

## Dollar holding the upper hand

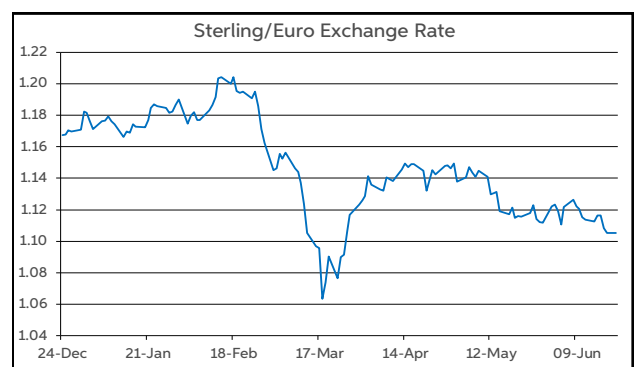
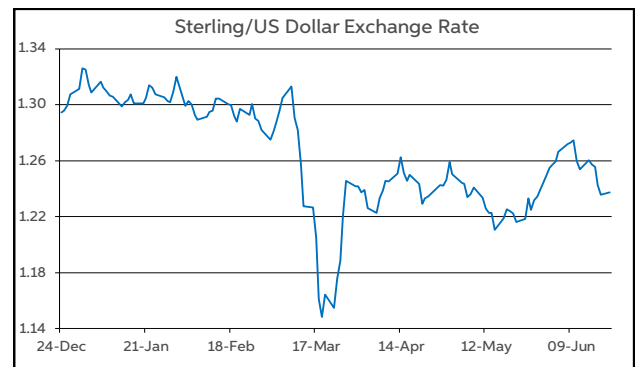
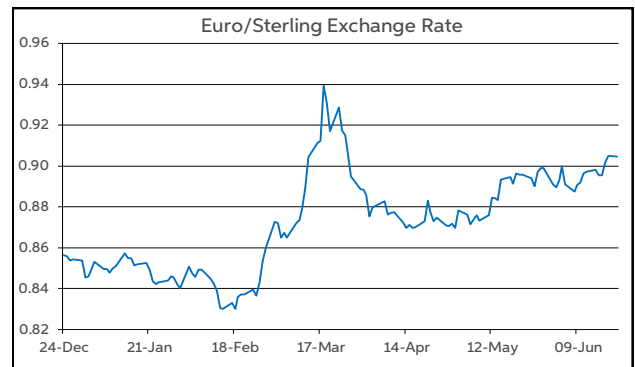
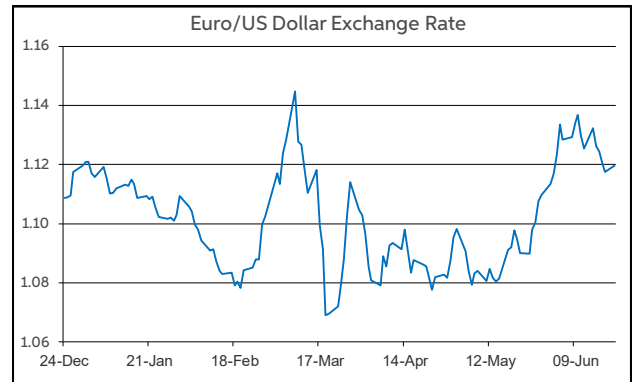
There was somewhat of a see-saw action to markets last week, with sentiment switching between 'risk-on' and 'risk off' at various stages. Overall though, the more bullish sentiment carried the week, with most of the main equity indices registering gains of 2-4% for the period. One supportive aspect to risk appetite was the generally better than forecast macro data, especially in relation to consumer spending. This included May retail sales figures from the US and UK. While still early days, the data suggests that economic activity may be rebounding at a quicker than expected pace.

Currency-wise, the action remained confined to relatively tight ranges. Sterling, though, did find itself under some downward pressure. This was despite a more upbeat tone from the BoE regarding the UK economy, as well as the aforementioned upside surprise to May retail sales. The euro also ended the week on the back foot against the dollar, with the greenback in the ascendancy.

So as the European trading week gets underway this morning, the softer sterling tone is evident in EUR/GBP opening near to the midpoint of 90-91p and GBP/USD below the \$1.24 threshold. Meanwhile, EUR/USD starts the week just below the \$1.12 mark.

Looking ahead to the coming days, a key focus of the macro diary will be the raft of survey data for June. The highlight is the flash PMIs from the US, Eurozone and UK. These will be looked to for further signs/insight that economic activity continues to improve heading into the second half of the year. From an FX perspective, we have not seen recently any significant directional influence from the macro diary. Therefore, unless there are major data surprises, the impact on the main FX pairs may remain relatively limited this week.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.1196	-0.14	-0.12
EUR/GBP	0.9046	0.28	7.00
GBP/USD	1.2377	-0.40	-6.65
GBP/EUR	1.1051	-0.28	-6.54
USD/JPY	106.89	0.04	-1.58
EUR/JPY	119.7	-0.08	-1.75

\* 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	0.27	0.27	0.37
EUR	0.00	-0.51	-0.41	-0.33	-0.35	-0.32
GBP	0.10	0.10	0.17	0.24	0.20	0.29

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

Monday 22 June 2020  
07:22 am



## Euro

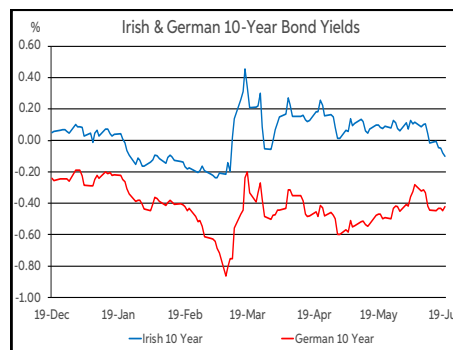
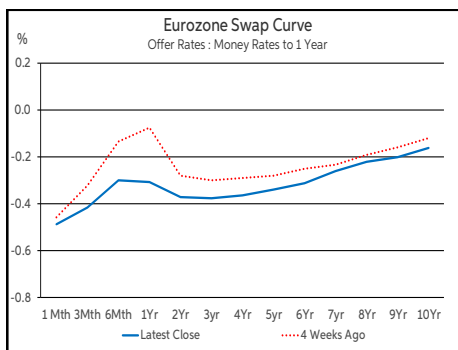
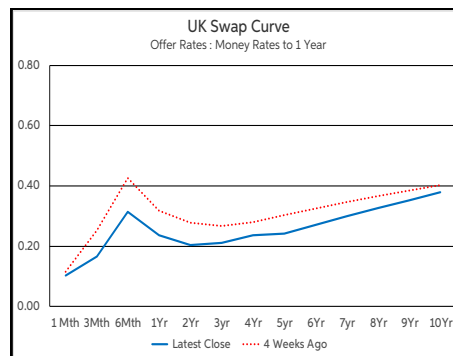
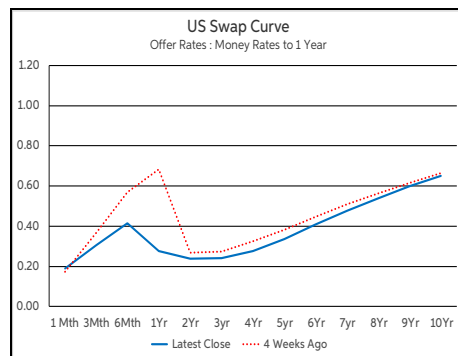
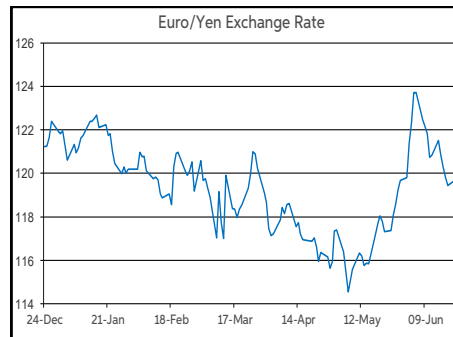
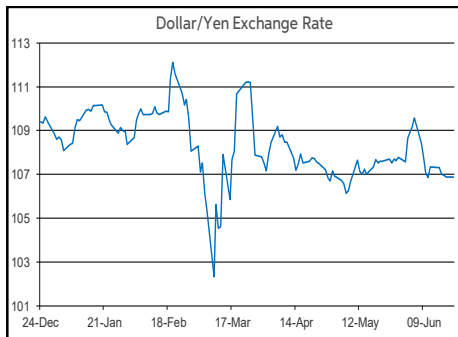
EUR/GBP	0.9046
EUR/USD	1.1196
EUR/JPY	119.7
EUR/SEK	10.5637
EUR/DKK	7.4556
EUR/NOK	10.7715
EUR/CHF	1.0649
EUR/AUD	1.6317
EUR/HKD	8.6771
EUR/CAD	1.5217

## Sterling

GBP/EUR	1.1051
GBP/USD	1.2377
GBP/CAD	1.6818
GBP/NZD	1.9246
GBP/JPY	132.3
GBP/SEK	11.6725
GBP/DKK	8.2399
GBP/NOK	11.9035
GBP/CHF	1.1768
GBP/AUD	1.8035

## Dollar

USD/JPY	106.89
USD/CAD	1.3589
USD/CHF	0.9509
USD/CNY	7.0788
USD/BRL	5.3105
USD/RUB	69.5565
USD/INR	76.112
AUD/USD	0.6858
NZD/USD	0.6427



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 19
<b>10 Year Yield %</b>				
US	0.69	-1	+4	-123
Germany	-0.42	+3	+7	-23
UK	0.23	+1	+6	-59
<b>5 Year Swap %</b>				
US	0.34	-3	-2	-137
Eurozone	-0.34	-3	-5	-22
UK	0.24	-2	-5	-64
<b>2 Year Swap %</b>				
US	0.24	-2	-0	-142
Eurozone	-0.37	-3	-8	-8
UK	0.20	-1	-6	-59
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	37	-3	-25	+7
Belgium	32	-4	-20	+4
France	32	-4	-13	+1
Italy	174	-5	-36	+12
Spain	92	-5	-27	+26
Portugal	93	-2	-30	+30
Greece	171	-6	-48	+6

Commodities				
	% Change			
	Close	Day	4 Weeks	End 19
Brent Oil	42.19	+1.64	+20.10	-36.08
West Texas Oil	39.72	+2.40	+18.60	-35.03
Gold \$	1742.8	+1.17	+0.51	+14.89

This publication is for information purposes and is not an invitation to deal. The information is believed to be reliable but is not guaranteed. Any expressions of opinions are subject to change without notice. This publication is not to be reproduced in whole or in part without prior permission. In the Republic of Ireland it is distributed by Allied Irish Banks, p.l.c. In the UK it is distributed by Allied Irish Banks, p.l.c. and Allied Irish Bank (GB). In Northern Ireland it is distributed by First Trust Bank. In the United States of America it is distributed by Allied Irish Banks, p.l.c. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland. Allied Irish Bank (GB) and First Trust Bank are trade marks used under licence by AIB Group (UK) p.l.c. (a wholly owned subsidiary of Allied Irish Banks, p.l.c.), incorporated in Northern Ireland. Registered Office 92 Ann Street, Belfast BT1 3HH. Registered Number NI018800. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In the United States of America, Allied Irish Banks, p.l.c., New York Branch, is a branch licensed by the New York State Department of Financial Services. Deposits and other investment products are not FDIC insured, they are not guaranteed by any bank and they may lose value. Please note that telephone calls may be recorded in line with market practice.