

## Dollar softer, EUR/USD above \$1.13

One of the standout features of the action on financial markets last week was the strong start to June from equity markets after a weak May. The improvement in investor sentiment coincided with dovish tones emanating from both the Fed and ECB. At the close on Wall Street Friday, the S&P 500 was up around 4% on the week.

From a currency viewpoint, the dollar was on the defensive. The dovish tone emanating from a number of Fed speakers, including Chair Powell, reinforced the market view that the next moves from the Fed would be rate cuts and soon. Friday's weaker than expected payroll data for May added even more credence to this view. For the euro, while the ECB did sound more dovish, the extent of this was not to the degree that markets had been expecting. As a result, the euro was slightly higher following the ECB meeting.

Overall then, as trading gets underway this morning, the softer dollar tone is reflected in EUR/USD above the \$1.13 mark and GBP/USD up at \$1.27. Elsewhere, EUR/GBP is changing hands up at the 89p threshold.

Ahead this week, from a sterling viewpoint, it is a busy data week in the UK. This includes monthly GDP, a raft of labour market updates and industrial production. Meanwhile, the first round of voting in the Conservative party leadership contest gets underway and could provide some headline risk for sterling.

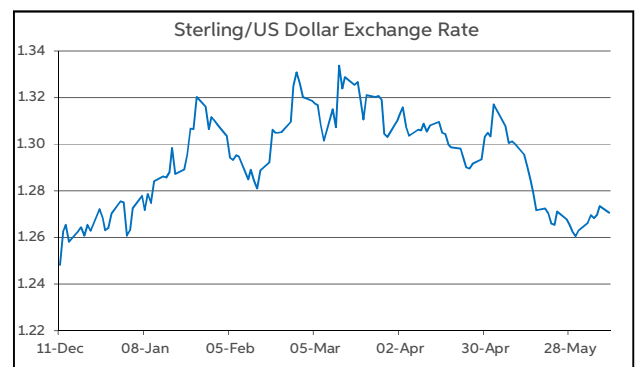
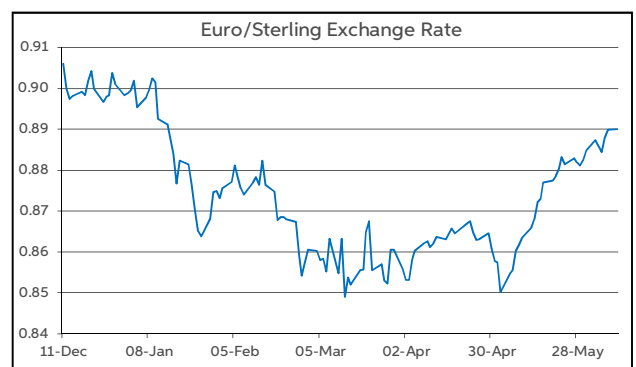
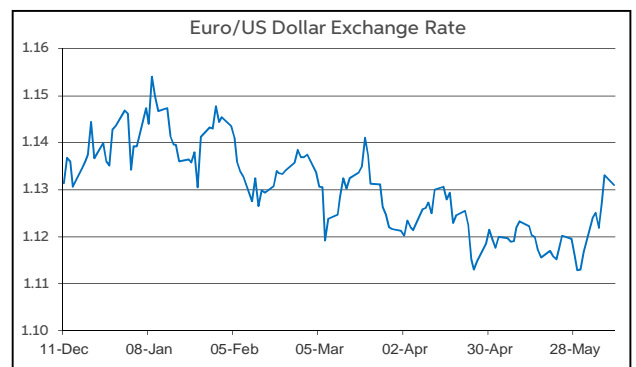
For the dollar, the main releases of note this week are CPI, retail sales and consumer sentiment. If the data add to the view that Fed could soon cut rates, then the dollar may remain on the back foot. In the Eurozone, the macro diary is very quiet. Therefore, any moves in the currency may be driven by the non-euro side.

**John Fahey, Senior Economist, AIB**

Today's Opening Rates			
		% Change	
		Day *	End 2018
EUR/USD	1.131	0.39	-1.39
EUR/GBP	0.8901	0.30	-0.92
GBP/USD	1.2706	0.09	-0.40
GBP/EUR	1.1233	-0.30	0.93
USD/JPY	108.62	0.14	-0.86
EUR/JPY	122.85	0.52	-2.28

\* v Previous Day's European Open

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Opening Interest Rates						
	Base Rate	Short Term			Long Term	
		1-Mth	3-Mth	12-Mth	2-Yr	5-Yr
USD	2.375	2.41	2.45	2.35	1.95	1.93
EUR	0.00	-0.38	-0.32	-0.18	-0.30	-0.14
GBP	0.75	0.72	0.78	0.98	0.81	0.86

Equity Indices				
	Latest Close	% Changes		
		on Day	End 2018 to Date	
Dow Jones	25983.94	+1.02	+11.39	
S&P 500	2873.34	+1.05	+14.62	
FTSE 100	7331.94	+0.99	+8.97	
DJ Stoxx 50	3378.38	+1.20	+12.56	
ISEQ	6178.39	+0.84	+12.75	
Nikkei	21134.42	+1.20	+5.59	

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

Monday 10 June 2019  
07:25 am



## Euro

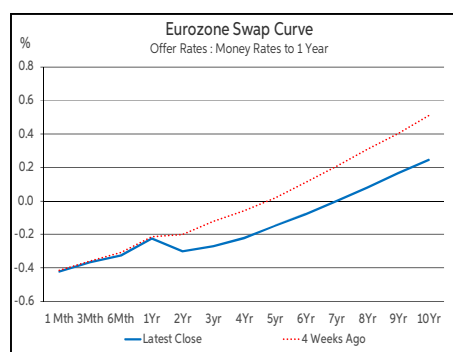
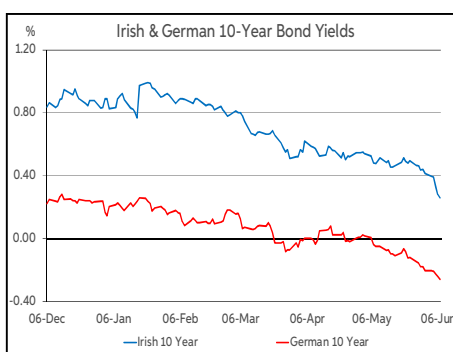
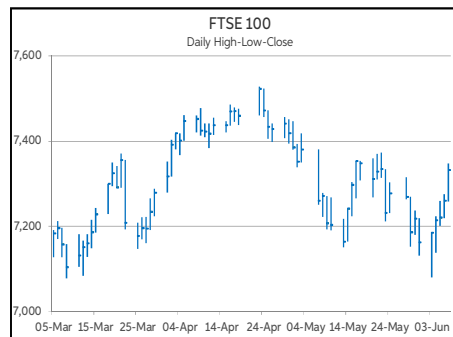
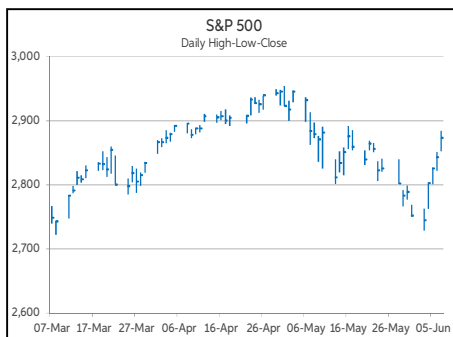
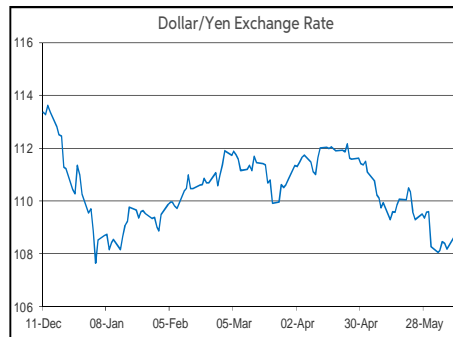
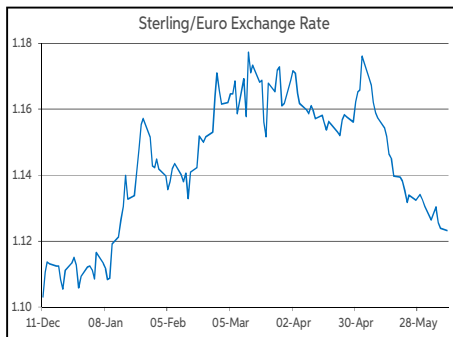
EUR/GBP	0.8901
EUR/USD	1.131
EUR/JPY	122.85
EUR/SEK	10.6398
EUR/DKK	7.4681
EUR/NOK	9.7591
EUR/CHF	1.1202
EUR/AUD	1.6226
EUR/HKD	8.8695
EUR/CAD	1.4996

## Sterling

GBP/EUR	1.1233
GBP/USD	1.2706
GBP/CAD	1.6849
GBP/NZD	1.9158
GBP/JPY	138.01
GBP/SEK	11.9533
GBP/DKK	8.389
GBP/NOK	10.9627
GBP/CHF	1.2585
GBP/AUD	1.8227

## Dollar

USD/JPY	108.62
USD/CAD	1.3258
USD/CHF	0.9903
USD/CNY	6.9308
USD/BRL	3.8773
USD/RUB	64.828
USD/INR	69.46
AUD/USD	0.6969
NZD/USD	0.6631



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 18
<b>10 Year Yield %</b>				
US	2.08	-4	-39	-60
Germany	-0.26	-2	-21	-50
UK	0.81	-1	-31	-46
Ireland	0.26	-2	-25	N/A
Belgium	0.15	-3	-28	-61
France	0.08	-3	-26	-62
Italy	2.34	-13	-34	-37
Spain	0.54	-6	-43	-87
Portugal	0.61	-6	-49	-110
Greece	2.78	-10	-70	-152
<b>5 Year Swap %</b>				
US	1.84	-5	-44	-72
Eurozone	-0.15	-2	-17	-38
UK	0.86	-3	-31	-46
<b>2 Year Swap %</b>				
US	1.88	-4	-48	-76
Eurozone	-0.30	-2	-10	-16
UK	0.79	-2	-21	-37
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	52	-0	-4	N/A
Belgium	41	-1	-7	-11
France	34	-1	-5	-13
Italy	260	-11	-13	+12
Spain	80	-4	-22	-37
Portugal	87	-4	-28	-60
Greece	304	-9	-49	-102

Commodities				
	Close	% Change		
		Day	4 Weeks	End 18
Brent Oil	63.29	+2.63	-10.38	+17.64
West Texas Oil	53.95	+2.59	-12.49	+19.49
CRB - All Commodity	174.42	+0.32	-2.54	+2.72
CRB - Food	349.54	-1.04	+3.15	+7.81
Gold \$	1341.1	+0.36	+4.25	+4.54

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