

FX markets still quiet overall

Currency markets retained their overall subdued tone yesterday. This meant that the main FX pairs continued to trade within their recent narrow ranges.

There was a busier data schedule yesterday. The key Eurozone releases of the week, the flash July PMIs were mixed (German data better than expected, French weaker). Overall, the headline Eurozone composite index was slightly softer than forecast. The PMIs, though, continue to point to a healthy pace of quarterly growth (0.4-0.5%). Thus, they had minimal impact on the euro.

In the US, the flash PMIs for July were also out. Both the manufacturing and services indices were modestly below expectations. This was somewhat unhelpful for the dollar. Meanwhile, sterling has made some modest gains. This partly reflects positive market reaction to the news that Theresa May is to personally take over Brexit negotiations with the EU.

In level terms, the slightly firmer sterling sees EUR/GBP open this morning back below 89p, while cable (GBP/USD) is changing hands in the upper half of the \$1.31-1.32 band. Elsewhere, EUR/USD continues to trade up near \$1.17.

The data schedule is lighter in the day ahead. However, the German Ifo index for July will still garner some attention. It is expected to edge down slightly, though yesterday's better than expected German PMI indicates an upside surprise cannot be ruled out. From an FX perspective, it is unlikely to have much impact on the euro. Overall, euro watchers may adopt a wait-and-see approach today, as they look ahead to tomorrow's ECB meeting. Elsewhere, a lack of US/UK releases means there may be little to provide direction to their respective currencies today.

Dara Turnbull, Economist, AIB

Today's Opening Rates

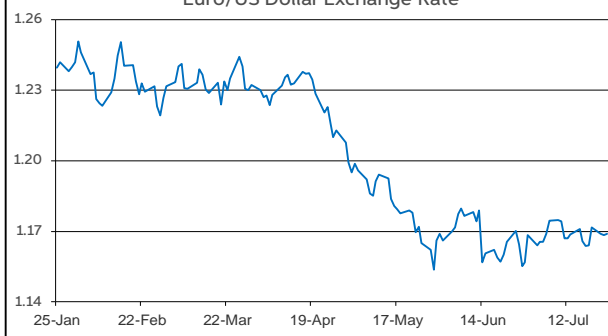
		% Change	
		Day *	End 2017
EUR/USD	1.1689	0.11	-2.56
EUR/GBP	0.8881	-0.45	-0.02
GBP/USD	1.3163	0.58	-2.58
GBP/EUR	1.1258	0.45	0.02
USD/JPY	111.16	-0.15	-1.34
EUR/JPY	129.96	-0.02	-3.86

* v Previous Day's European Open

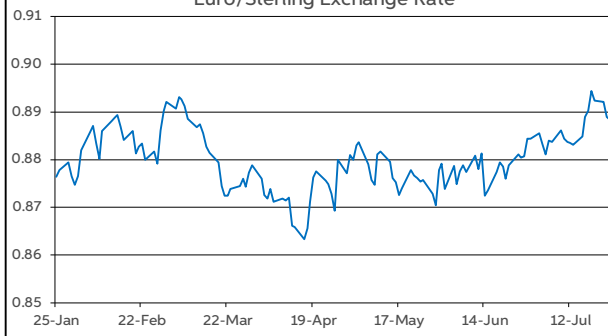
See Next Page for More Rates



Euro/US Dollar Exchange Rate



Euro/Sterling Exchange Rate



Sterling/US Dollar Exchange Rate



Opening Interest Rates

	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	1.875	2.07	2.33	2.81	2.84	2.94
EUR	0.00	-0.37	-0.32	-0.18	-0.15	0.31
GBP	0.50	0.62	0.78	1.03	1.08	1.32

Equity Indices

	Latest Close	% Changes	
		on Day	End 2017 to Date
Dow Jones	25241.94	+0.79	+2.11
S&P 500	2820.4	+0.48	+5.49
FTSE 100	7709.05	+0.70	+0.28
DJ Stoxx 50	3483.31	+0.85	-0.59
ISEQ	6885.64	+0.31	-2.17
Nikkei	22614.25	+0.46	-0.66

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

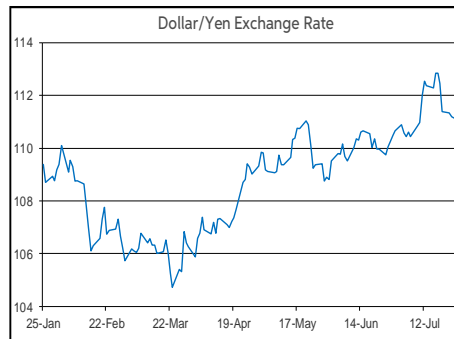
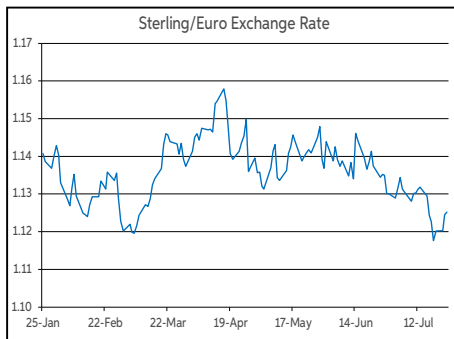
FX Spot	Karl Cooke Shane Gargan Adrian Flanagan Enda Homan	FX Options	Mark Tuite Lenny Hogan	Reuters Phone	AIB 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

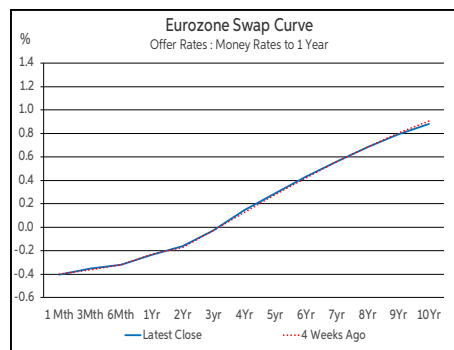
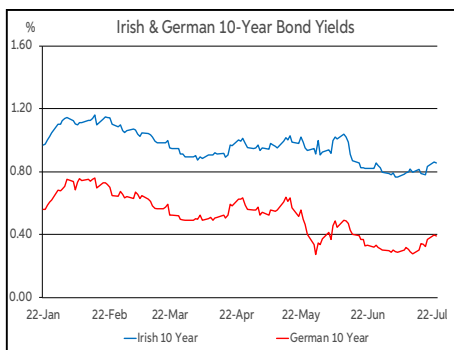
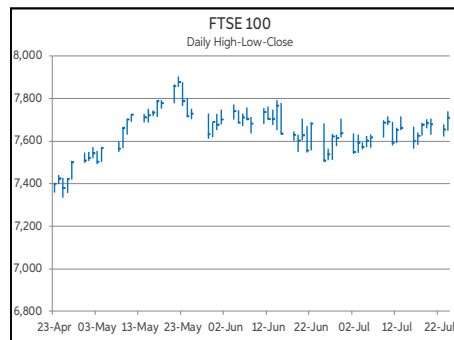
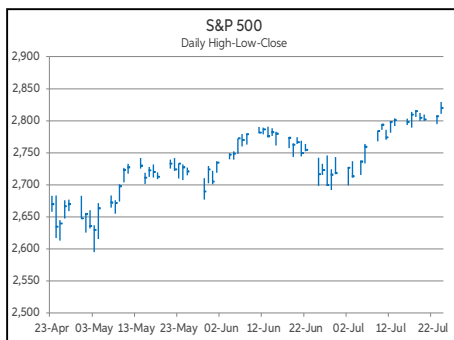
Wednesday 25 July 2018
07:30 am



Euro		Sterling		Dollar	
EUR/GBP	0.888	GBP/EUR	1.1256	USD/JPY	111.15
EUR/USD	1.169	GBP/USD	1.3161	USD/CAD	1.3146
EUR/JPY	129.96	GBP/CAD	1.7304	USD/CHF	0.9929
EUR/SEK	10.3002	GBP/NZD	1.935	USD/CNY	6.7853
EUR/DKK	7.4505	GBP/JPY	146.28	USD/BRL	3.7474
EUR/NOK	9.5557	GBP/SEK	11.596	USD/RUB	63.3256
EUR/CHF	1.1608	GBP/DKK	8.3867	USD/INR	68.7975
EUR/AUD	1.5798	GBP/NOK	10.7552	AUD/USD	0.7399
EUR/HKD	9.1707	GBP/CHF	1.3068	NZD/USD	0.68
EUR/CAD	1.5369	GBP/AUD	1.7785		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 17
10 Year Yield %				
US	2.95	-1	+7	+55
Germany	0.39	-1	+6	-3
UK	1.27	-0	-3	+9
Ireland	0.86	-1	+0	N/A
Belgium	0.70	-1	-5	+9
France	0.69	-1	-4	-9
Italy	2.67	+4	-20	+67
Spain	1.29	-1	-8	-25
Portugal	1.76	+1	-10	-14
Greece	3.81	-1	-24	-23
5 Year Swap %				
US	2.93	-1	+5	+68
Eurozone	0.29	-2	+1	-3
UK	1.31	-1	-3	+27
2 Year Swap %				
US	2.82	-2	+3	+73
Eurozone	-0.16	-1	+1	-2
UK	1.07	+1	+2	+27
10 Year Government Bond Spreads to Benchmark bps				
Ireland	47	+0	-6	N/A
Belgium	31	-0	-11	+12
France	30	-1	-10	-6
Italy	227	+5	-26	+70
Spain	90	+0	-14	-22
Portugal	137	+2	-16	-11
Greece	342	-0	-30	-20



Commodities				
	Close	% Change		
		Day	4 Weeks	End 17
Brent Oil	73.44	+0.52	-3.76	+9.83
West Texas Oil	70.77	+4.23	-5.93	+17.05
CRB - All Commodity	193.19	+0.37	-2.06	-0.35
CRB - Food	339.5	-2.25	-2.36	+1.03
Gold \$	1225.0	+0.00	-2.73	-5.96

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