

Another uneventful FX day

Currency markets retained their subdued tone for a third consecutive day yesterday. The fact that the US was closed for a market holiday meant that trading volumes were lighter than normal, as well as no US data being on the macro schedule.

As a result, the only macro releases of any note came on this side of the Atlantic. The main release of the day was the UK services PMI for June. In keeping with the trend from the other UK PMI surveys this week, the services index also surprised to the upside of expectations. It came in at 55.1, compared to a forecast for no change of 54.

Overall, the recent batch of UK survey data suggest that the economy recovered some momentum in Q2 after a very weak Q1. However, from a currency viewpoint, the services PMI had little impact on sterling yesterday.

So, as trading gets underway this morning, the mains pairs are broadly unchanged compared to yesterday's opening levels. EUR/GBP trades in a narrow range near to the 88p level. Meanwhile, EUR/USD is in the upper half of the \$1.16-1.17 range. Elsewhere, cable (GBP/USD) continues to change hands around \$1.32.

In the day ahead, the US is back from its mid-week holiday and becomes the focus from a data/event perspective. Data-wise, the non-manufacturing ISM index for June will garner some attention. Meanwhile, markets will be looking to the Fed minutes (after the close in Europe) from its June meeting for additional insights into the Fed's current thinking on its policy outlook. Overall though, barring any unexpected results/updates from today's macro diary, the main FX pairs may continue to trade in relatively narrow ranges near to their current levels.

John Fahey, Senior Economist, AIB

Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	1.875	2.09	2.34	2.77	2.79	2.90
EUR	0.00	-0.37	-0.32	-0.18	-0.16	0.28
GBP	0.50	0.52	0.70	0.98	1.04	1.30

Equity Indices			
	Latest Close	% Changes	
		on Day	End 2017 to Date
Dow Jones	24174.82	+0.00	-2.20
S&P 500	2713.22	+0.00	+1.48
FTSE 100	7573.09	-0.27	-1.49
DJ Stoxx 50	3412.03	+0.17	-2.62
ISEQ	6975.16	+0.46	-0.90
Nikkei	21546.99	-0.78	-5.35

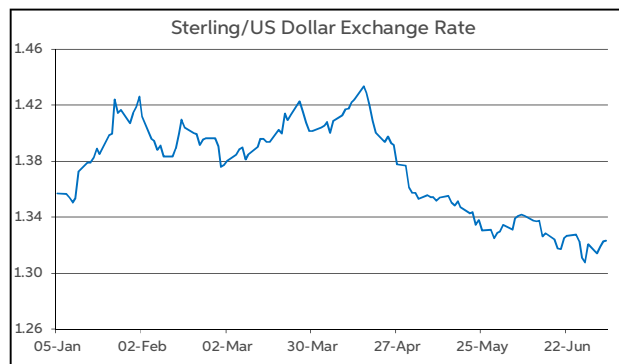
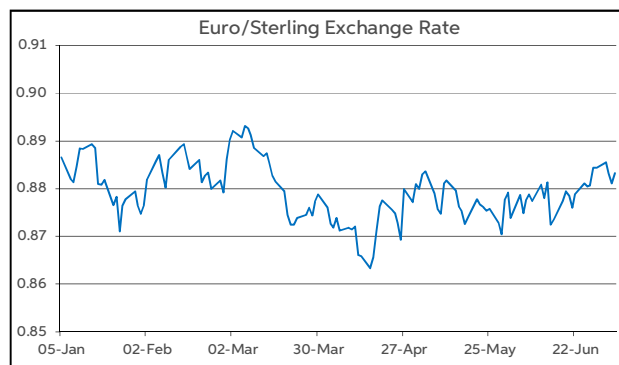
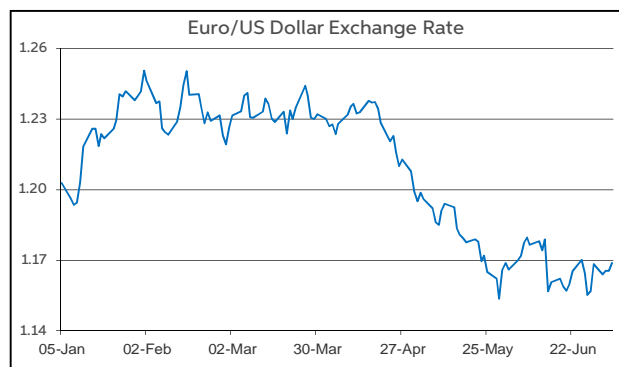
All rates quoted are indicative market rates

See Next Page For More Rates & Charts

Today's Opening Rates			
		% Change	
		Day *	End 2017
EUR/USD	1.1691	0.26	-2.54
EUR/GBP	0.8834	0.00	-0.55
GBP/USD	1.3233	0.27	-2.06
GBP/EUR	1.1316	0.00	0.55
USD/JPY	110.58	0.13	-1.85
EUR/JPY	129.27	0.36	-4.37

* v Previous Day's European Open

See Next Page for More Rates >>>



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

Thursday 05 July 2018
07:29 am



Euro

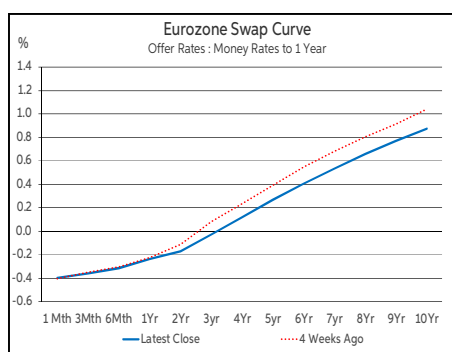
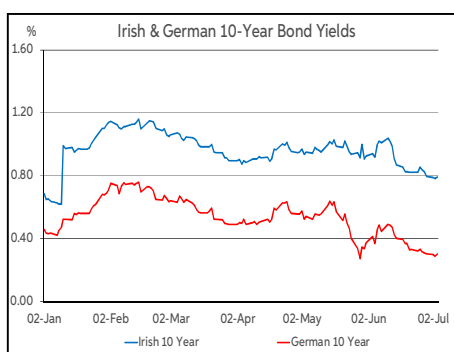
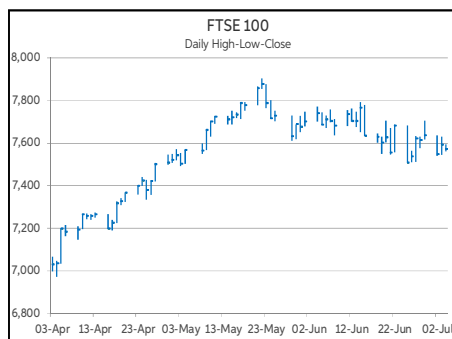
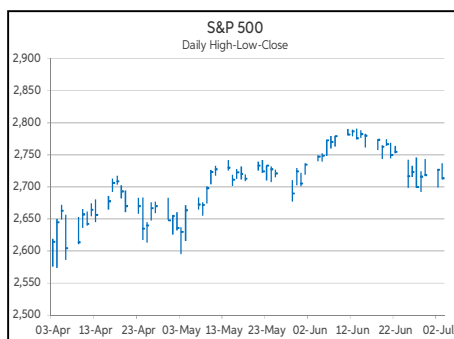
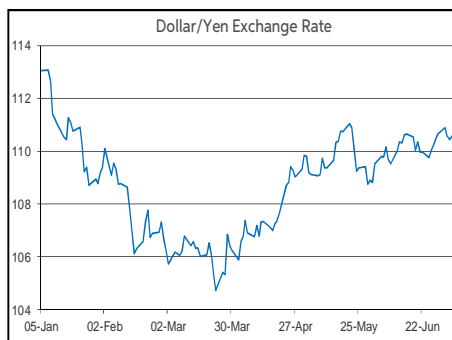
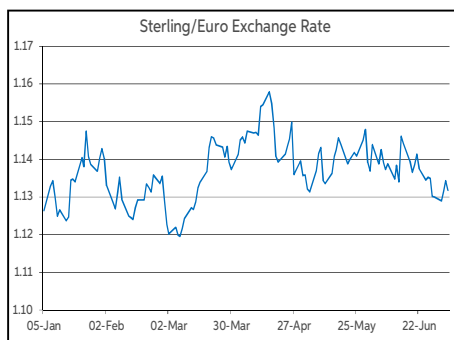
EUR/GBP	0.8834
EUR/USD	1.1691
EUR/JPY	129.27
EUR/SEK	10.242
EUR/DKK	7.4501
EUR/NOK	9.4631
EUR/CHF	1.1598
EUR/AUD	1.5849
EUR/HKD	9.173
EUR/CAD	1.536

Sterling

GBP/EUR	1.1316
GBP/USD	1.3233
GBP/CAD	1.7387
GBP/NZD	1.9533
GBP/JPY	146.33
GBP/SEK	11.591
GBP/DKK	8.4323
GBP/NOK	10.7085
GBP/CHF	1.3126
GBP/AUD	1.7941

Dollar

USD/JPY	110.58
USD/CAD	1.3138
USD/CHF	0.9918
USD/CNY	6.6346
USD/BRL	3.9129
USD/RUB	63.1275
USD/INR	68.77
AUD/USD	0.7373
NZD/USD	0.6772



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 17
10 Year Yield %				
US	2.83	-4	-14	+43
Germany	0.30	+1	-16	-12
UK	1.27	+3	-10	+9
Ireland	0.79	+1	-21	N/A
Belgium	0.66	+1	-19	+5
France	0.64	+0	-16	-14
Italy	2.64	+1	-27	+65
Spain	1.28	+1	-19	-26
Portugal	1.73	-1	-20	-17
Greece	3.91	+0	-62	-13
5 Year Swap %				
US	2.85	-4	-8	+61
Eurozone	0.27	+1	-12	-5
UK	1.30	+3	-5	+27
2 Year Swap %				
US	2.77	-3	-3	+68
Eurozone	-0.17	+0	-6	-3
UK	1.04	+3	+1	+24
10 Year Government Bond Spreads to Benchmark bps				
Ireland	49	+0	-5	N/A
Belgium	36	-1	-3	+17
France	34	-1	-0	-2
Italy	234	+0	-11	+76
Spain	98	-1	-3	-14
Portugal	143	-2	-4	-5
Greece	361	-1	-47	-2

Commodities				
	% Change			
	Close	Day	4 Weeks	End 17
Brent Oil	78.24	+0.62	+3.82	+17.00
West Texas Oil	74.19	+0.41	+14.58	+22.71
CRB - All Commodity	197.48	-0.01	-0.77	+1.86
CRB - Food	346.57	+0.00	-1.75	+3.13
Gold \$	1257.7	+0.34	-3.10	-3.45

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