

## Cautious start to the week

There was a mixed tone to financial market sentiment at the beginning of the week yesterday. Covid-19 related headlines weighed on risk appetite. This included the WHO reporting that there was a record rise in global infections on Sunday, while concerns have emerged over the spread of the virus in southern US states. The main European indices generally struggled, with the Euro Stoxx 50 down 0.8%. However, Wall Street managed to close higher, with the S&P 500 up 0.6%.

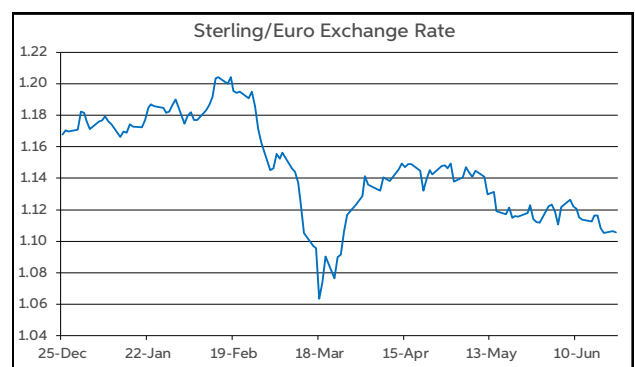
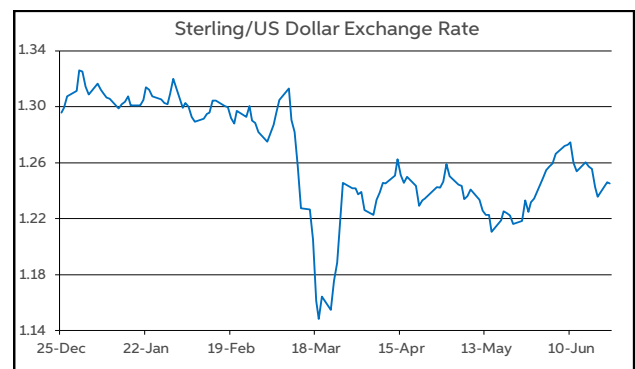
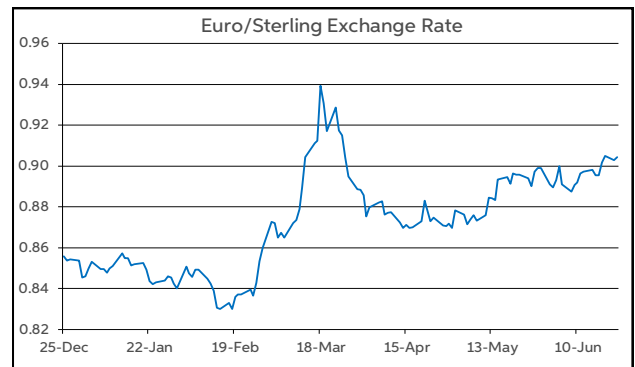
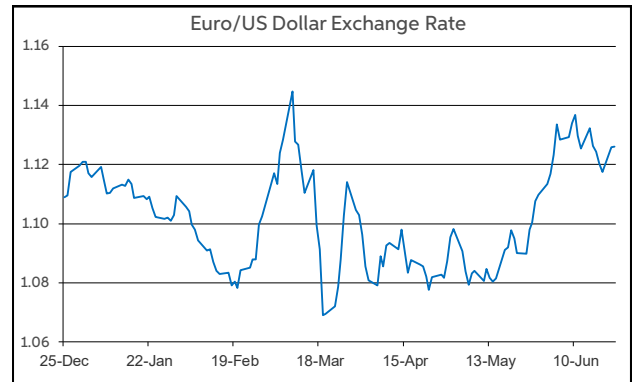
On the currency front, the dollar started the week holding a modestly softer tone. This was evident in it giving up some of its gains from last week against the euro and sterling. Concerns over the aforementioned increase in Covid-19 cases in the US may at the margin have been unhelpful to the dollar.

The slightly weaker dollar tone is reflected in EUR/USD opening this morning up at the midpoint of the \$1.12-1.13 band. At the same time, cable (GBP/USD) is changing hands back up in \$1.24 territory. Meantime, the action in EUR/GBP has been uneventful over the past 24 hours and the pair opens once again near 90.5p.

Today, the flash PMIs for June in the Eurozone, UK and US are the key macro highlights. The composite indices in the regions are expected to have continued to improve (albeit remaining at relatively low levels). Such an outcome would provide further tentative signs of a rebound in activity heading into the second half of the year.

However, barring a major surprise, the PMIs may not have much directional impact on forex markets. The main pairs have generally been largely unresponsive to the data results in recent weeks.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.1264	0.55	0.48
EUR/GBP	0.9043	0.01	6.97
GBP/USD	1.2452	0.52	-6.09
GBP/EUR	1.1053	-0.01	-6.51
USD/JPY	107.19	0.27	-1.31
EUR/JPY	120.73	0.81	-0.90

\* 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	0.18	0.30	0.27	0.28	0.37
EUR	0.00	-0.51	-0.41	-0.32	-0.37	-0.33
GBP	0.10	0.10	0.18	0.24	0.22	0.27

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

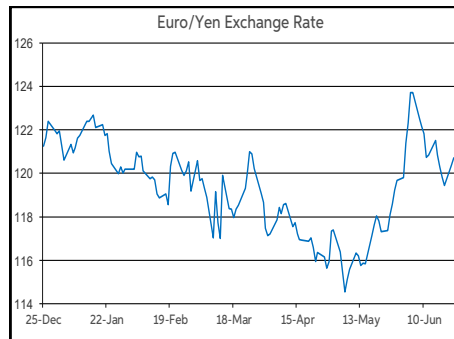
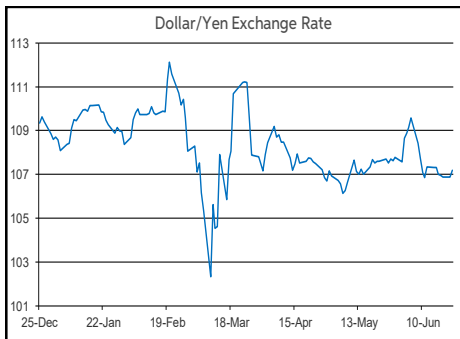
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

# Opening Levels

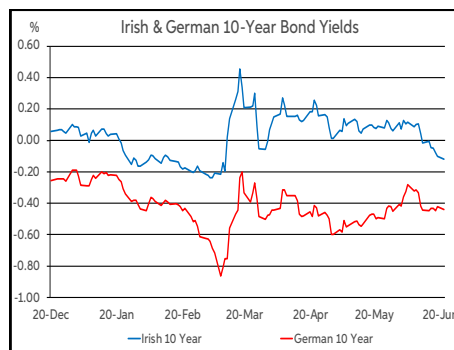
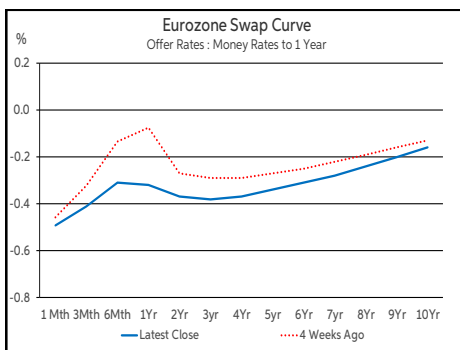
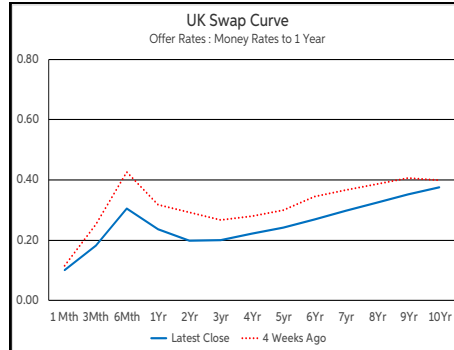
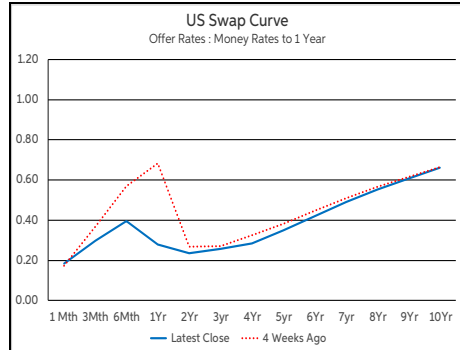
Tuesday 23 June 2020  
07:24 am



Euro		Sterling		Dollar	
EUR/GBP	0.9044	GBP/EUR	1.1054	USD/JPY	107.18
EUR/USD	1.1264	GBP/USD	1.2452	USD/CAD	1.3542
EUR/JPY	120.73	GBP/CAD	1.686	USD/CHF	0.9471
EUR/SEK	10.547	GBP/NZD	1.9236	USD/CNY	7.079
EUR/DKK	7.4536	GBP/JPY	133.49	USD/BRL	5.2532
EUR/NOK	10.822	GBP/SEK	11.6625	USD/RUB	69.0262
EUR/CHF	1.067	GBP/DKK	8.2404	USD/INR	75.752
EUR/AUD	1.6304	GBP/NOK	11.9614	AUD/USD	0.6908
EUR/HKD	8.7299	GBP/CHF	1.1797	NZD/USD	0.647
EUR/CAD	1.5249	GBP/AUD	1.8025		



Debt Markets				
	Close	Day	4 Weeks	End 19
<b>10 Year Yield %</b>				
US	0.71	+2	+5	-121
Germany	-0.44	-2	+6	-25
UK	0.20	-4	+2	-63
<b>5 Year Swap %</b>				
US	0.35	-1	-0	-136
Eurozone	-0.34	-2	-6	-22
UK	0.24	-2	-5	-64
<b>2 Year Swap %</b>				
US	0.24	-0	-0	-142
Eurozone	-0.37	-2	-9	-7
UK	0.20	-1	-5	-60
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	36	-2	-27	+5
Belgium	32	-1	-21	+3
France	32	-0	-13	+1
Italy	179	+5	-29	+18
Spain	90	-2	-29	+25
Portugal	94	+0	-28	+30
Greece	174	+4	-42	+10



Commodities				
	Close	Day	4 Weeks	End 19
Brent Oil	43.08	+2.11	+21.25	-34.73
West Texas Oil	40.6	+2.22	+21.23	-33.60
Gold \$	1754.5	+0.67	+1.46	+15.65

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