

Payrolls Friday

Currency markets retained a subdued tone yesterday. A market holiday in the US, combined with a very quiet macro-data calendar, meant there was little to provide direction.

Indeed, the only release of any note yesterday was the Eurozone retail sales report for May. The data surprised to the downside, as sales dipped by 0.3% (f'cast +0.3%). However, there was no impact on the euro. The data in the region have generally been disappointing in Q2, suggesting that growth likely slowed in the quarter, following a solid performance in Q1.

In level terms, the lack of action on FX markets sees the main pairs open this morning broadly unchanged from 24 hours previous. EUR/GBP remains in the upper half of the 89-90p band, while EUR/USD continues to change hands below the \$1.13 level. Elsewhere, cable (GBP/USD) is trading under the \$1.26 threshold.

Today, the macro-schedule remains very sparse on this side of the Atlantic, meaning there will be little to influence either the euro or sterling. Therefore, the EUR/GBP pair could again be confined to a narrow trading range.

In the US, we get the much anticipated June employment report. Non-farm payrolls expanded by just 75k in May. The forecast for June, though, is for a solid 160k increase. Meanwhile, the unemployment rate looks to have held at the multi-decade low level of 3.6%. The tightness of labour market conditions is projected to see the year-on-year growth rate of average earnings edge back up to 3.2%, from 3.1%. Overall, the release poses some two-way risk for the dollar. The currency could make gains if payrolls surprise to the upside, but lose ground if they disappoint.

Conor Beakey, Economist, AIB

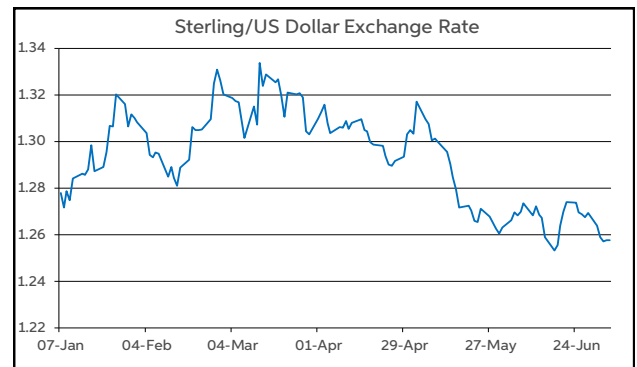
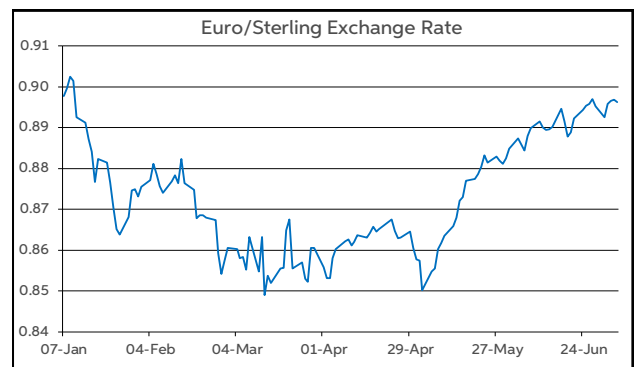
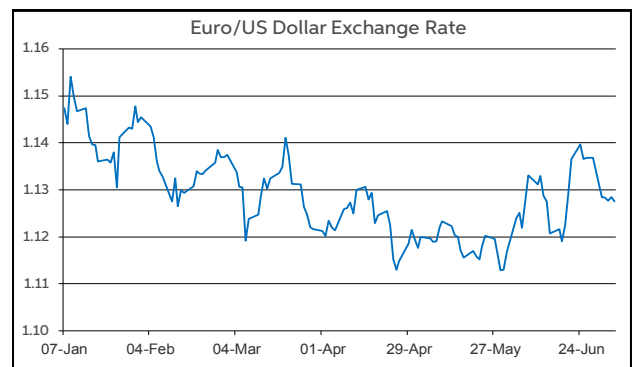
Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	2.375	2.36	2.30	2.18	1.78	1.72
EUR	0.00	-0.39	-0.35	-0.24	-0.40	-0.28
GBP	0.75	0.72	0.76	0.87	0.72	0.76

Equity Indices			
	Latest Close	% Changes	
		on Day	End 2018 to Date
Dow Jones	26966	+0.00	+15.60
S&P 500	2995.82	+0.00	+19.51
FTSE 100	7603.58	-0.08	+13.01
DJ Stoxx 50	3544.15	+0.10	+18.08
ISEQ	6415.6	+1.08	+17.08
Nikkei	21716.69	+0.07	+8.50

Today's Opening Rates			
		% Change	
		Day *	End 2018
EUR/USD	1.1274	-0.10	-1.70
EUR/GBP	0.8961	-0.07	-0.26
GBP/USD	1.258	-0.04	-1.39
GBP/EUR	1.1155	0.07	0.26
USD/JPY	107.91	0.12	-1.51
EUR/JPY	121.67	0.02	-3.21

* 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

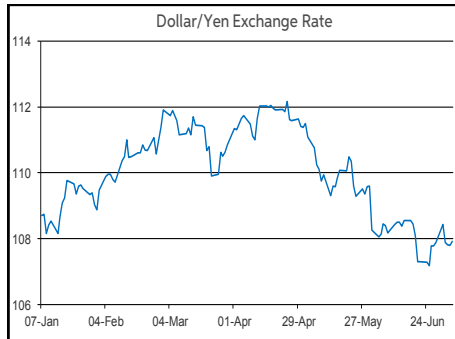
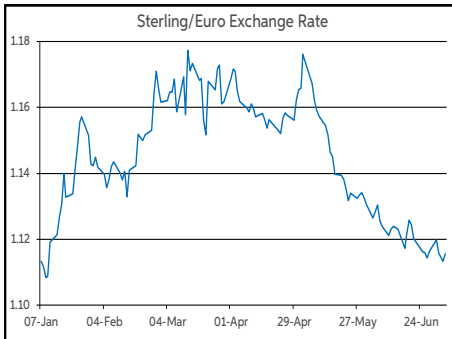
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite Lenny Hogan	Reuters Phone	AIB 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

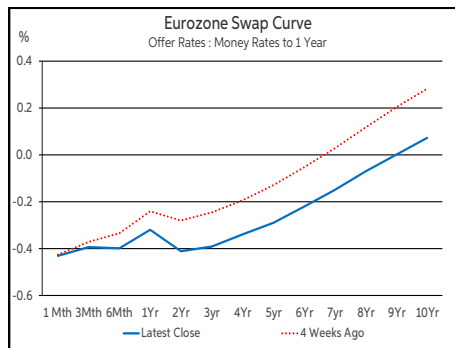
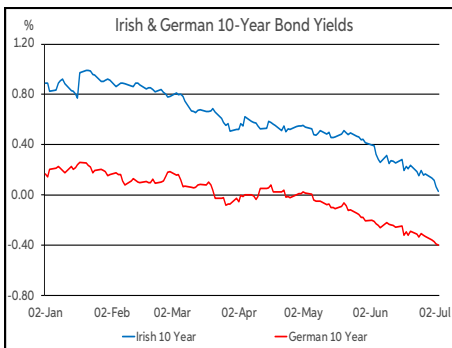
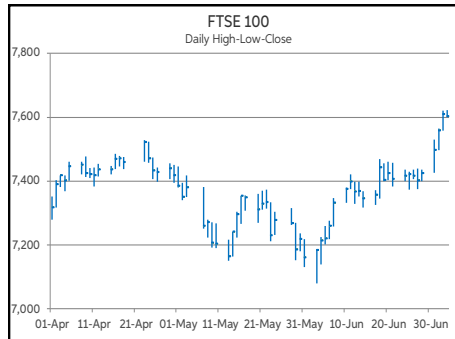
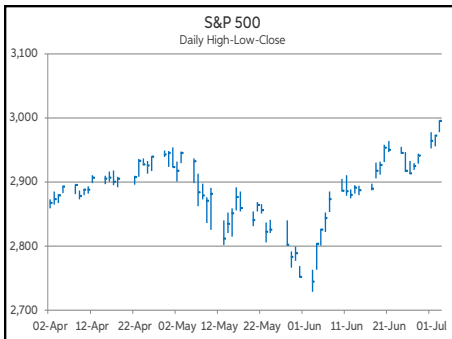
Friday 05 July 2019
07:19 am



Euro		Sterling		Dollar	
EUR/GBP	0.896	GBP/EUR	1.1156	USD/JPY	107.91
EUR/USD	1.1274	GBP/USD	1.258	USD/CAD	1.3065
EUR/JPY	121.67	GBP/CAD	1.6437	USD/CHF	0.9852
EUR/SEK	10.529	GBP/NZD	1.885	USD/CNY	6.8752
EUR/DKK	7.4637	GBP/JPY	135.75	USD/BRL	3.8018
EUR/NOK	9.6237	GBP/SEK	11.7509	USD/RUB	63.491
EUR/CHF	1.1111	GBP/DKK	8.3279	USD/INR	68.74
EUR/AUD	1.6067	GBP/NOK	10.741	AUD/USD	0.7015
EUR/HKD	8.7812	GBP/CHF	1.2396	NZD/USD	0.6672
EUR/CAD	1.4729	GBP/AUD	1.7929		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 18
10 Year Yield %				
US	1.95	-2	-17	-73
Germany	-0.40	-1	-16	-64
UK	0.67	-1	-15	-59
Ireland	0.03	-4	-25	N/A
Belgium	-0.07	-3	-25	-83
France	-0.13	-3	-24	-83
Italy	1.67	+7	-81	-105
Spain	0.24	+3	-36	-117
Portugal	0.33	+3	-34	-138
Greece	2.02	+1	-87	-228
5 Year Swap %				
US	1.68	-3	-21	-88
Eurozone	-0.29	-3	-16	-52
UK	0.75	-3	-13	-56
2 Year Swap %				
US	1.76	-2	-16	-88
Eurozone	-0.41	-1	-13	-27
UK	0.72	-2	-9	-45
10 Year Government Bond Spreads to Benchmark bps				
Ireland	43	-2	-9	N/A
Belgium	33	-1	-9	-19
France	27	-2	-8	-20
Italy	207	+9	-65	-41
Spain	64	+4	-20	-54
Portugal	73	+4	-18	-74
Greece	242	+2	-71	-164



Commodities				
	Close	% Change		
		Day	4 Weeks	End 18
Brent Oil	63.3	-0.81	+2.64	+17.66
West Texas Oil	57.06	+1.89	+8.50	+26.38
CRB - All Commodity	180.48	+1.48	+3.80	+6.29
CRB - Food	345.81	+0.00	-1.36	+6.66
Gold \$	1416.1	-0.23	+5.97	+10.38

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