

Markets take a breather

There was a less eventful day to the action on financial markets yesterday. Speculation of another fiscal stimulus package in the US did provide some support to risk appetite. Overall though, there was somewhat of a cautious mood to proceedings.

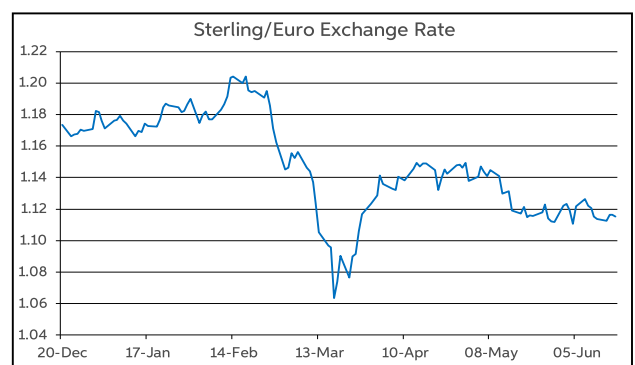
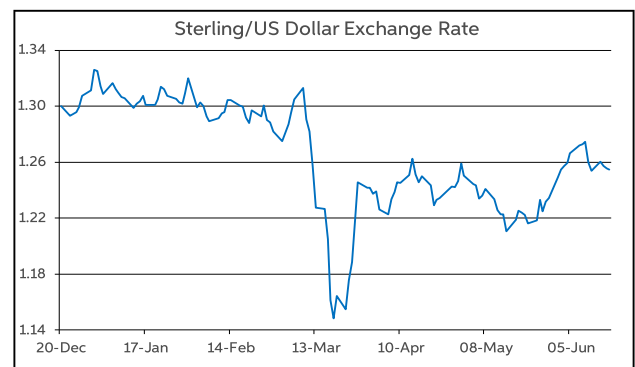
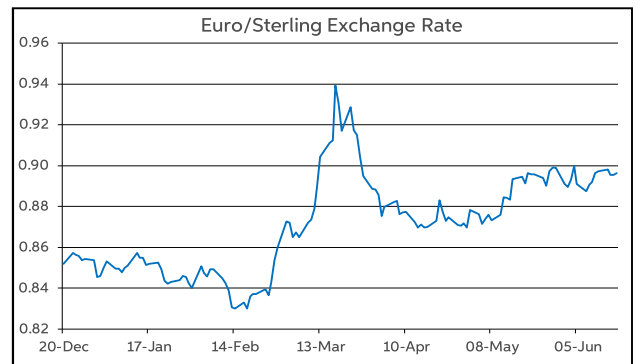
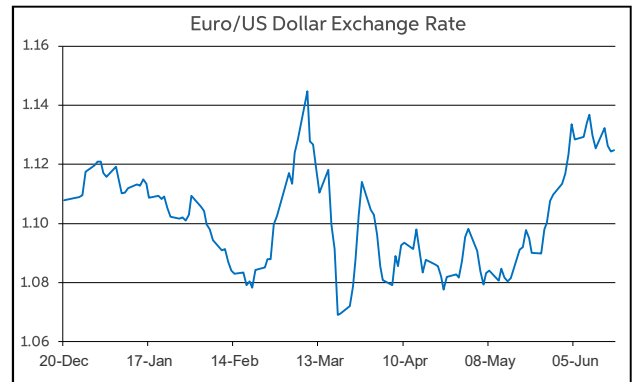
This was reflected in the mixed performance from the main equity indices. In Europe, the Euro Stoxx 50 finished the day up 0.8%. Meanwhile, at the close last night on Wall Street, the S&P 500 was nursing a modest loss of 0.4%.

On currency markets, the moves were confined to very narrow ranges. A quiet data calendar meant there was limited scope for any directional impact to the euro, dollar or sterling. As a result, the main pairs open this morning showing very little change from 24 hours earlier.

Of the limited action to occur over this period, the euro has been under some mild downward pressure against the dollar and sterling. In level terms, EUR/USD starts the European session at the midpoint of \$1.12-1.13, while EUR/GBP is trading just above 89.5p. Elsewhere, GBP/USD continues to change hands within the \$1.25-1.26 trading band.

Ahead today, there is event risk for sterling with the BoE policy setting meeting for June on the macro agenda. The consensus view is that there will be no change to the Bank rate, but the BoE will announce an expansion to its QE programme (£100bn). Of interest also will be what level of discussion there was within the MPC on the issue of negative rates in light of recent comments from Governor Bailey stating such a policy was under "active review".

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.1248	-0.20	0.34
EUR/GBP	0.8963	-0.11	6.02
GBP/USD	1.2547	-0.07	-5.37
GBP/EUR	1.1152	0.11	-5.68
USD/JPY	106.9	-0.29	-1.57
EUR/JPY	120.26	-0.48	-1.29

* 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	0.38
EUR	0.00	-0.48	-0.37	-0.32	-0.34	-0.30
GBP	0.10	0.09	0.17	0.24	0.22	0.28

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

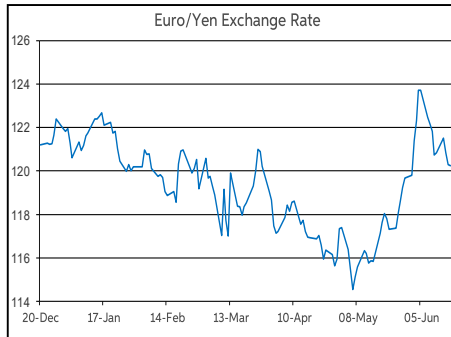
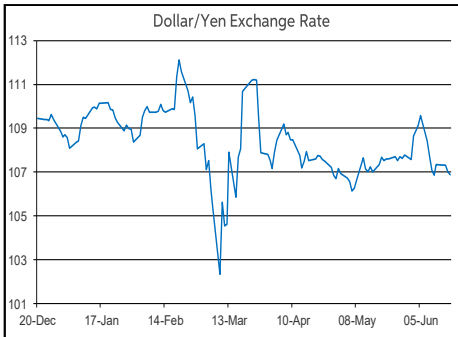
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

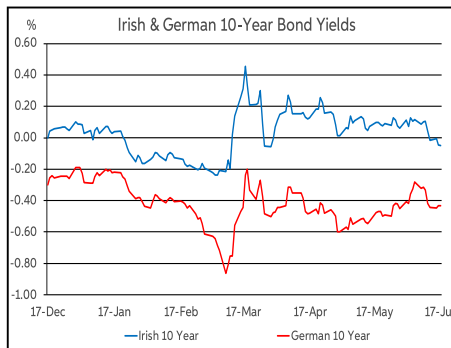
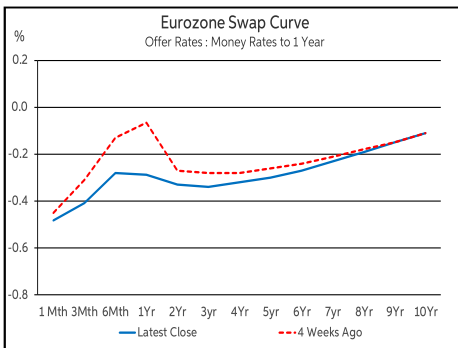
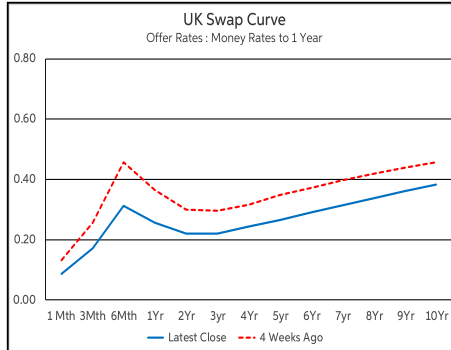
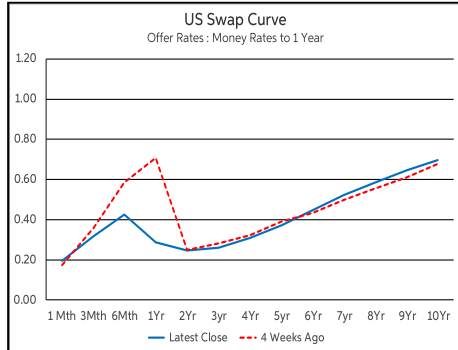
Thursday 18 June 2020
07:21 am



Euro		Sterling		Dollar	
EUR/GBP	0.8962	GBP/EUR	1.115	USD/JPY	106.9
EUR/USD	1.1248	GBP/USD	1.2546	USD/CAD	1.3563
EUR/JPY	120.25	GBP/CAD	1.7024	USD/CHF	0.9492
EUR/SEK	10.4897	GBP/NZD	1.9471	USD/CNY	7.0768
EUR/DKK	7.4559	GBP/JPY	134.13	USD/BRL	5.2287
EUR/NOK	10.7155	GBP/SEK	11.7028	USD/RUB	69.6282
EUR/CHF	1.068	GBP/DKK	8.3147	USD/INR	76.135
EUR/AUD	1.637	GBP/NOK	11.9461	AUD/USD	0.6871
EUR/HKD	8.7173	GBP/CHF	1.1913	NZD/USD	0.6442
EUR/CAD	1.5261	GBP/AUD	1.8259		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 19
10 Year Yield %				
US	0.73	-1	+4	-119
Germany	-0.43	+0	+4	-24
UK	0.19	-2	-4	-64
Ireland	-0.01	-0	-12	-13
Belgium	-0.05	+1	-9	-15
France	-0.05	-0	-2	-17
Italy	1.38	+1	-26	-5
Spain	0.57	+2	-16	+10
Portugal	0.56	+2	-21	+11
Greece	1.17	+3	-63	-28
5 Year Swap %				
US	0.37	-2	+2	-134
Eurozone	-0.30	-1	-3	-18
UK	0.27	-2	-7	-61
2 Year Swap %				
US	0.25	-0	+0	-141
Eurozone	-0.33	-1	-5	-3
UK	0.22	-2	-7	-57
10 Year Government Bond Spreads to Benchmark bps				
Ireland	42	-0	-16	+11
Belgium	37	+0	-13	+9
France	38	-1	-6	+7
Italy	180	+1	-30	+19
Spain	99	+2	-20	+34
Portugal	99	+1	-25	+35
Greece	160	+3	-67	-4



Commodities				
	% Change			
	Close	Day	4 Weeks	End 19
Brent Oil	40.71	-0.61	+13.87	-38.32
West Texas Oil	37.91	-0.91	+12.96	-37.99
Gold \$	1726.3	-0.04	-1.30	+13.80

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