

Q2 GDP readings to feature

The action on currency markets yesterday was once again relatively subdued, with trading confined to narrow ranges. The dollar did, though, remain on the back foot.

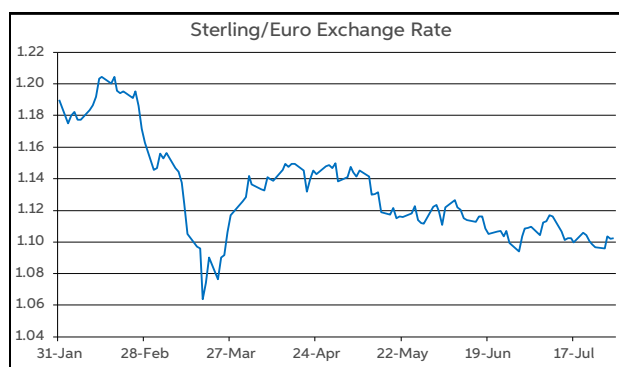
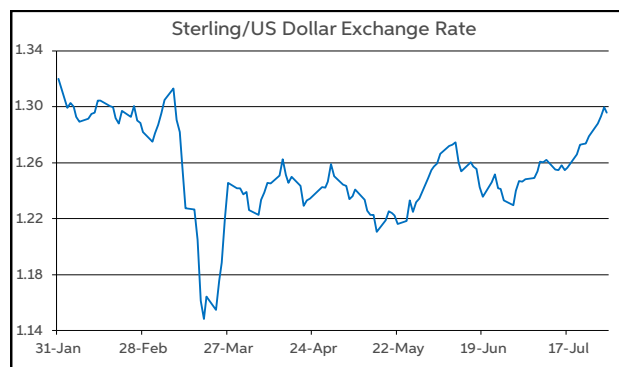
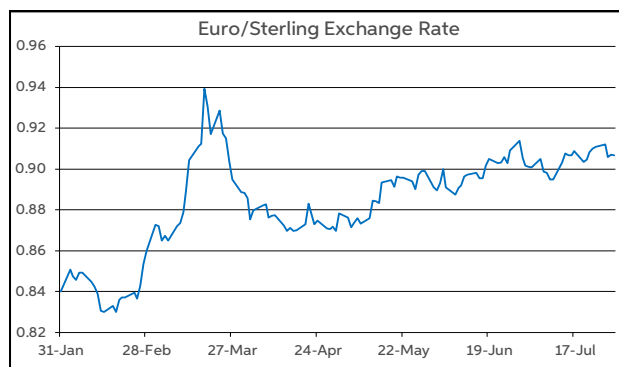
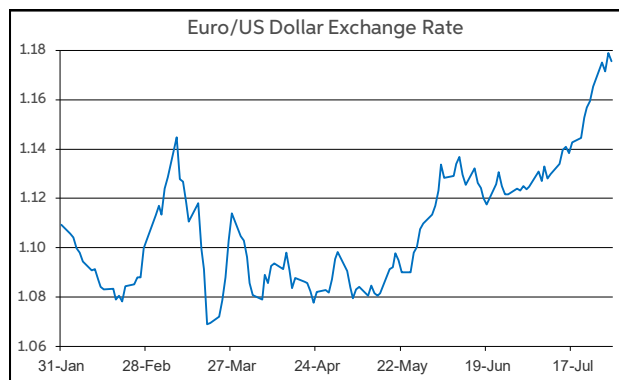
The conclusion of the Fed's FOMC meeting for July was somewhat unhelpful for the currency. As expected, the central bank made no changes to policy. However, at the press conference, Chair Powell maintained his ultra cautious tone and signalled that the Fed will continue to use its tools to support the economy. Powell again stated that a full recovery is unlikely until the virus is contained.

In level terms, the marginally softening of the dollar is reflected in EUR/USD opening this morning near to the midpoint of the \$1.17-1.18 band. At the same time, cable (GBP/USD) has moved up into the upper half of the \$1.29-1.30 range. Meanwhile, EUR/GBP is continuing to change hands below the 91p level.

Elsewhere on markets, there was a cautious mood evident in the European session, with equities trading flat to slightly lower on the day. This may have reflected some concerns over a pick up in new Covid infections in parts of the region. In contrast, the S&P 500 gained 1.2% in the US, aided by hopes for more stimulus and good corporate earnings reports.

Today, the Q2 readings of German and US GDP will feature. The data will be looked to for evidence of how badly the respective economies were hit by the lockdowns. A busy schedule also includes the June print of Eurozone unemployment, the EC sentiment indices for July and latest set of US jobless claims figures. Overall though, in the absence of any major surprises, the impact on FX markets from the releases may be limited.

Conor Beakey, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.1756	0.23	4.87
EUR/GBP	0.9069	-0.11	7.27
GBP/USD	1.296	0.33	-2.26
GBP/EUR	1.102	0.11	-6.78
USD/JPY	105.2	0.11	-3.14
EUR/JPY	123.68	0.36	1.52

* 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	0.16	0.26	0.22	0.22	0.29
EUR	0.00	-0.52	-0.45	-0.43	-0.41	-0.38
GBP	0.10	0.06	0.11	0.14	0.12	0.17

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

Thursday 30 July 2020
07:18 am



Euro

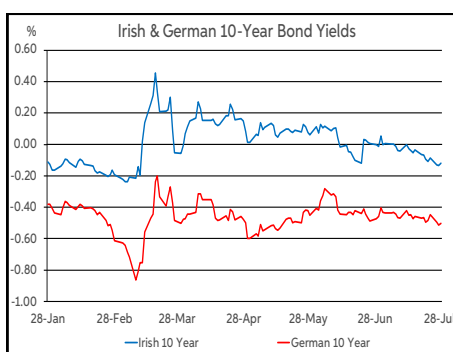
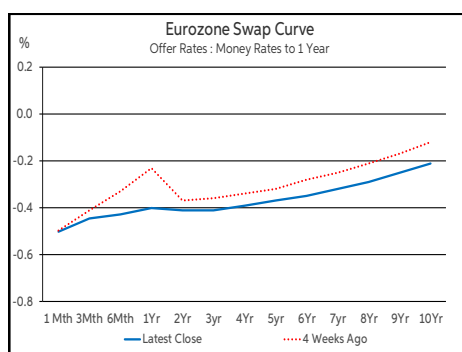
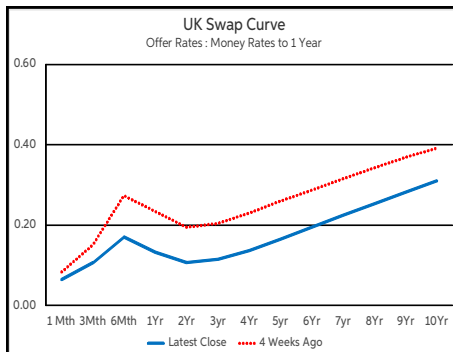
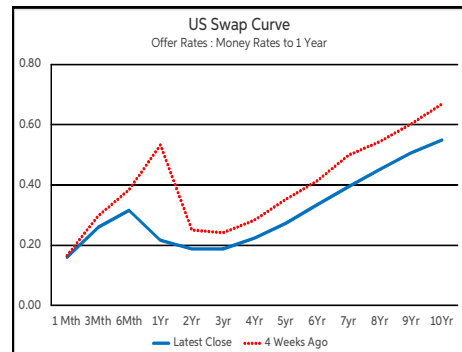
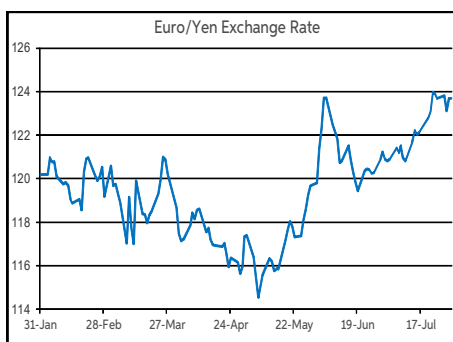
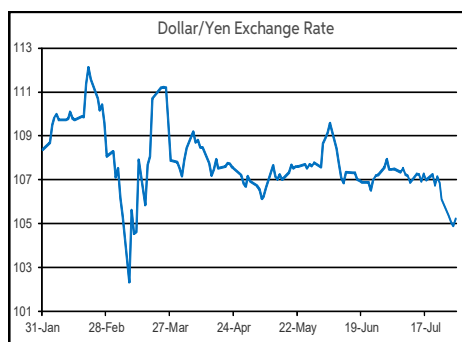
EUR/GBP	0.9069
EUR/USD	1.1756
EUR/JPY	123.67
EUR/SEK	10.2995
EUR/DKK	7.4423
EUR/NOK	10.6615
EUR/CHF	1.0745
EUR/AUD	1.6431
EUR/HKD	9.1103
EUR/CAD	1.5724

Sterling

GBP/EUR	1.1022
GBP/USD	1.2961
GBP/CAD	1.7335
GBP/NZD	1.9534
GBP/JPY	136.35
GBP/SEK	11.3481
GBP/DKK	8.2042
GBP/NOK	11.7541
GBP/CHF	1.1842
GBP/AUD	1.8114

Dollar

USD/JPY	105.2
USD/CAD	1.3374
USD/CHF	0.9137
USD/CNY	7.0031
USD/BRL	5.17
USD/RUB	72.6829
USD/INR	74.855
AUD/USD	0.7153
NZD/USD	0.6633



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 19
10 Year Yield %				
US	0.58	-0	-10	-134
Germany	-0.50	+1	-10	-31
UK	0.12	+1	-9	-71
Ireland	-0.10	+2	-18	-22
Belgium	-0.20	+1	-14	-30
France	-0.18	+1	-12	-30
Italy	1.06	-1	-28	-36
Spain	0.35	-1	-16	-12
Portugal	0.36	-1	-13	-9
Greece	1.10	+0	-9	-35
5 Year Swap %				
US	0.27	-1	-5	-144
Eurozone	-0.37	+2	-4	-25
UK	0.16	+1	-9	-71
2 Year Swap %				
US	0.19	-2	-2	-147
Eurozone	-0.41	-0	-3	-11
UK	0.11	+1	-8	-69
10 Year Government Bond Spreads to Benchmark bps				
Ireland	40	+1	-7	+9
Belgium	30	-0	-3	+1
France	32	+0	-2	+1
Italy	156	-2	-18	-5
Spain	85	-2	-6	+20
Portugal	86	-2	-3	+23
Greece	160	-1	+1	-4

Commodities				
	% Change			
	Close	Day	4 Weeks	End 19
Brent Oil	43.75	+1.23	+4.09	-33.71
West Texas Oil	41.13	+0.59	+3.13	-32.73
Gold \$	1970.4	+0.58	+11.32	+29.89

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