

EUR/USD retains the \$1.13 level

The main macro highlight yesterday, the Fed meeting for June, concluded as expected, with no changes to policy. The updated interest rate projections suggest the Fed does not envisage increasing interest rates till at least 2023. Fed Chair Powell emphasised the need to maintain a very accommodative stance to monetary policy. The Fed gave a generally downbeat assessment for the economic outlook.

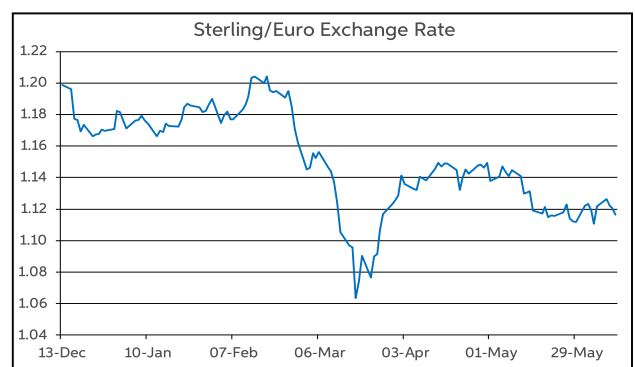
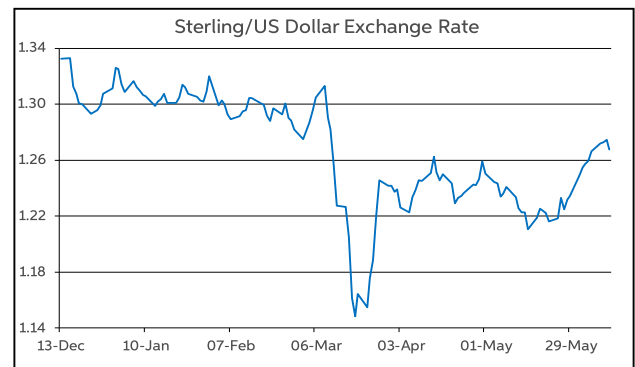
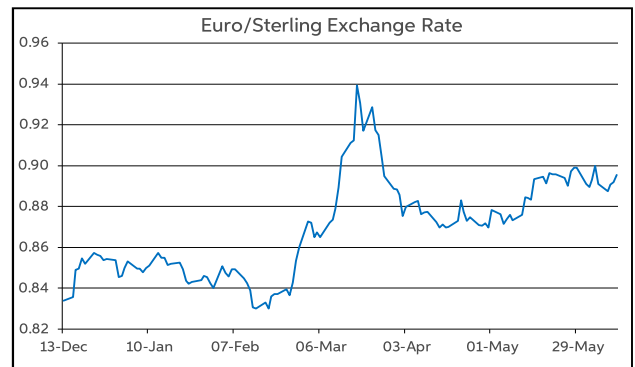
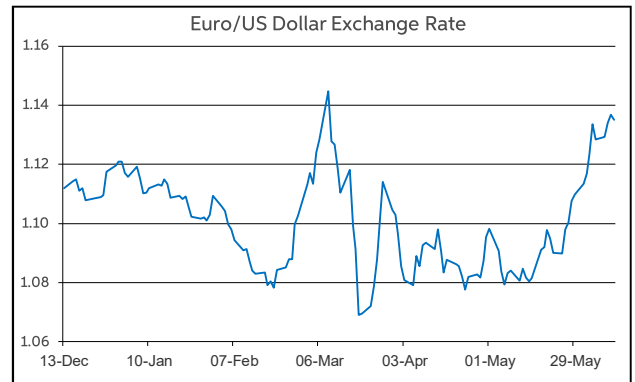
This combined with concerns over a possible 'second wave' of Covid-19 in the US has seen investor sentiment remain on the defensive. At the closing bell on Wall Street last night, the S&P 500 fell by a modest 0.5%. Overnight in Asia-Pacific trading, this risk-off tone has gathered momentum, with the Nikkei down by nearly 3%.

From a currency viewpoint, given the lack of surprises from the Fed, there was no major directional impact on the dollar. Of the limited FX action to register over the past 24 hours, sterling is marginally weaker, not helped by Brexit related newsflow. Meanwhile, the yen has made some gains amid the more risk averse overnight trading conditions.

In level terms, the slightly softer sterling tone is reflected in EUR/GBP opening this morning back above 89p and GBP/USD back below \$1.27. Meanwhile, EUR/USD has retained its hold on the \$1.13 threshold, trading as high as \$1.142 at one stage yesterday.

Ahead today, the respective macro diaries for the euro and sterling are quiet. Meantime, from a dollar perspective, the main release of note is the weekly jobless claims figures. This data will be looked to for further signs of improvement in the US labour market. Overall though, barring a major surprise, dollar impact may be limited.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.135	0.08	1.25
EUR/GBP	0.8952	0.58	5.89
GBP/USD	1.2675	-0.51	-4.40
GBP/EUR	1.1163	-0.58	-5.56
USD/JPY	107.06	-0.44	-1.43
EUR/JPY	121.52	-0.37	-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	0.32	0.28	0.28	0.40
EUR	0.00	-0.49	-0.36	-0.26	-0.30	-0.26
GBP	0.10	0.10	0.20	0.30	0.29	0.34

All rates quoted are indicative market rates

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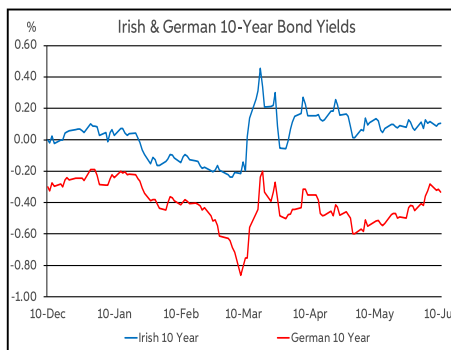
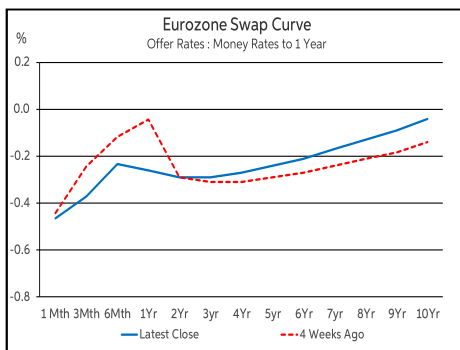
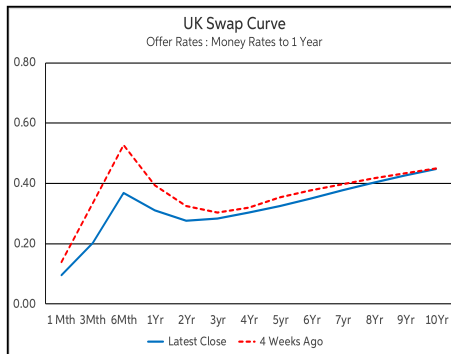
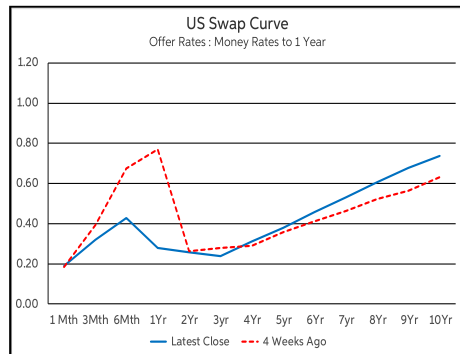
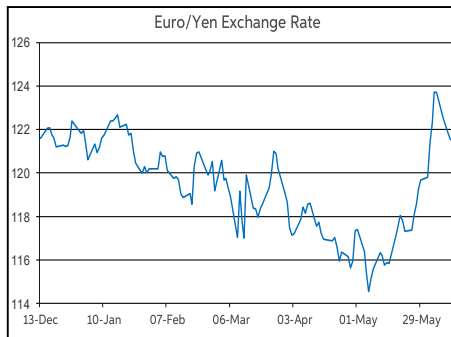
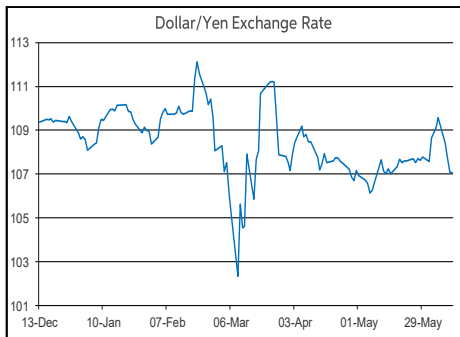
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		Equity Options	Gary Luff				

Opening Levels

Thursday 11 June 2020
07:21 am



Euro		Sterling		Dollar	
EUR/GBP	0.8955	GBP/EUR	1.1163	USD/JPY	107.06
EUR/USD	1.1351	GBP/USD	1.2675	USD/CAD	1.3479
EUR/JPY	121.53	GBP/CAD	1.7084	USD/CHF	0.9442
EUR/SEK	10.4791	GBP/NZD	1.9516	USD/CNY	7.0721
EUR/DKK	7.4551	GBP/JPY	135.7	USD/BRL	4.9737
EUR/NOK	10.657	GBP/SEK	11.6934	USD/RUB	68.996
EUR/CHF	1.0721	GBP/DKK	8.3243	USD/INR	75.78
EUR/AUD	1.6383	GBP/NOK	11.896	AUD/USD	0.6928
EUR/HKD	8.7968	GBP/CHF	1.1973	NZD/USD	0.6492
EUR/CAD	1.53	GBP/AUD	1.8294		



Debt Markets				
	Close	Day	4 Weeks	End 19
10 Year Yield %				
US	0.74	-9	+8	-118
Germany	-0.33	-2	+20	-14
UK	0.27	-7	+6	-56
Ireland	0.13	-2	+2	+1
Belgium	0.07	+0	+3	-3
France	0.08	+0	+12	-4
Italy	1.51	+5	-29	+9
Spain	0.69	+4	-13	+22
Portugal	0.65	+5	-21	+20
Greece	1.39	-8	-71	-7
5 Year Swap %				
US	0.38	-6	+6	-133
Eurozone	-0.24	-0	+6	-12
UK	0.32	-5	-2	-55
2 Year Swap %				
US	0.26	-1	+0	-140
Eurozone	-0.29	+1	+1	+1
UK	0.28	-2	-4	-52
10 Year Government Bond Spreads to Benchmark bps				
Ireland	46	-1	-18	+15
Belgium	40	+2	-16	+11
France	41	+2	-8	+10
Italy	184	+7	-49	+23
Spain	102	+6	-32	+36
Portugal	98	+7	-41	+35
Greece	171	-6	-91	+7

Commodities				
	Close	Day	4 Weeks	End 19
Brent Oil	41.73	+1.34	+42.96	-36.77
West Texas Oil	39.54	+1.44	+55.85	-35.33
Gold \$	1736.2	+1.28	+1.22	+14.45

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