

EUR/USD up near \$1.13

Risk appetite got off to a good start to the week yesterday. Sentiment was aided by comments from Chinese state media indicative of government support for equity markets. A number of better than expected data prints also acted as tailwinds.

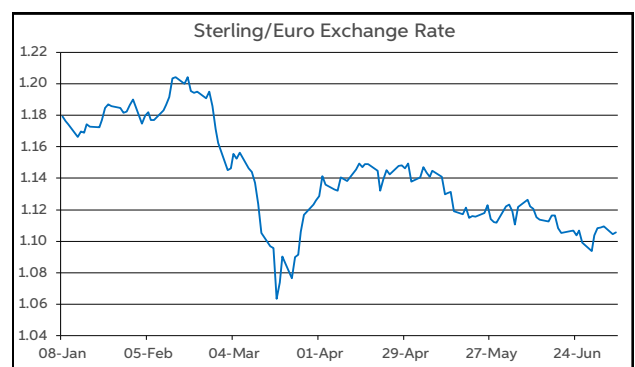
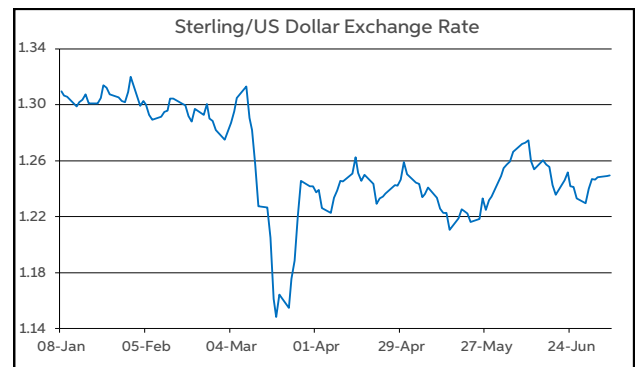
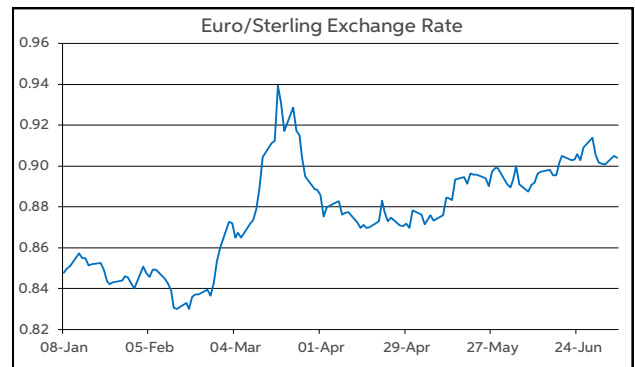
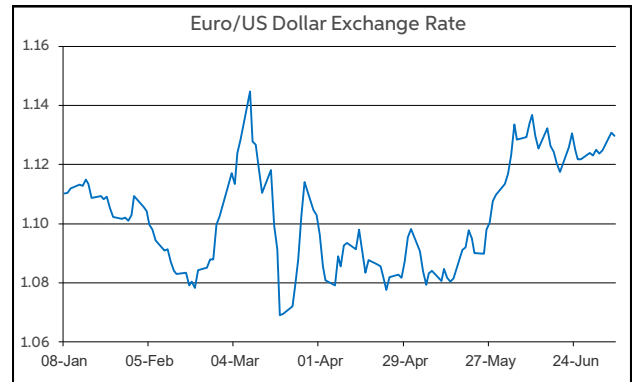
This included Eurozone retail sales, which increased by 17.8% in May (f'cast +15%). Households have shown some willingness to run down savings built up in the lockdown now restrictions have been eased. Meanwhile, the US non-manufacturing ISM for June also surprised strongly to the upside (57.1 vs f'cast 50.1).

The improvement in risk appetite was reflected in equities making some good gains. In Europe, the main indices finished up between 1.5-2.5% on the day. At the close on Wall Street, the S&P 500 was 1.6% higher. The Nasdaq also hit a record high yesterday

In relation to the main currency pairs, the risk-on mood saw the euro well supported for much of yesterday. Overnight though, it has edged slightly lower. This is reflected in EUR/USD opening this morning up close to the \$1.13 level. At the same time, EUR/GBP is changing hands just below the midpoint of the 90-91p band. For cable (GBP/USD), the past 24 hours have been more uneventful, with the pair continuing to operate near the \$1.25 level.

This morning, there was a rare downside data surprise, though market reaction has been muted. German industrial output increased by 7.8% in May (f'cast +10%), indicative of a slower restart to production post lockdown. In relation to the remainder of the day, there is little out from a data perspective to influence the main pairs. As a result, moves in the main pairs, if any, may be linked to shifts in investor sentiment.

Conor Beakey, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.1296	0.04	0.77
EUR/GBP	0.9039	0.06	6.92
GBP/USD	1.2494	-0.01	-5.77
GBP/EUR	1.1059	-0.06	-6.47
USD/JPY	107.51	-0.12	-1.01
EUR/JPY	121.46	-0.07	-0.30

* 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	0.17	0.28	0.24	0.22	0.34
EUR	0.00	-0.50	-0.44	-0.37	-0.39	-0.35
GBP	0.10	0.08	0.11	0.24	0.20	0.26

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

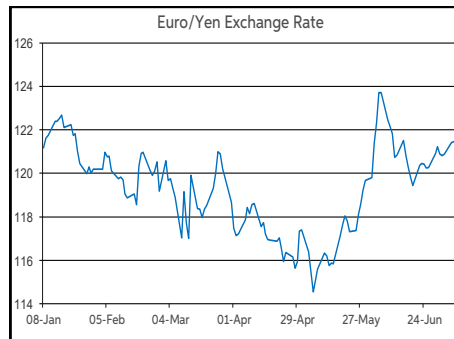
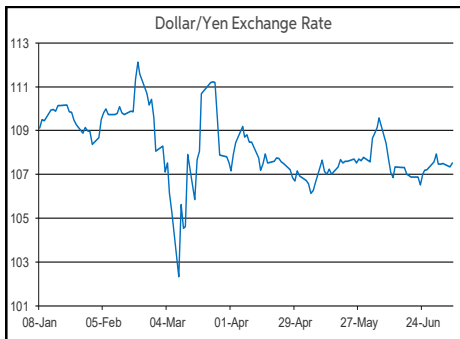
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

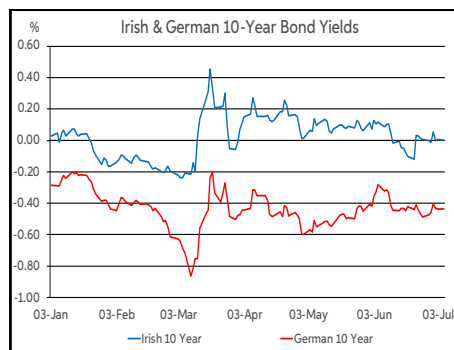
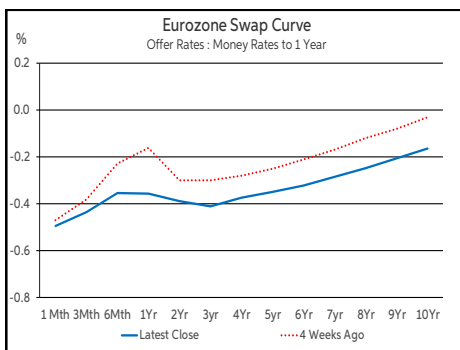
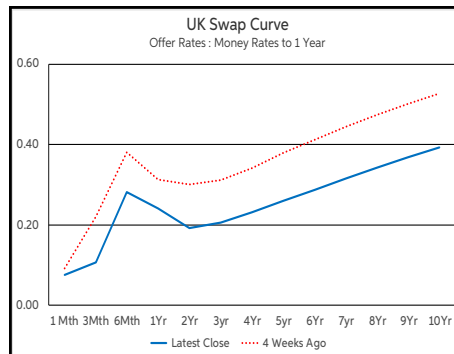
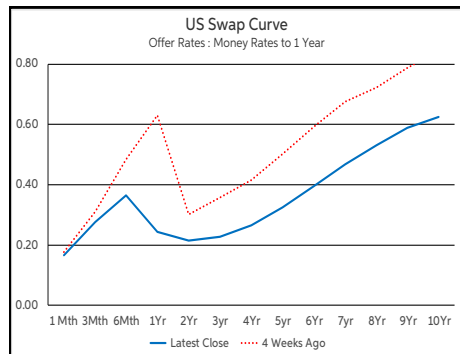
Tuesday 07 July 2020
07:52 am



Euro		Sterling		Dollar	
EUR/GBP	0.9041	GBP/EUR	1.1057	USD/JPY	107.52
EUR/USD	1.1297	GBP/USD	1.2494	USD/CAD	1.3565
EUR/JPY	121.46	GBP/CAD	1.6947	USD/CHF	0.9427
EUR/SEK	10.4635	GBP/NZD	1.9093	USD/CNY	7.0189
EUR/DKK	7.4515	GBP/JPY	134.34	USD/BRL	5.3542
EUR/NOK	10.644	GBP/SEK	11.5737	USD/RUB	71.8362
EUR/CHF	1.0651	GBP/DKK	8.2406	USD/INR	74.83
EUR/AUD	1.6254	GBP/NOK	11.7665	AUD/USD	0.6948
EUR/HKD	8.7539	GBP/CHF	1.1779	NZD/USD	0.6541
EUR/CAD	1.5322	GBP/AUD	1.7976		



	Close	Change bps		
		Day	4 Weeks	End 19
10 Year Yield %				
US	0.68	+1	-20	-124
Germany	-0.43	+0	-11	-25
UK	0.20	+1	-13	-62
Ireland	0.02	-1	-12	-10
Belgium	-0.13	-1	-17	-23
France	-0.12	-1	-16	-24
Italy	1.31	-2	-10	-12
Spain	0.43	-3	-13	-4
Portugal	0.42	-2	-11	-2
Greece	1.19	+1	-21	-26
5 Year Swap %				
US	0.32	+2	-14	-138
Eurozone	-0.35	-0	-9	-23
UK	0.26	+1	-10	-62
2 Year Swap %				
US	0.21	+1	-8	-145
Eurozone	-0.39	+0	-8	-9
UK	0.19	+0	-10	-60
10 Year Government Bond Spreads to Benchmark bps				
Ireland	45	-1	-1	+14
Belgium	30	-1	-6	+2
France	32	-1	-5	+1
Italy	174	-2	+2	+13
Spain	86	-3	-2	+21
Portugal	86	-2	+0	+22
Greece	163	+1	-10	-2



	Commodities			
	% Change			
	Close	Day	4 Weeks	End 19
Brent Oil	43.1	+0.70	+5.64	-34.70
West Texas Oil	40.51	-0.15	+6.13	-33.74
Gold \$	1783.6	+0.49	+5.25	+17.57

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