE 100	7556.86	+0.56	+12.32	
DJ Stoxx 50	3532.87	+1.23	+17.71	
ISEQ	6322.9	+0.61	+15.39	
Nikkei	21686.5	+0.30	+8.35	

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

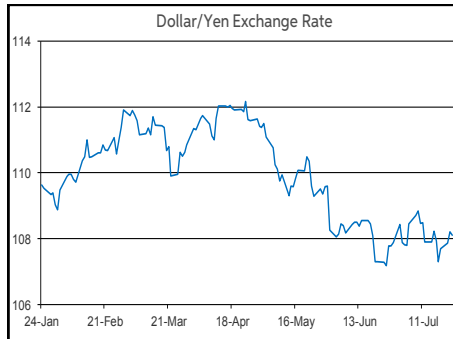
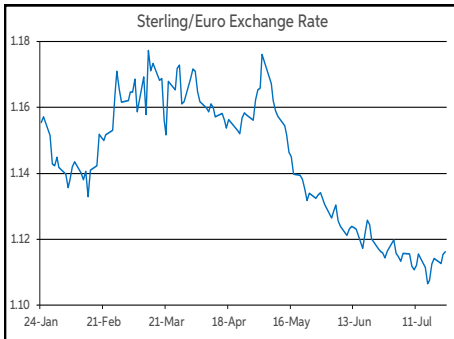
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite Lenny Hogan	Reuters Phone	AIBI 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

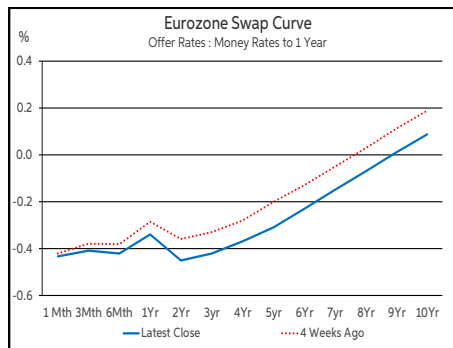
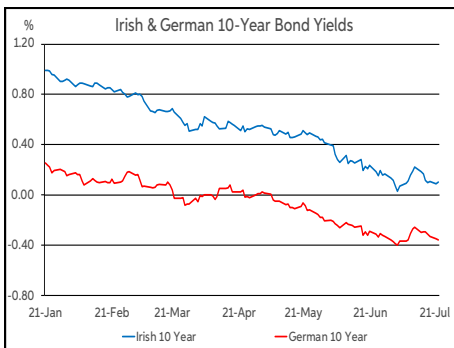
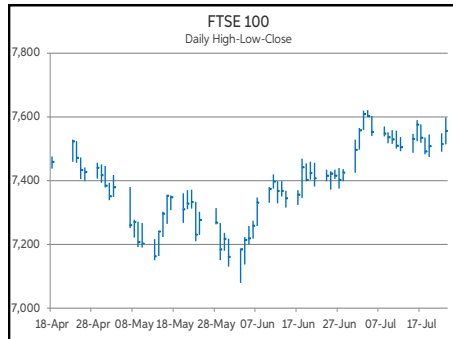
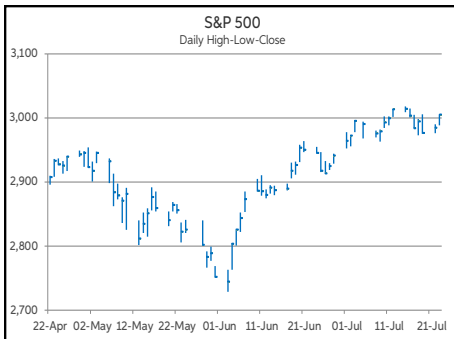
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07:17 am



Euro		Sterling		Dollar	
EUR/GBP	0.8956	GBP/EUR	1.116	USD/JPY	108.1
EUR/USD	1.115	GBP/USD	1.2445	USD/CAD	1.3133
EUR/JPY	120.54	GBP/CAD	1.6345	USD/CHF	0.9857
EUR/SEK	10.5595	GBP/NZD	1.8576	USD/CNY	6.8805
EUR/DKK	7.4655	GBP/JPY	134.53	USD/BRL	3.7735
EUR/NOK	9.6749	GBP/SEK	11.784	USD/RUB	63.1928
EUR/CHF	1.0993	GBP/DKK	8.3321	USD/INR	69.015
EUR/AUD	1.5963	GBP/NOK	10.8015	AUD/USD	0.6984
EUR/HKD	8.7094	GBP/CHF	1.2269	NZD/USD	0.6698
EUR/CAD	1.4643	GBP/AUD	1.7818		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 18
10 Year Yield %				
US	2.08	+3	+9	-61
Germany	-0.36	-1	-3	-60
UK	0.69	-2	-10	-58
Ireland	0.10	+1	-5	N/A
Belgium	-0.03	-0	-9	-79
France	-0.10	-1	-9	-80
Italy	1.59	-6	-56	-112
Spain	0.37	-0	+0	-104
Portugal	0.44	-1	-3	-126
Greece	2.01	-6	-42	-228
5 Year Swap %				
US	1.79	+2	+12	-77
Eurozone	-0.31	-1	-11	-54
UK	0.75	-3	-12	-57
2 Year Swap %				
US	1.84	+3	+12	-80
Eurozone	-0.45	-1	-9	-31
UK	0.70	-2	-13	-46
10 Year Government Bond Spreads to Benchmark bps				
Ireland	46	+2	-3	N/A
Belgium	33	+1	-6	-19
France	26	+0	-6	-20
Italy	195	-5	-53	-53
Spain	73	+1	+2	-45
Portugal	80	+0	+0	-67
Greece	237	-5	-40	-169



Commodities				
	Close	% Change		
		Day	4 Weeks	End 18
Brent Oil	63.83	+0.90	-1.88	+18.64
West Texas Oil	56.58	+1.27	-1.82	+25.32
CRB - All Commodity	179.04	+0.27	-1.02	+5.44
CRB - Food	350.74	+0.64	-0.50	+8.18
Gold \$	1417.8	-0.54	-0.41	+10.51

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