

Cautious mood returns to markets

There was a more cautious mood to investor sentiment yesterday. However, there was no overly negative data or newsflow driving this. Instead it may have been a case of some profit taking and markets pausing for breath after a strong rally recently.

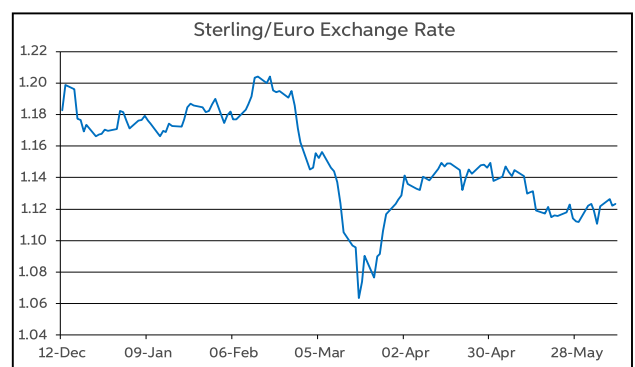
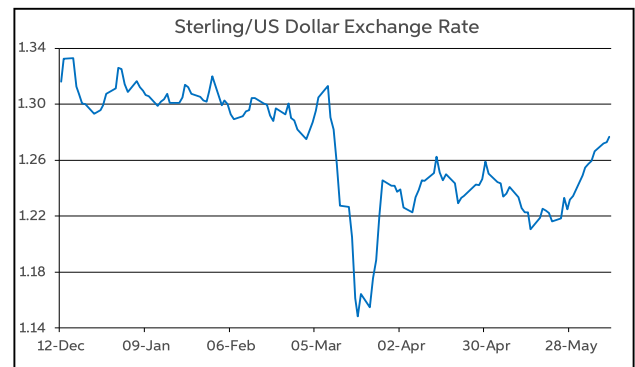
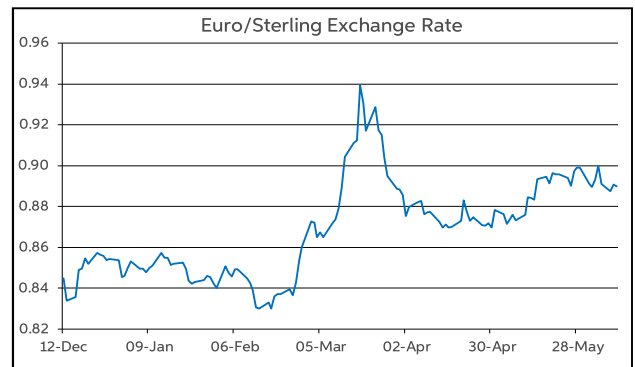
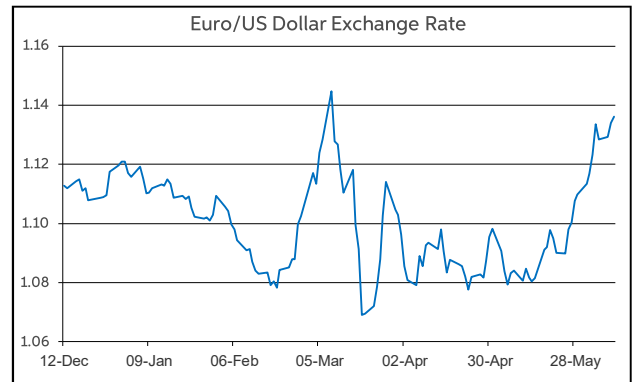
This 'risk-off' tone was evident on equity markets. In Europe, most of the main indices fell by at least 1%, with the Euro Stoxx 50 down 1.4%. At the close on Wall Street last night, the S&P 500 was down 0.8% on the day. On bond markets, amid the more risk averse tone, the 10-year US treasury yield fell by around 5bps. Meanwhile, the launch of a new Irish government bond attracted very strong demand.

Currency-wise, of the limited moves to register over the past 24 hours, the dollar has been generally holding a softer tone. It has lost ground against a raft of currencies. At the same time, the euro has made some gains on the exchanges.

In level terms, the softer tone to the dollar sees EUR/USD open this morning up in \$1.13 territory, at \$1.136. Meantime, GBP/USD has moved into the upper half of the \$1.27-1.28 band. Elsewhere, EUR/GBP has edged higher, with the pair changing hands this morning up near to the 89p threshold.

Today, the macro highlight is the conclusion of the Fed policy meeting for June (after the close in Europe). Given that the fed funds rate is effectively at zero and the central bank is essentially implementing unlimited QE, no policy changes are expected today. Therefore, if the meeting finishes as envisaged, it is unlikely to prompt much of a reaction from the dollar. Meanwhile, the respective macro calendars for the euro and sterling are sparse.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.1364	0.71	1.37
EUR/GBP	0.8898	0.17	5.25
GBP/USD	1.2767	0.53	-3.71
GBP/EUR	1.1232	-0.17	-4.99
USD/JPY	107.46	-0.47	-1.06
EUR/JPY	122.14	0.25	0.25

* 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	0.31	0.30	0.30	0.45
EUR	0.00	-0.48	-0.37	-0.28	-0.29	-0.24
GBP	0.10	0.10	0.20	0.31	0.30	0.39

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

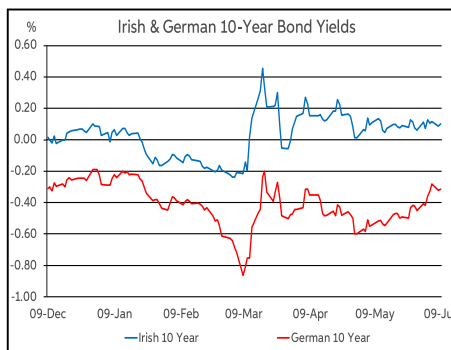
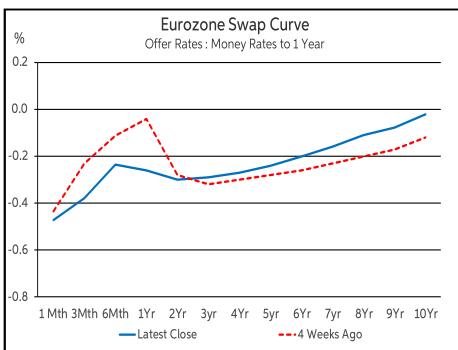
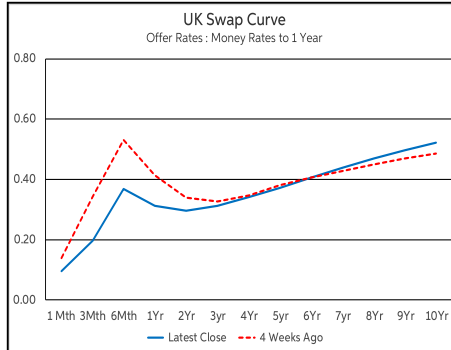
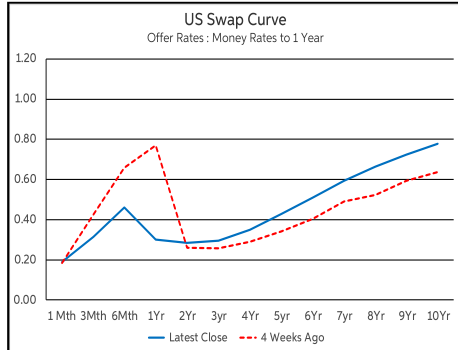
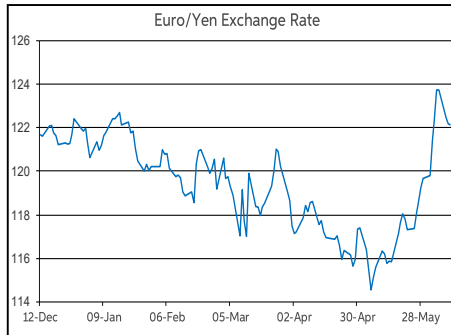
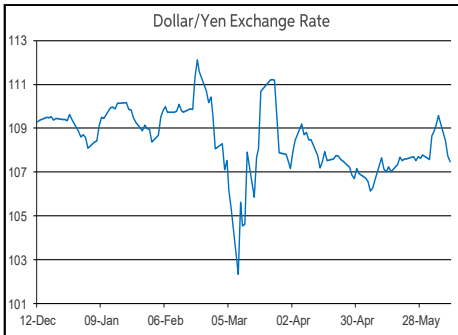
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		Equity Options	Gary Luff				

Opening Levels

Wednesday 10 June 2020
07:20 am



Euro		Sterling		Dollar	
EUR/GBP	0.8899	GBP/EUR	1.1232	USD/JPY	107.47
EUR/USD	1.1363	GBP/USD	1.2767	USD/CAD	1.3374
EUR/JPY	122.12	GBP/CAD	1.7075	USD/CHF	0.9489
EUR/SEK	10.419	GBP/NZD	1.9476	USD/CNY	7.0686
EUR/DKK	7.4548	GBP/JPY	137.18	USD/BRL	4.8998
EUR/NOK	10.4758	GBP/SEK	11.7002	USD/RUB	68.4225
EUR/CHF	1.0785	GBP/DKK	8.3741	USD/INR	75.433
EUR/AUD	1.6238	GBP/NOK	11.767	AUD/USD	0.6997
EUR/HKD	8.8058	GBP/CHF	1.2116	NZD/USD	0.6553
EUR/CAD	1.5198	GBP/AUD	1.8239		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 19
10 Year Yield %				
US	0.82	-5	+16	-110
Germany	-0.31	+1	+20	-12
UK	0.34	+0	+9	-49
Ireland	0.15	+1	+1	+3
Belgium	0.07	+3	+1	-3
France	0.07	+3	+10	-5
Italy	1.46	+6	-43	+4
Spain	0.65	+9	-22	+18
Portugal	0.60	+6	-33	+15
Greece	1.46	+6	-69	+1
5 Year Swap %				
US	0.43	-4	+9	-128
Eurozone	-0.24	+2	+5	-12
UK	0.37	+1	+1	-50
2 Year Swap %				
US	0.28	-1	+3	-138
Eurozone	-0.30	+1	-1	-0
UK	0.30	+1	-3	-50
10 Year Government Bond Spreads to Benchmark bps				
Ireland	46	+1	-19	+16
Belgium	38	+2	-19	+9
France	39	+2	-10	+8
Italy	177	+5	-63	+16
Spain	96	+8	-42	+30
Portugal	91	+6	-52	+28
Greece	178	+5	-88	+13

Commodities				
	% Change			
	Close	Day	4 Weeks	End 19
Brent Oil	41.18	+0.93	+37.36	-37.61
West Texas Oil	38.98	+2.12	+51.32	-36.24
Gold \$	1714.3	+1.16	+0.72	+13.01

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