

Dollar remains on the back foot

At the beginning of the week on currency markets the dollar remained on the back foot. Investors have turned increasingly bearish on the greenback, reflecting both the weakening outlook for the US economy and the recovery in global risk appetite. This is reflected in dollar now being at very stretched short levels.

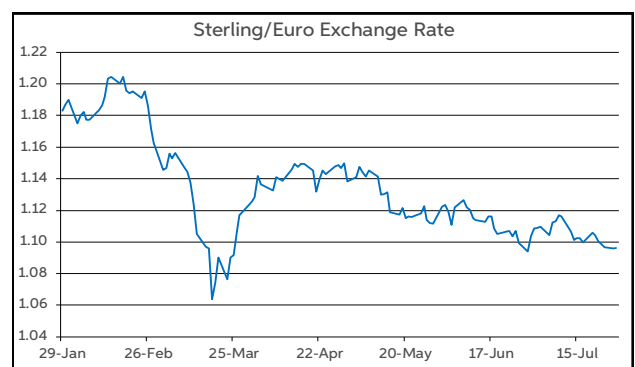
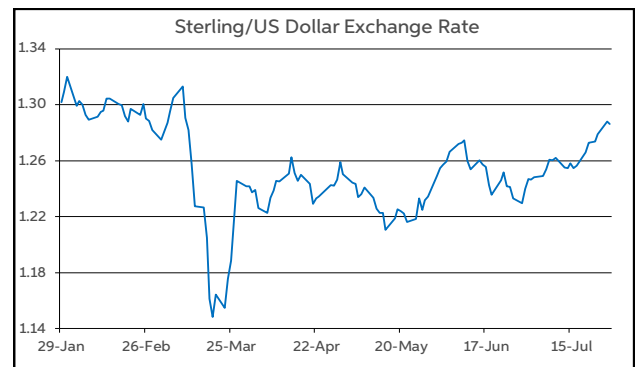
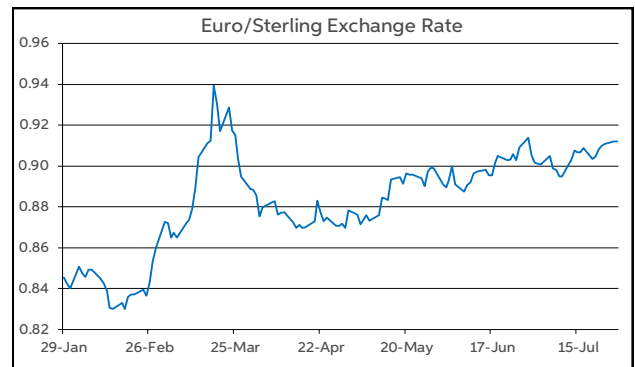
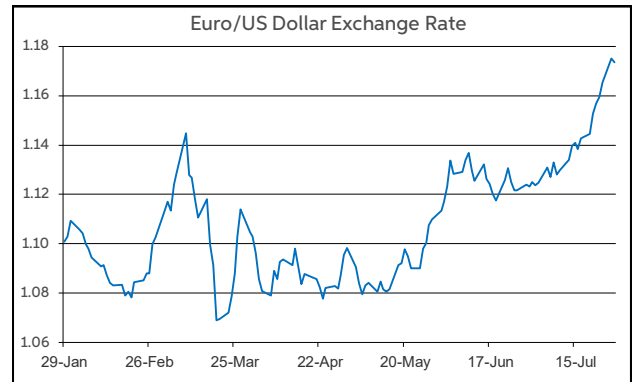
The further minor losses for the dollar over the past 24 hours see EUR/USD open this morning near the midpoint of the \$1.17-1.18 range, its highest level since September 2018. At the same time, cable (GBP/USD) is trading in the upper half of the \$1.28-1.29 range. Meantime, EUR/GBP is holding above the 91p level.

Elsewhere on financial markets, the mood was generally cautious. This possibly reflected some concerns over a pick-up in Covid cases in some regions, most notably in Spain. European equities lost some ground as a result. The tone was more positive on Wall Street, with the S&P 500 gaining 0.7% on stimulus hopes.

Data-wise, the highlight was the July print of the German Ifo, which surprised to the upside of expectations (90.5 vs f'cast 89.3). There was a significant rise in the expectations component. Market reaction to the release, though, was limited.

Turning to the day ahead, there is a relatively barren look to the macro schedule. Although, the July reading of the Conference Board measure of consumer confidence in the US will be of some interest. Sentiment is projected to have dipped in the month, reflecting household concerns over the resurgence in Covid cases. Dollar reaction to the release, though, will likely be limited. Although, at the margin it may be somewhat unhelpful for the currency given current sentiment toward the greenback.

Conor Beakey, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.1734	0.26	4.67
EUR/GBP	0.9119	0.03	7.87
GBP/USD	1.2865	0.23	-2.97
GBP/EUR	1.0961	-0.03	-7.29
USD/JPY	105.51	-0.08	-2.85
EUR/JPY	123.82	0.19	1.63

* 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	0.27	0.23	0.22	0.34
EUR	0.00	-0.51	-0.45	-0.37	-0.39	-0.36
GBP	0.10	0.07	0.09	0.13	0.11	0.16

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

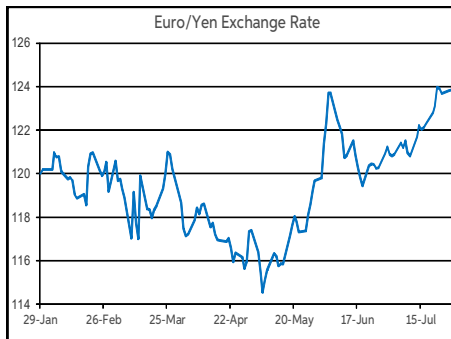
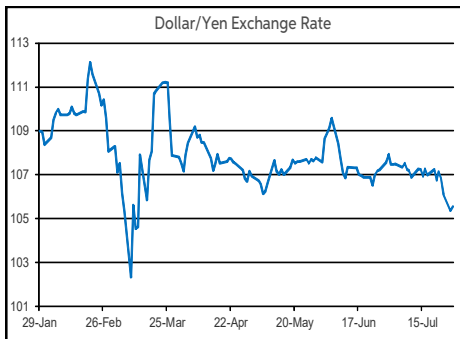
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

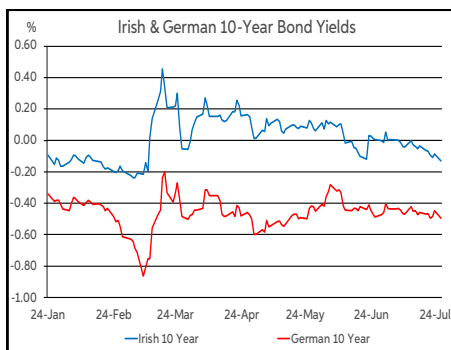
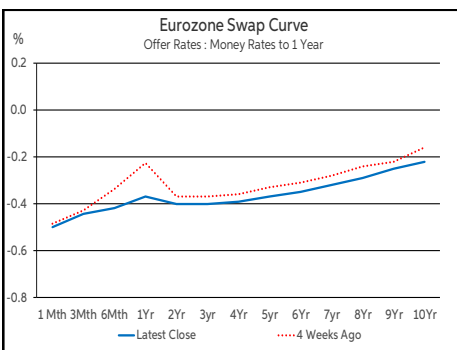
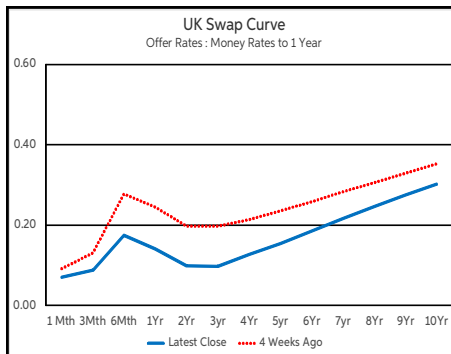
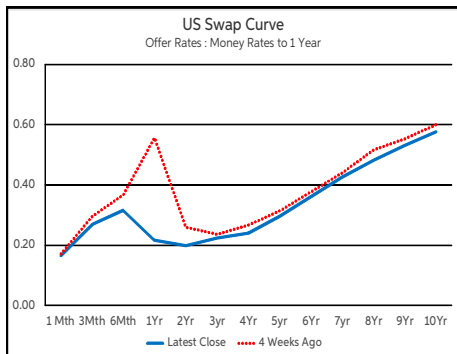
Tuesday 28 July 2020
07:21 am



Euro		Sterling		Dollar	
EUR/GBP	0.9119	GBP/EUR	1.0961	USD/JPY	105.51
EUR/USD	1.1734	GBP/USD	1.2865	USD/CAD	1.336
EUR/JPY	123.82	GBP/CAD	1.7194	USD/CHF	0.9212
EUR/SEK	10.2806	GBP/NZD	1.9323	USD/CNY	7.002
EUR/DKK	7.4429	GBP/JPY	135.76	USD/BRL	5.1445
EUR/NOK	10.7	GBP/SEK	11.2643	USD/RUB	71.5553
EUR/CHF	1.0814	GBP/DKK	8.1587	USD/INR	74.752
EUR/AUD	1.6439	GBP/NOK	11.7324	AUD/USD	0.7136
EUR/HKD	9.094	GBP/CHF	1.1852	NZD/USD	0.6655
EUR/CAD	1.5683	GBP/AUD	1.8027		



Debt Markets				
	Close	Day	4 Weeks	End 19
10 Year Yield %				
US	0.62	+3	-1	-130
Germany	-0.49	-5	-2	-31
UK	0.11	-4	-5	-72
5 Year Swap %				
US	0.30	-1	-1	-141
Eurozone	-0.37	-2	-3	-25
UK	0.15	-2	-8	-72
2 Year Swap %				
US	0.20	+1	-2	-146
Eurozone	-0.40	-1	-2	-10
UK	0.10	-1	-9	-70
10 Year Government Bond Spreads to Benchmark bps				
Ireland	39	+1	-9	+9
Belgium	28	-1	-5	-0
France	31	+0	-4	-0
Italy	154	+3	-29	-7
Spain	85	+3	-11	+19
Portugal	85	+4	-10	+22
Greece	159	+4	-17	-5



Commodities				
	Close	Day	4 Weeks	End 19
Brent Oil	43.41	+0.16	+4.08	-34.23
West Texas Oil	41.46	+0.56	+4.51	-32.19
Gold \$	1941.9	+2.15	+9.62	+28.01

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.