

Dollar lower on dovish Fed speakers

There was a mixed tone to risk appetite yesterday. Equities came under some downward pressure in the Eurozone, with the main indices falling by between 0.5-1.5%. Across the Atlantic, the S&P 500 gained circa 0.8% on the day.

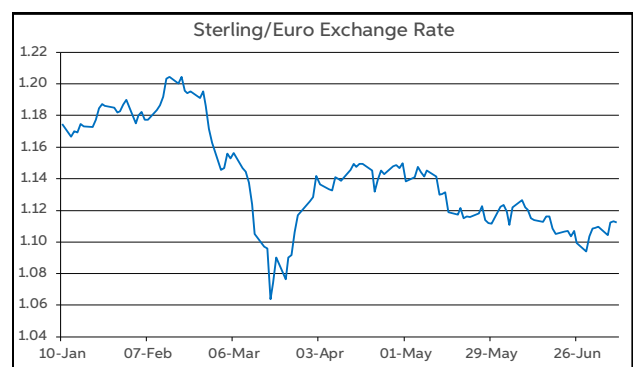
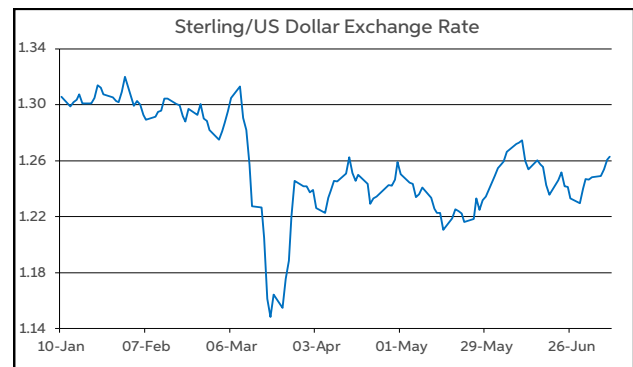
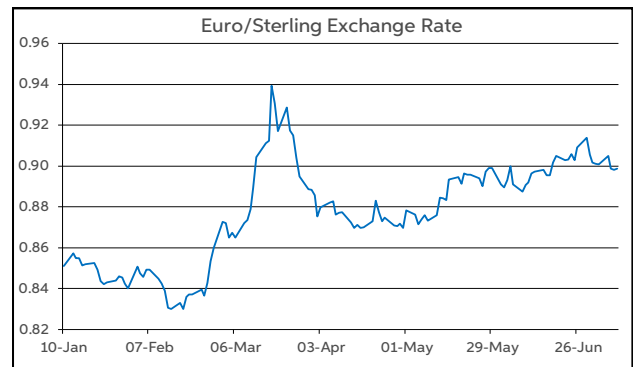
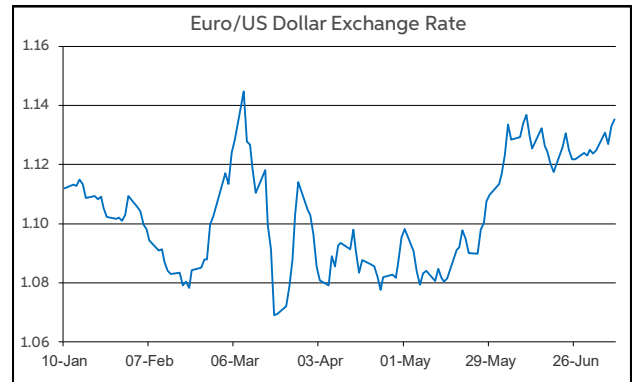
Meanwhile, the day's macro highlight, the summer economic statement in the UK, had limited impact on sterling. Chancellor of the Exchequer Sunak announced an additional £30bn of stimulus measures in order to aid the nascent economic recovery. This brings the total UK direct fiscal response to the virus to £166bn (7.4% of GDP).

Of the limited action to register on currency markets, the dollar lost some ground yesterday. Dovish comments from a number of Fed speakers may have acted as a headwind. This is reflected in EUR/USD opening this morning back up at the \$1.135 mark. At the same time, GBP/USD is trading up close to the \$1.26 level. Meantime, EUR/GBP continues to operate just below 90p.

Turning to the day ahead, there is once again a very subdued look to the global macro data schedule. Indeed, the only release of any note is the latest set of initial weekly jobless claims figures in the US. They will be looked to for evidence of how the re-imposition of Covid-19 related restrictions in parts of the South and the West are impacting the labour market.

Overall, though, it's unlikely that the release will generate much of a reaction in the dollar, barring a major surprise. As a result we could be in for another quiet session on forex markets. It is likely to be the case that moves in the main pairs, if any, will be as a result of shifts in risk sentiment.

Conor Beakey, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.1355	0.71	1.29
EUR/GBP	0.8989	0.11	6.33
GBP/USD	1.2632	0.62	-4.73
GBP/EUR	1.1124	-0.11	-5.95
USD/JPY	107.23	-0.26	-1.27
EUR/JPY	121.75	0.43	-0.07

* 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	0.19	0.27	0.24	0.24	0.32
EUR	0.00	-0.51	-0.44	-0.36	-0.38	-0.34
GBP	0.10	0.08	0.12	0.21	0.18	0.24

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

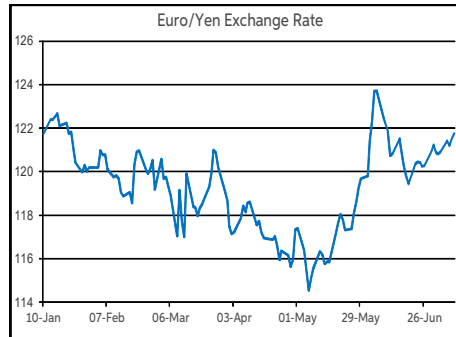
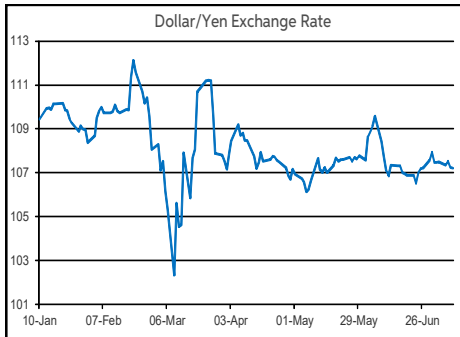
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

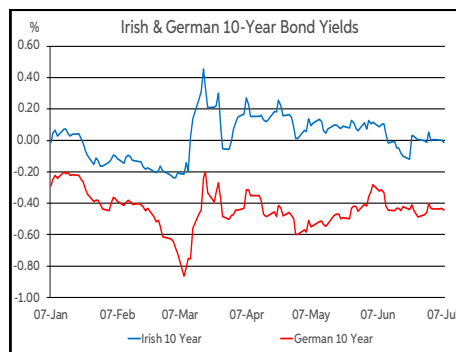
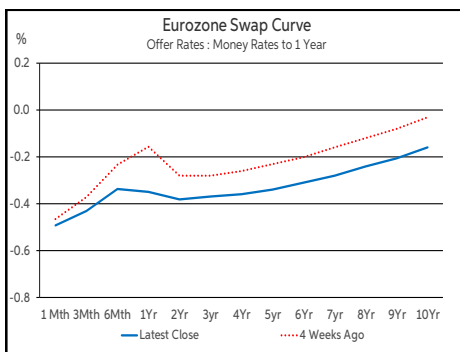
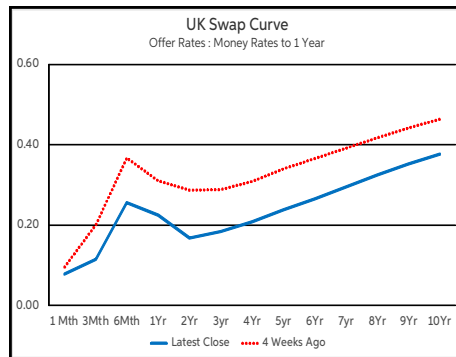
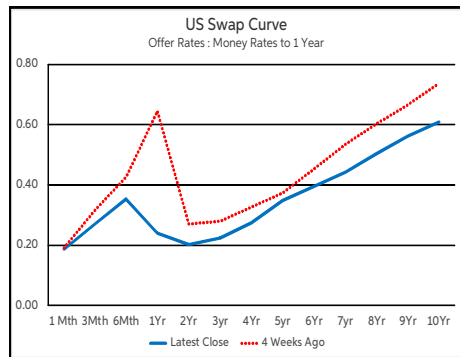
Thursday 09 July 2020
07:18 am



Euro		Sterling		Dollar	
EUR/GBP	0.8989	GBP/EUR	1.1124	USD/JPY	107.23
EUR/USD	1.1355	GBP/USD	1.2632	USD/CAD	1.3512
EUR/JPY	121.75	GBP/CAD	1.7067	USD/CHF	0.9366
EUR/SEK	10.406	GBP/NZD	1.9199	USD/CNY	6.9885
EUR/DKK	7.4497	GBP/JPY	135.45	USD/BRL	5.3422
EUR/NOK	10.6417	GBP/SEK	11.5726	USD/RUB	71.029
EUR/CHF	1.0636	GBP/DKK	8.287	USD/INR	75.0025
EUR/AUD	1.6269	GBP/NOK	11.8359	AUD/USD	0.6978
EUR/HKD	8.7988	GBP/CHF	1.1832	NZD/USD	0.6576
EUR/CAD	1.5336	GBP/AUD	1.8098		



Debt Markets				
	Close	Day	4 Weeks	End 19
10 Year Yield %				
US	0.67	+3	-7	-125
Germany	-0.44	-1	-11	-25
UK	0.18	+0	-9	-64
5 Year Swap %				
US	0.35	+4	-2	-136
Eurozone	-0.34	+1	-10	-22
UK	0.24	-0	-9	-64
2 Year Swap %				
US	0.20	+1	-3	-146
Eurozone	-0.38	+0	-9	-8
UK	0.17	-1	-11	-63
10 Year Government Bond Spreads to Benchmark bps				
Ireland	44	-1	-2	+13
Belgium	30	-0	-10	+1
France	31	-1	-10	-0
Italy	171	-0	-13	+10
Spain	86	+0	-16	+20
Portugal	86	+0	-12	+22
Greece	156	+0	-15	-8



Commodities				
	Close	Day	4 Weeks	End 19
Brent Oil	43.29	+0.49	+3.74	-34.41
West Texas Oil	40.91	+0.79	+3.46	-33.09
Gold \$	1810.1	+0.88	+4.26	+19.32

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