

## Quiet start to July on FX markets

The first trading day of the second half of the year was generally uneventful on the currency front. Indeed, most of the main currency pairs were confined to tight ranges.

Data-wise, a strong upside surprise from the US manufacturing ISM for June (60.2 vs forecast 58) provided some supportive news for the dollar. Although, the gains for the currency were modest and in the main, not sustained. Elsewhere, there were also some consensus beating data from the European calendar. In the UK, the manufacturing PMI for June came in ahead of expectations, while the Eurozone unemployment rate also printed better than forecast. There was no noticeable reaction though from either the euro or sterling to their respective macro newsflow.

Meantime, in terms of politics, the focus was on Germany given a disagreement within the coalition on the issue of migration. The political uncertainty had acted as somewhat of a drag on the euro recently. Progress appeared to be made last night on resolving the issue.

Overall then, as trading gets underway this morning, the main currency pairs are little changed from 24 hours earlier. EUR/USD starts the European session near \$1.165. Meanwhile, cable (GBP/USD) is changing hands around the midpoint of the \$1.31-1.32 band. Elsewhere, EUR/GBP remains in a tight range near 88.5p.

Ahead today, the data/events schedule is sparse on both sides of the Atlantic. Indeed, Eurozone retail sales and US factory orders (both May) are the only releases of any note. Overall then, barring any political newsflow we could see the main FX pairs confined to narrow ranges near to their opening levels over the course of the day.

**John Fahey, Economist, AIB**

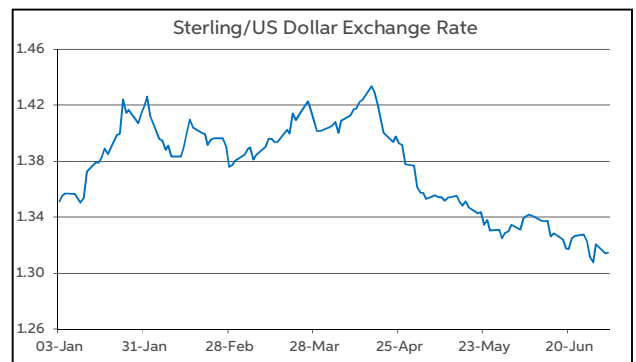
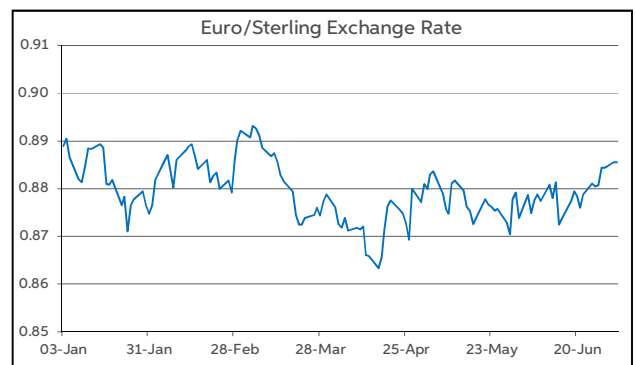
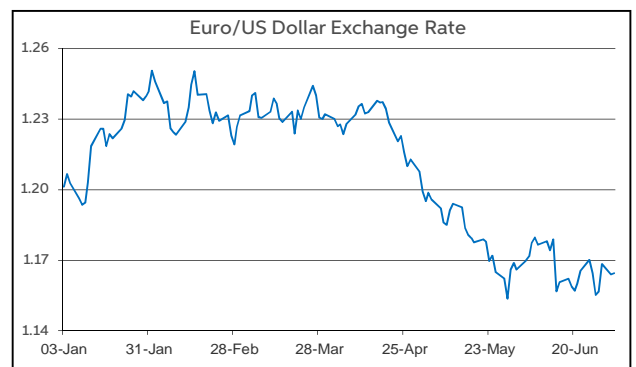
Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	1.875	2.10	2.34	2.77	2.79	2.91
EUR	0.00	-0.37	-0.32	-0.18	-0.16	0.28
GBP	0.50	0.50	0.68	0.96	1.01	1.28

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2017 to Date	
Dow Jones	24307.18	+0.15	-1.67	
S&P 500	2726.71	+0.31	+1.99	
FTSE 100	7547.85	-1.17	-1.82	
DJ Stoxx 50	3372.21	-0.69	-3.76	
ISEQ	6927.22	-0.80	-1.58	
Nikkei	21785.54	-0.12	-4.30	

Today's Opening Rates			
		% Change	
		Day *	End 2017
EUR/USD	1.1645	-0.03	-2.93
EUR/GBP	0.8856	0.17	-0.30
GBP/USD	1.3147	-0.20	-2.70
GBP/EUR	1.1289	-0.17	0.30
USD/JPY	110.99	0.18	-1.49
EUR/JPY	129.24	0.12	-4.39

\* v Previous Day's European Open

See Next Page for More Rates ▶▶▶



All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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		Equity Options	Gary Luff				

# Opening Levels

Tuesday 03 July 2018  
07:29 am



## Euro

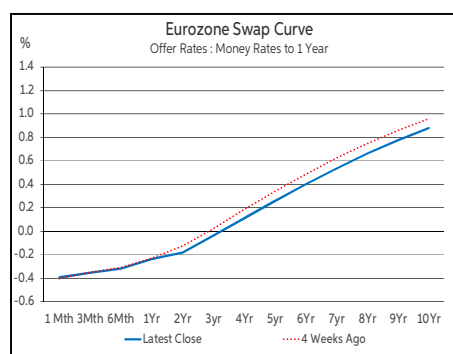
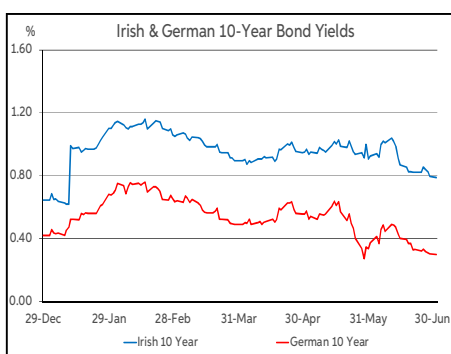
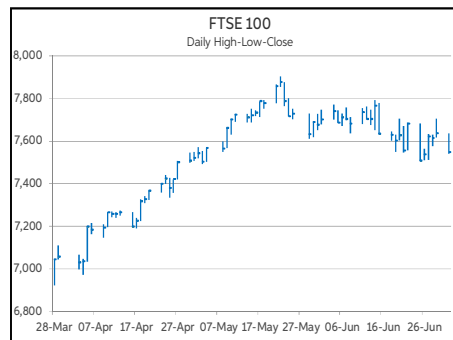
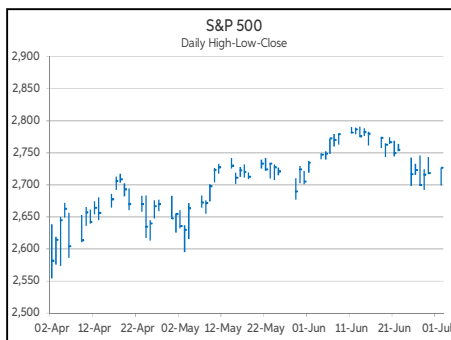
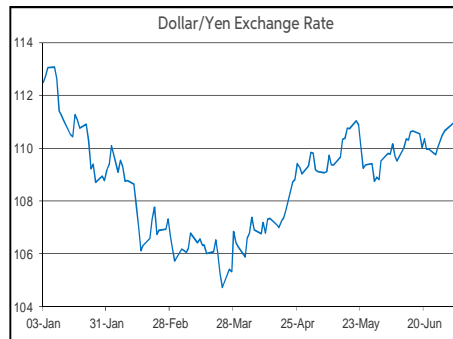
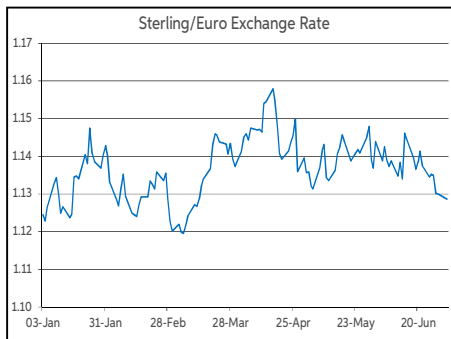
EUR/GBP	0.8856
EUR/USD	1.1645
EUR/JPY	129.24
EUR/SEK	10.4198
EUR/DKK	7.4511
EUR/NOK	9.4947
EUR/CHF	1.1576
EUR/AUD	1.5795
EUR/HKD	9.1351
EUR/CAD	1.5347

## Sterling

GBP/EUR	1.1288
GBP/USD	1.3147
GBP/CAD	1.7324
GBP/NZD	1.9582
GBP/JPY	145.91
GBP/SEK	11.7604
GBP/DKK	8.4101
GBP/NOK	10.7199
GBP/CHF	1.3068
GBP/AUD	1.7827

## Dollar

USD/JPY	110.98
USD/CAD	1.3176
USD/CHF	0.9939
USD/CNY	6.6984
USD/BRL	3.9139
USD/RUB	63.3316
USD/INR	68.705
AUD/USD	0.7369
NZD/USD	0.6713



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 17
<b>10 Year Yield %</b>				
US	2.87	+1	-7	+47
Germany	0.30	-0	-12	-12
UK	1.25	-3	-4	+7
<b>5 Year Swap %</b>				
US	2.88	-0	-3	+64
Eurozone	0.26	-2	-8	-6
UK	1.27	-4	-2	+24
<b>2 Year Swap %</b>				
US	2.77	-1	+1	+69
Eurozone	-0.18	-1	-5	-4
UK	1.00	-2	+1	+20
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	49	+0	-3	N/A
Belgium	38	-1	+0	+18
France	35	-0	+5	-0
Italy	234	-2	+22	+77
Spain	98	-3	+8	-15
Portugal	146	-2	+12	-2
Greece	362	+2	-36	-0

Commodities				
	Close	% Change		
		Day	4 Weeks	End 17
Brent Oil	77.3	-2.69	+2.67	+15.60
West Texas Oil	73.89	-0.32	+14.10	+22.21
CRB - All Commodity	197.50	-1.44	-0.69	+1.88
CRB - Food	348.8	+0.00	-0.46	+3.80
Gold \$	1242.4	-0.91	-3.87	-4.63

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