

ECB signals policy easing

Currency market action over the past 24 hours has been confined to relatively tight ranges. The euro did exhibit some sensitivity to yesterday's ECB meeting. As expected, the central bank left rates at their current levels, while laying the groundwork for an easing of policy in September. President Draghi stated that all policy options are on the table. Persistently muted inflation was referenced as a justification for this development.

Data-wise, the July reading of the German Ifo provided further evidence of the ongoing slowdown of the Eurozone's largest economy. In the US, the June durable goods report was encouraging, with both the headline and core (ex-defence and aircraft) indices beating expectations. This may have aided the dollar, which has experienced some support over the past 24 hours. Elsewhere, tensions between the EU and new UK PM Boris Johnson may have been unhelpful for sterling.

In level terms, the day's action sees EUR/GBP open this morning in the upper half of the 89-90p band, while cable (GBP/USD) has fallen back toward the \$1.24 threshold. Meantime, EUR/USD remains near the midpoint of the \$1.11-1.12 range.

Turning to the day ahead, the macro agenda in both the Eurozone and the UK is barren. Therefore, in the absence of any political developments, we could see EUR/GBP trade within a relatively narrow range.

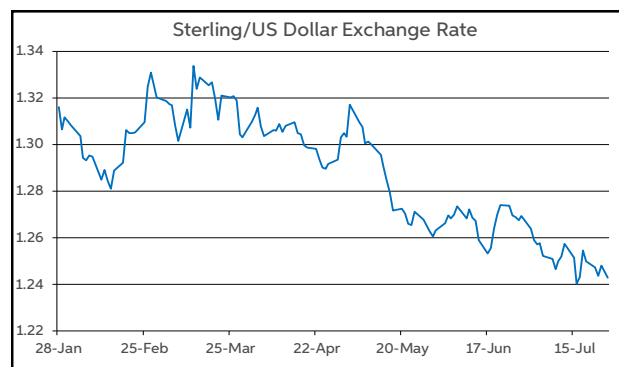
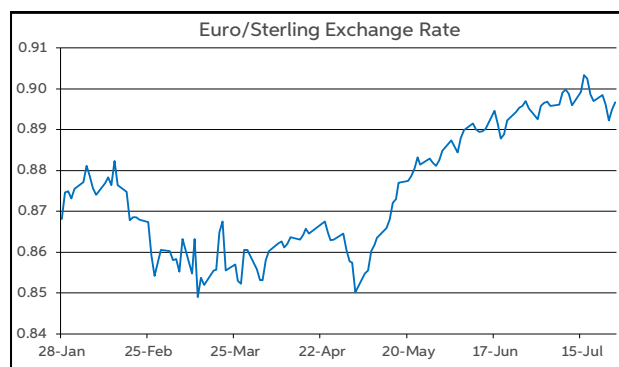
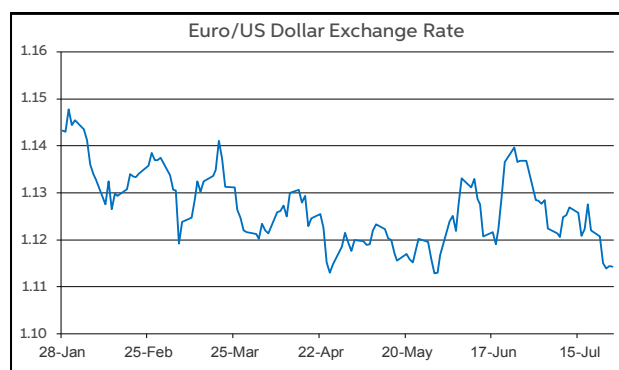
Across the Atlantic, we get the first reading of Q2 GDP. US economic growth is projected to have slowed to 1.8% in annualised terms, from 3.1%. This reflects the likely unwinding of temporary boosts to growth in Q1. Overall, the release poses some two-way risk to the dollar ahead of next week's Fed meeting.

Conor Beakey, Economist, AIB

Today's Opening Rates			
		% Change	
		Day *	End 2018
EUR/USD	1.1142	0.07	-2.85
EUR/GBP	0.8967	0.47	-0.19
GBP/USD	1.2428	-0.36	-2.58
GBP/EUR	1.115	-0.47	0.19
USD/JPY	108.63	0.48	-0.85
EUR/JPY	121.05	0.56	-3.71

* v Previous Day's European Open

See Next Page for More Rates ▶▶▶



Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	2.375	2.24	2.26	2.18	1.89	1.81
EUR	0.00	-0.40	-0.38	-0.32	-0.44	-0.32
GBP	0.75	0.72	0.78	0.86	0.73	0.77

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2018 to Date	
Dow Jones	27140.98	-0.47	+16.35	
S&P 500	3003.67	-0.53	+19.82	
FTSE 100	7489.05	-0.17	+11.31	
DJ Stoxx 50	3510.15	-0.64	+16.95	
ISEQ	6356.07	+0.36	+15.99	
Nikkei	21646.8	-0.50	+8.15	

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	AlBI 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

Friday 26 July 2019
07:17 am



Euro

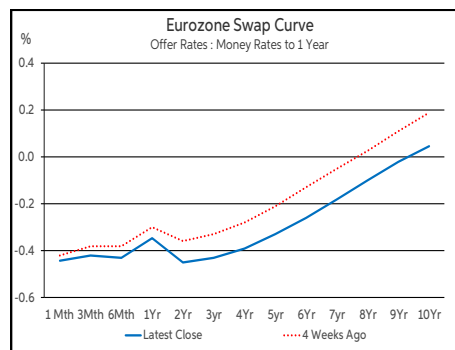
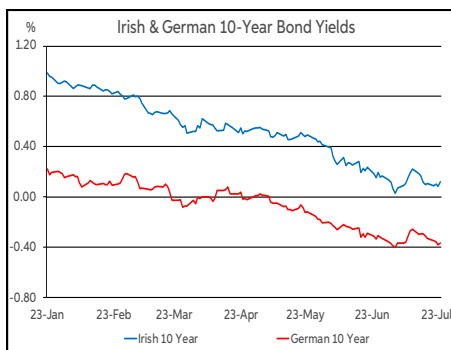
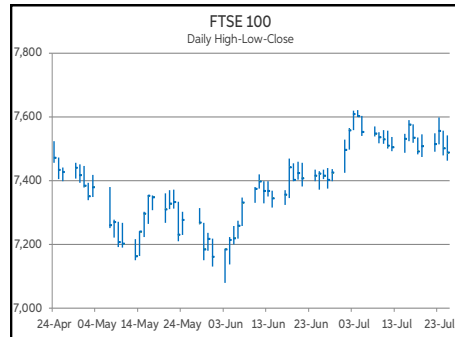
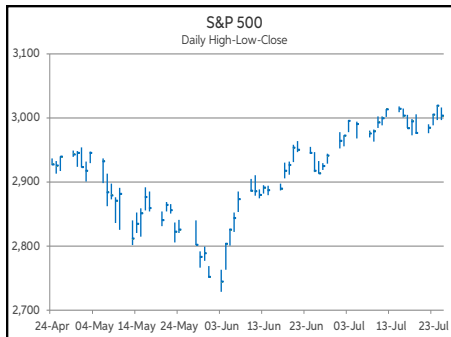
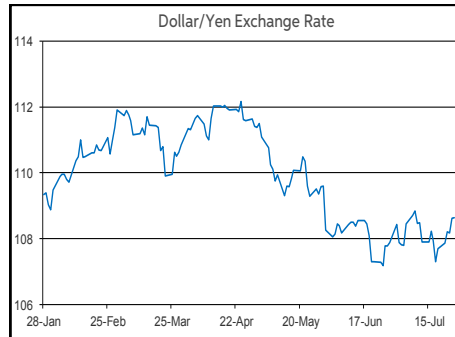
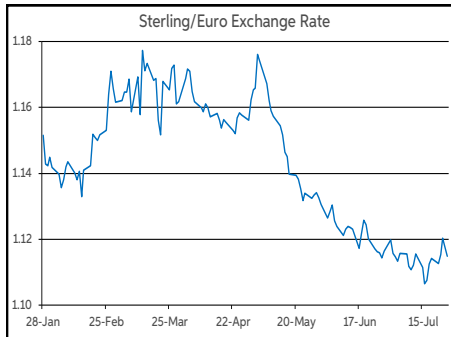
EUR/GBP	0.8966
EUR/USD	1.1142
EUR/JPY	121.05
EUR/SEK	10.5328
EUR/DKK	7.4661
EUR/NOK	9.6711
EUR/CHF	1.1042
EUR/AUD	1.6052
EUR/HKD	8.7048
EUR/CAD	1.467

Sterling

GBP/EUR	1.1148
GBP/USD	1.2428
GBP/CAD	1.636
GBP/NZD	1.8666
GBP/JPY	134.99
GBP/SEK	11.7447
GBP/DKK	8.3244
GBP/NOK	10.781
GBP/CHF	1.2314
GBP/AUD	1.7901

Dollar

USD/JPY	108.61
USD/CAD	1.3166
USD/CHF	0.9908
USD/CNY	6.8766
USD/BRL	3.7784
USD/RUB	63.1217
USD/INR	69.06
AUD/USD	0.6941
NZD/USD	0.6655



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 18
10 Year Yield %				
US	2.08	+3	+7	-60
Germany	-0.37	+1	-4	-60
UK	0.71	+3	-11	-56
Ireland	0.12	+3	-4	N/A
Belgium	-0.06	+1	-12	-81
France	-0.12	+0	-11	-82
Italy	1.50	+2	-62	-121
Spain	0.34	+2	-5	-108
Portugal	0.42	+1	-5	-129
Greece	1.94	-2	-48	-235
5 Year Swap %				
US	1.80	+3	+7	-76
Eurozone	-0.33	-2	-12	-56
UK	0.78	+1	-12	-54
2 Year Swap %				
US	1.86	+3	+10	-78
Eurozone	-0.45	-1	-9	-31
UK	0.71	+0	-12	-45
10 Year Government Bond Spreads to Benchmark bps				
Ireland	49	+2	+1	N/A
Belgium	31	-1	-7	-21
France	25	-1	-7	-21
Italy	187	+0	-58	-61
Spain	70	+0	-1	-47
Portugal	79	-0	-1	-68
Greece	231	-4	-44	-175

Commodities				
	Close	% Change		
		Day	4 Weeks	End 18
Brent Oil	63.39	+0.33	-4.75	+17.83
West Texas Oil	55.88	-0.04	-5.58	+23.77
CRB - All Commodity	177.88	-0.19	-2.52	+4.76
CRB - Food	352.32	+0.60	+0.65	+8.66
Gold \$	1414.9	-0.78	+0.34	+10.29

This publication is for information purposes and is not an invitation to deal. The information is believed to be reliable but is not guaranteed. Any expressions of opinions are subject to change without notice. This publication is not to be reproduced in whole or in part without prior permission. In the Republic of Ireland it is distributed by Allied Irish Banks, p.l.c. In the UK it is distributed by Allied Irish Banks, p.l.c. and Allied Irish Bank (GB). In Northern Ireland it is distributed by First Trust Bank. In the United States of America it is distributed by Allied Irish Banks, p.l.c. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland. Allied Irish Bank (GB) and First Trust Bank are trade marks used under licence by AIB Group (UK) p.l.c. (a wholly owned subsidiary of Allied Irish Banks, p.l.c.), incorporated in Northern Ireland. Registered Office 92 Ann Street, Belfast BT1 3HH. Registered Number NI018800. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In the United States of America, Allied Irish Banks, p.l.c., New York Branch, is a branch licensed by the New York State Department of Financial Services. Deposits and other investment products are not FDIC insured, they are not guaranteed by any bank and they may lose value. Please note that telephone calls may be recorded in line with market practice.