

## Fed meeting the highlight of a busy schedule

The moves on currency markets over the past week have seen the dollar continue to hold the upper hand against both the euro and sterling. This was against the backdrop of weak Eurozone data, heightened Brexit related concerns and further evidence of the solid performance of the US economy.

In level terms, the firmer dollar tone sees EUR/USD begin the week in the lower half of the \$1.11-1.12 band, while GBP/USD is trading at a 2-year low, below the \$1.24 threshold. Elsewhere, EUR/GBP is changing hands up around the 90p level.

Turning to the week ahead, the Fed's July policy meeting on Wednesday poses event risk for the dollar. It is anticipated that the central bank will cut rates by 25bps. However, as this move is fully priced in, attention will instead be focussed on whether Chair Powell hints at further easing in the coming months.

Data-wise, the highlight is the US July employment report. Payrolls are projected at 165k, while the jobless rate is forecast at 3.6%. Meantime, wage inflation looks to have edged up to 3.2%. Overall, a strong report could provide some support to the dollar.

Meantime, the BoE will meet on Thursday. Given ongoing uncertainty surrounding Brexit, the MPC are expected to leave rates on hold. The central bank will, though, publish an updated set of macro-projections in its August inflation report. Barring a major surprise, the meeting could be a non-event for sterling.

In the Eurozone, a busy schedule includes the flash releases of Q2 GDP (f'cast +0.2%) and July inflation (f'cast +1.1%), as well as the EC sentiment indices for July. Overall, the data could see the euro continue to remain on the back foot.

**Conor Beakey, Economist, AIB**

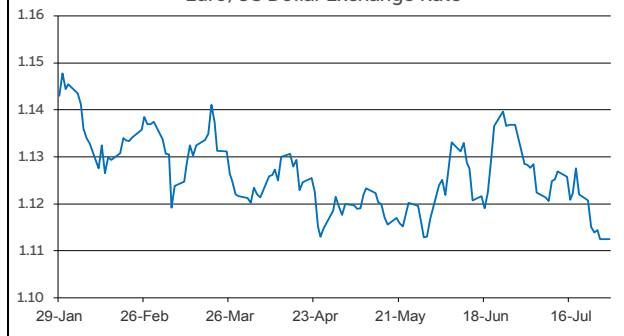
### Today's Opening Rates

		% Change	
		Day *	End 2018
EUR/USD	1.1125	-0.20	-3.00
EUR/GBP	0.8994	0.44	0.11
GBP/USD	1.2367	-0.64	-3.06
GBP/EUR	1.1115	-0.43	-0.11
USD/JPY	108.62	0.00	-0.86
EUR/JPY	120.85	-0.17	-3.87

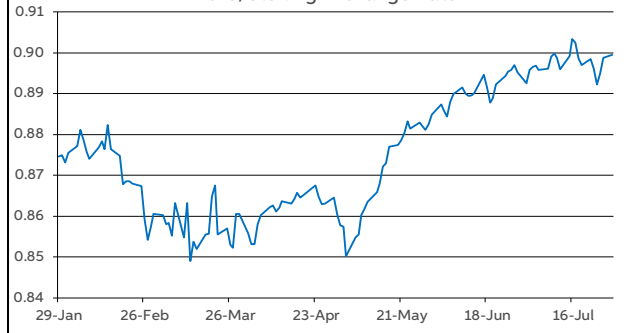
\* v Previous Day's European Open

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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	2.375	2.24	2.27	2.20	1.87	1.81
EUR	0.00	-0.40	-0.37	-0.31	-0.42	-0.30
GBP	0.75	0.72	0.78	0.86	0.72	0.76

### Equity Indices

	Latest Close	% Changes	
		on Day	End 2018 to Date
Dow Jones	27192.45	+0.19	+16.57
S&P 500	3025.86	+0.74	+20.70
FTSE 100	7549.06	+0.80	+12.20
DJ Stoxx 50	3524.47	+0.41	+17.43
ISEQ	6324.29	-0.50	+15.41
Nikkei	21575.06	-0.38	+7.80

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

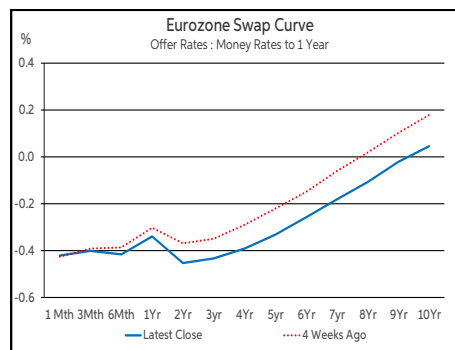
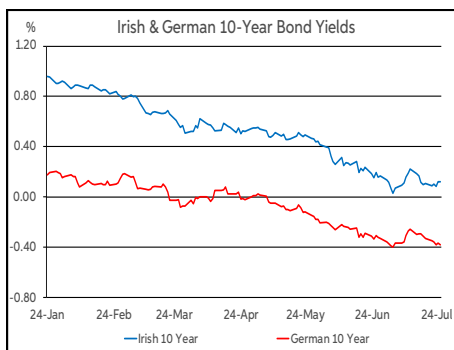
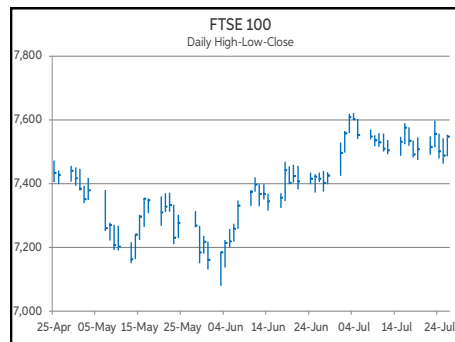
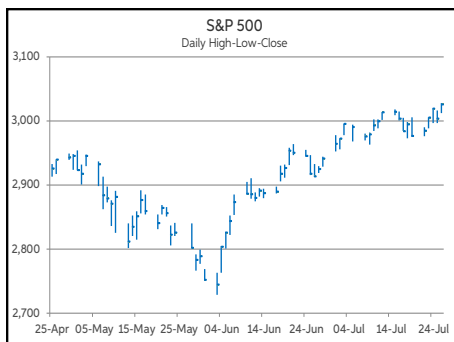
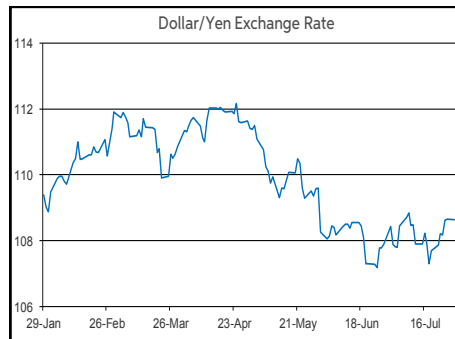
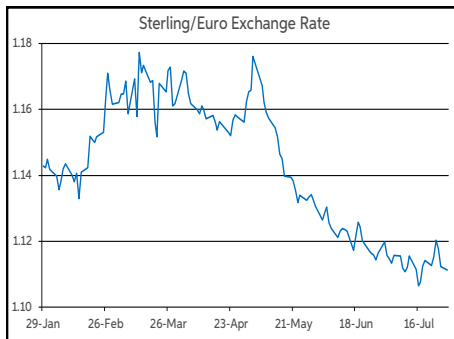
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite Lenny Hogan	Reuters Phone	AIB 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

Monday 29 July 2019  
07:18 am



Euro		Sterling		Dollar	
EUR/GBP	0.8994	GBP/EUR	1.1115	USD/JPY	108.62
EUR/USD	1.1125	GBP/USD	1.2367	USD/CAD	1.3174
EUR/JPY	120.85	GBP/CAD	1.6289	USD/CHF	0.9931
EUR/SEK	10.5764	GBP/NZD	1.8646	USD/CNY	6.8886
EUR/DKK	7.4668	GBP/JPY	134.33	USD/BRL	3.7749
EUR/NOK	9.7004	GBP/SEK	11.753	USD/RUB	63.3225
EUR/CHF	1.1049	GBP/DKK	8.299	USD/INR	68.89
EUR/AUD	1.6103	GBP/NOK	10.7837	AUD/USD	0.6907
EUR/HKD	8.6936	GBP/CHF	1.2283	NZD/USD	0.6629
EUR/CAD	1.4656	GBP/AUD	1.7899		



	Close	Change bps		
		Day	4 Weeks	End 18
<b>10 Year Yield %</b>				
US	2.07	-1	+7	-61
Germany	-0.38	-1	-5	-62
UK	0.68	-2	-15	-58
Ireland	0.12	+0	-4	N/A
Belgium	-0.06	-1	-12	-82
France	-0.13	-1	-12	-83
Italy	1.56	+6	-53	-115
Spain	0.35	+1	-4	-106
Portugal	0.43	+1	-4	-128
Greece	2.02	+8	-38	-227
<b>5 Year Swap %</b>				
US	1.80	-1	+5	-77
Eurozone	-0.33	-1	-11	-56
UK	0.76	-3	-15	-56
<b>2 Year Swap %</b>				
US	1.86	-1	+7	-78
Eurozone	-0.45	-1	-8	-31
UK	0.71	-1	-13	-45
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	50	+2	+1	N/A
Belgium	32	+1	-7	-20
France	25	+0	-7	-21
Italy	194	+7	-48	-54
Spain	73	+3	+1	-45
Portugal	81	+2	+1	-66
Greece	240	+9	-34	-166

	Close	% Change		
		Day	4 Weeks	End 18
Brent Oil	63.46	+0.11	-4.64	+17.96
West Texas Oil	56.04	+0.29	-3.71	+24.12
CRB - All Commodity	177.16	-0.41	-2.14	+4.33
CRB - Food	350.22	-2.10	+0.70	+8.02
Gold \$	1419.1	+0.29	+0.65	+10.61

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