

Euro continues to edge higher

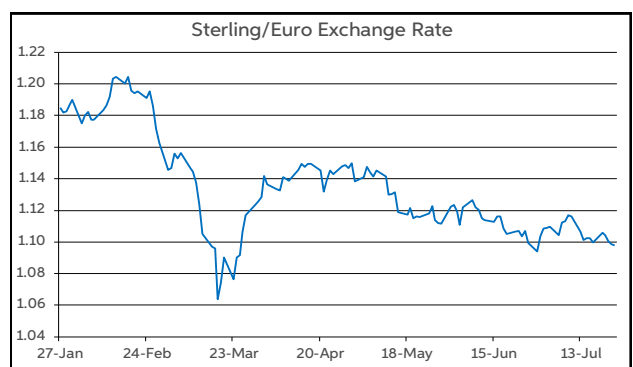
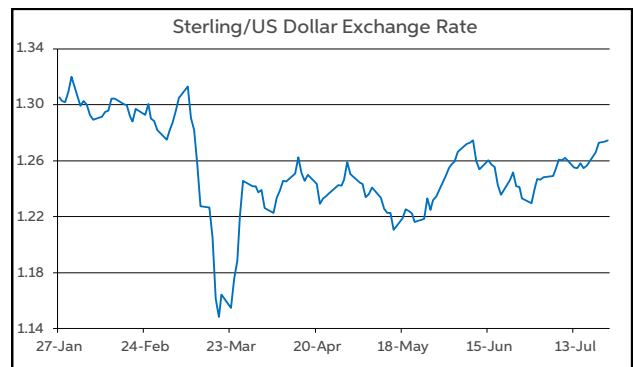
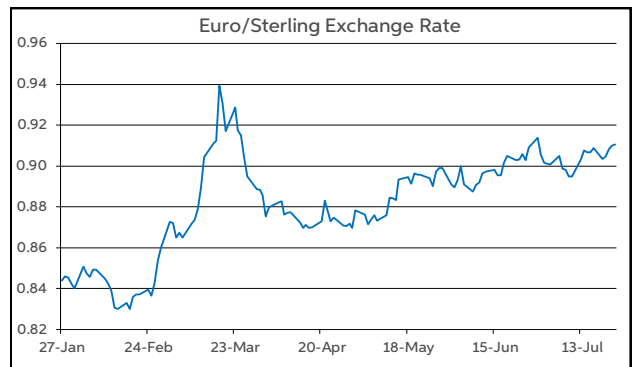
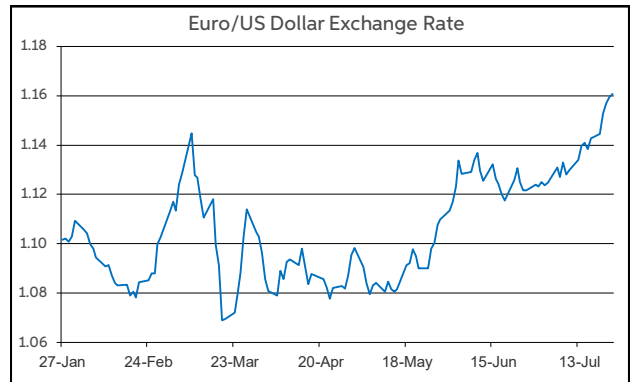
There was a risk averse mood evident on financial markets yesterday. Equities came under pressure as a result, with the S&P 500 falling by 1.2%. This appeared to be linked to some concerns over US-China trade tensions, sector specific developments and some weaker than anticipated macro releases.

Data-wise, the latest initial weekly jobless claims figures in the US showed a pick up in lay-offs for the first time since March. There were 1.42m (f'cast 1.3m) fresh claims for benefits in the week ending July 18th. These enhanced benefits will expire on July 31st unless action is taken by Congress. There was also a downside surprise in the Eurozone. The flash reading of consumer confidence index was registered at -15.0 (f'cast -12.0) in July.

On currency markets, the moves on the day yesterday were relatively minor. However, the euro has consolidated its recent gains, with EUR/USD opening this morning just above the \$1.16 threshold having hit a high of \$1.1626. Meantime, sterling was little impacted by the announcement that no progress was made in the latest round of EU-UK trade talks. EUR/GBP is trading above the 91p threshold, while cable (GBP/USD) is changing hands near to the midpoint of the \$1.27-1.28 range.

Today, the highlights are the flash prints of the PMIs in the Eurozone, UK and US. The composite indices are projected to have remained on their upward trends. Although, the resurgence in Covid cases in the US may pose some downside risk to the forecast there. Overall though, barring any major surprises, the reaction in the main pairs could be relatively limited. However, it will be interesting to see whether the euro can maintain the \$1.16 level against the dollar heading into the weekend.

Conor Beakey, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.1609	0.27	3.56
EUR/GBP	0.9109	0.22	7.75
GBP/USD	1.2742	0.01	-3.90
GBP/EUR	1.0972	-0.22	-7.19
USD/JPY	106.38	-0.72	-2.05
EUR/JPY	123.52	-0.46	1.39

* 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	0.17	0.24	0.22	0.22	0.32
EUR	0.00	-0.51	-0.45	-0.37	-0.40	-0.37
GBP	0.10	0.07	0.08	0.14	0.11	0.17

All rates quoted are indicative market rates

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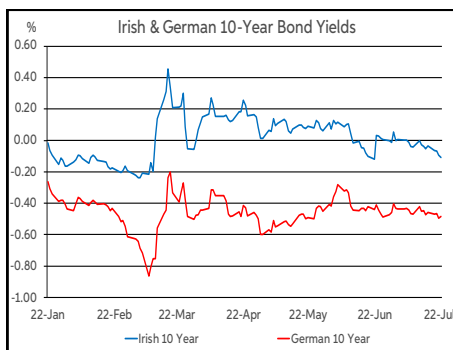
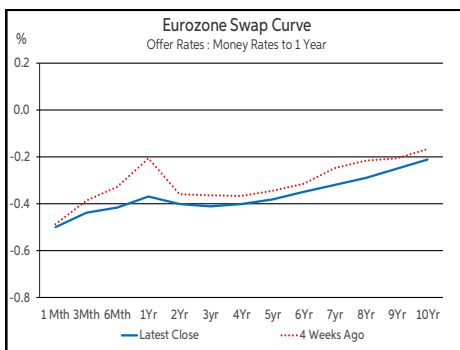
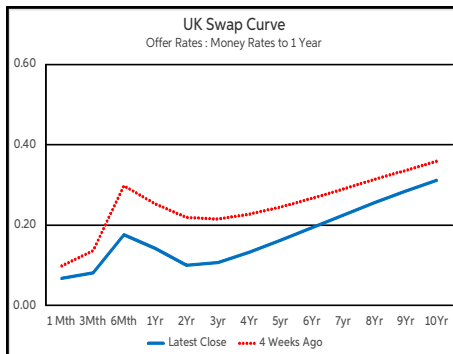
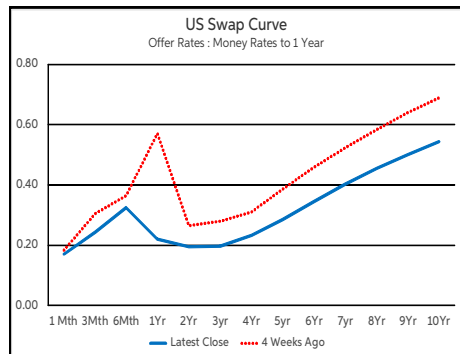
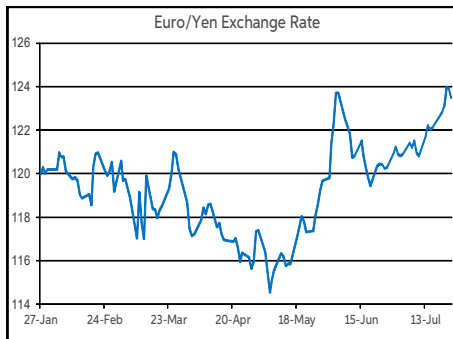
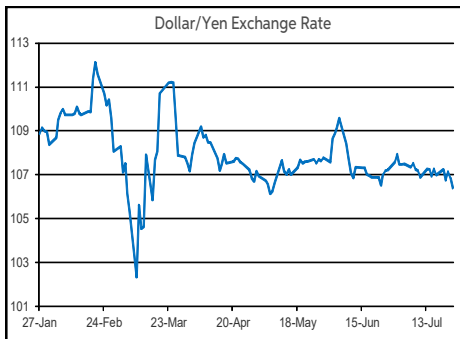
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

Friday 24 July 2020
07:31 am



Euro		Sterling		Dollar	
EUR/GBP	0.9112	GBP/EUR	1.0972	USD/JPY	106.38
EUR/USD	1.1609	GBP/USD	1.2742	USD/CAD	1.3412
EUR/JPY	123.52	GBP/CAD	1.7092	USD/CHF	0.9241
EUR/SEK	10.2782	GBP/NZD	1.9206	USD/CNY	7.0123
EUR/DKK	7.4432	GBP/JPY	135.55	USD/BRL	5.2114
EUR/NOK	10.712	GBP/SEK	11.2785	USD/RUB	71.4422
EUR/CHF	1.073	GBP/DKK	8.1695	USD/INR	74.855
EUR/AUD	1.6371	GBP/NOK	11.756	AUD/USD	0.7091
EUR/HKD	9.0003	GBP/CHF	1.1777	NZD/USD	0.6631
EUR/CAD	1.5572	GBP/AUD	1.7969		



Debt Markets				
	Close	Day	4 Weeks	End 19
10 Year Yield %				
US	0.58	-2	-10	-134
Germany	-0.48	+1	-2	-30
UK	0.12	+0	-3	-70
Ireland	-0.09	-1	-12	-21
Belgium	-0.19	+1	-6	-29
France	-0.18	+1	-6	-30
Italy	1.05	-5	-32	-38
Spain	0.33	-1	-13	-14
Portugal	0.34	-2	-14	-11
Greece	1.09	-9	-22	-37
5 Year Swap %				
US	0.29	-1	-6	-142
Eurozone	-0.38	+0	-3	-26
UK	0.16	-0	-8	-71
2 Year Swap %				
US	0.19	-1	-5	-147
Eurozone	-0.40	+0	-2	-10
UK	0.10	-1	-11	-69
10 Year Government Bond Spreads to Benchmark bps				
Ireland	39	-2	-11	+8
Belgium	29	-1	-4	+0
France	30	-1	-4	-1
Italy	153	-6	-30	-8
Spain	81	-2	-12	+16
Portugal	82	-3	-12	+18
Greece	157	-10	-20	-7

Commodities				
	Close	Day	4 Weeks	End 19
Brent Oil	43.31	-2.21	+5.51	-34.38
West Texas Oil	40.99	-2.13	+6.03	-32.96
Gold \$	1886.9	+0.81	+7.12	+24.38

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