

PMIs offer positive signs for economic rebound

There was a generally positive tone to the proceedings on financial markets yesterday. This 'risk-on' mood was in evidence on stock markets, with the main equity indices registering gains. In Europe, the Euro Stoxx 50 increased by 1.8%. At the close on Wall Street last night, the S&P 500 was up around 0.5% on the day. Meanwhile, on the currency front, the dollar was under some slight downward pressure against this backdrop.

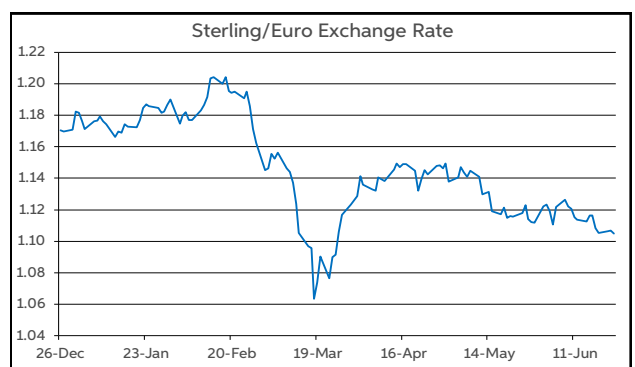
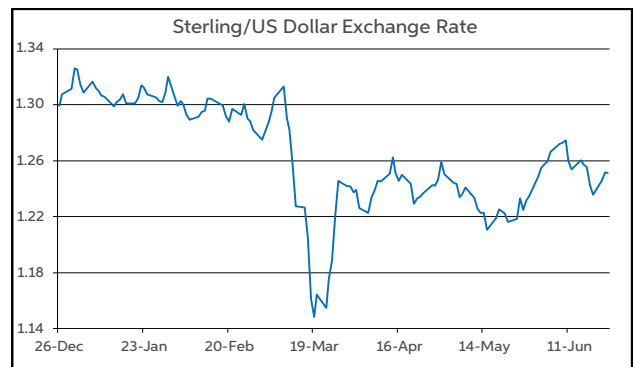
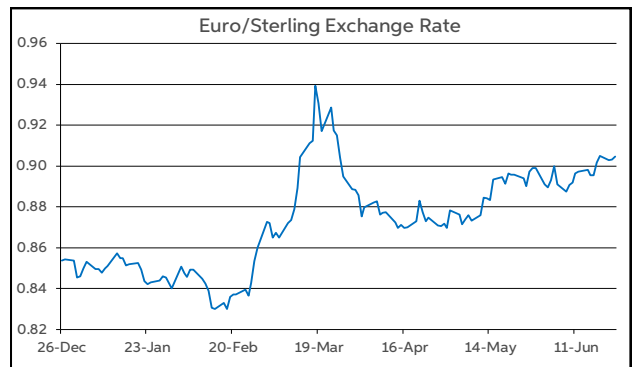
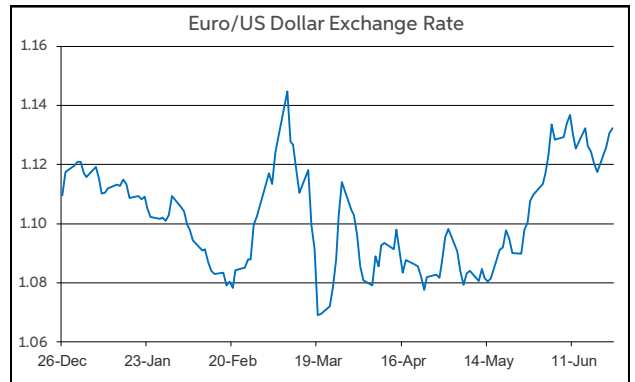
A key factor behind the strengthening in risk appetite was the forecast beating results from the flash readings of the June PMIs from the Eurozone, UK, and US. These leading indicators offer further encouraging signs that the rebound in economic activity may be happening at a quicker pace than previously envisaged.

The softer tone to the dollar was reflected in both the euro and sterling managing to eke out some further gains against the greenback. In level terms, EUR/USD regained the \$1.13 threshold. Similarly, GBP/USD has also moved higher, with the pair back up at the \$1.25 mark.

Meanwhile, the action in EUR/GBP has been once again largely uneventful over the past 24 hours. The pair continues to change hands in a relatively tight range around the midpoint of 90-91p.

Looking ahead to today, the macro data agenda is fairly sparse. We do get another important/timely survey indicator, with the German Ifo for June due. Given the consensus beating PMI data yesterday, the risk to the Ifo print are tilted to the upside. We also get updated economic forecasts from the IMF. From a currency perspective, the quiet data diary could see the main FX pairs confined to somewhat narrow ranges today.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.1321	0.54	0.99
EUR/GBP	0.9048	0.17	7.03
GBP/USD	1.2509	0.34	-5.66
GBP/EUR	1.1045	-0.17	-6.56
USD/JPY	106.58	-0.51	-1.87
EUR/JPY	120.67	0.02	-0.95

* 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	0.28	0.26	0.39
EUR	0.00	-0.51	-0.40	-0.34	-0.35	-0.31
GBP	0.10	0.10	0.17	0.23	0.22	0.27

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

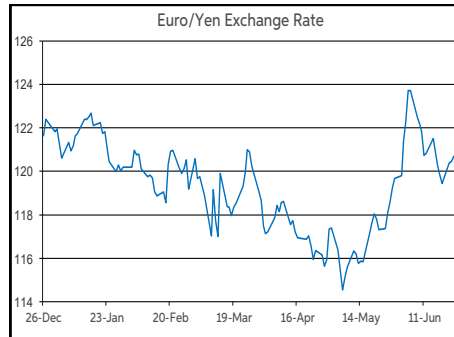
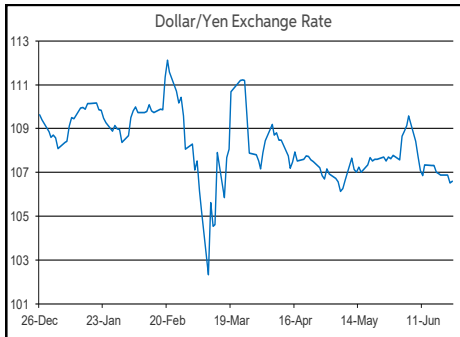
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

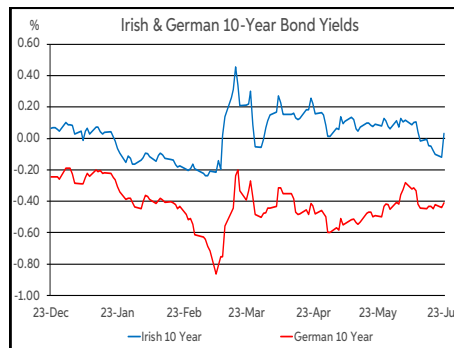
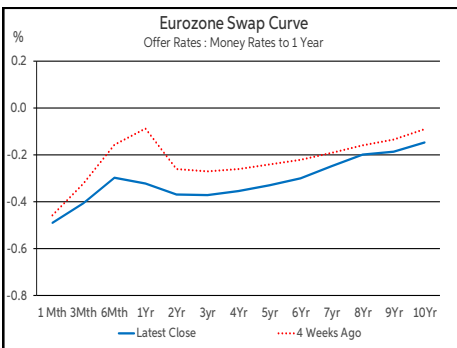
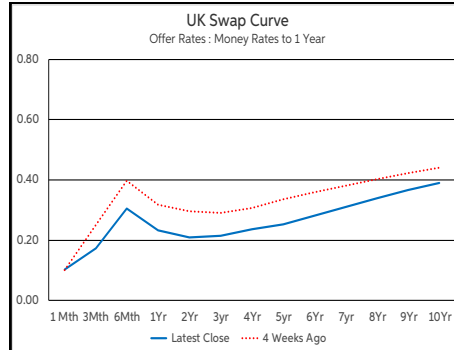
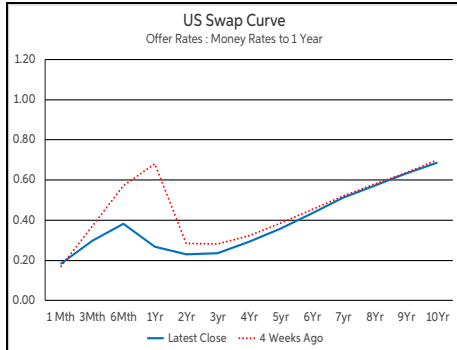
Wednesday 24 June 2020
07:21 am



Euro		Sterling		Dollar	
EUR/GBP	0.9048	GBP/EUR	1.1045	USD/JPY	106.58
EUR/USD	1.1321	GBP/USD	1.2509	USD/CAD	1.3548
EUR/JPY	120.67	GBP/CAD	1.695	USD/CHF	0.9435
EUR/SEK	10.4929	GBP/NZD	1.9365	USD/CNY	7.0659
EUR/DKK	7.4517	GBP/JPY	133.32	USD/BRL	5.1522
EUR/NOK	10.7395	GBP/SEK	11.5874	USD/RUB	68.6877
EUR/CHF	1.0682	GBP/DKK	8.2326	USD/INR	75.67
EUR/AUD	1.6303	GBP/NOK	11.8648	AUD/USD	0.6942
EUR/HKD	8.7749	GBP/CHF	1.1805	NZD/USD	0.6459
EUR/CAD	1.5337	GBP/AUD	1.8019		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 19
10 Year Yield %				
US	0.72	+0	+2	-120
Germany	-0.41	+3	+3	-22
UK	0.21	+2	+0	-61
5 Year Swap %				
US	0.36	+1	-2	-135
Eurozone	-0.33	+1	-8	-21
UK	0.25	+1	-7	-62
2 Year Swap %				
US	0.23	-0	-1	-143
Eurozone	-0.37	+0	-10	-7
UK	0.21	+1	-8	-59
10 Year Government Bond Spreads to Benchmark bps				
Ireland	46	+11	-15	+16
Belgium	31	-0	-19	+3
France	32	+0	-12	+1
Italy	174	-5	-24	+13
Spain	90	-1	-23	+24
Portugal	90	-3	-23	+27
Greece	170	-5	-39	+5



Commodities				
	% Change			
	Close	Day	4 Weeks	End 19
Brent Oil	42.63	-1.04	+17.86	-35.41
West Texas Oil	40.4	-0.49	+16.43	-33.92
Gold \$	1766.5	+0.69	+3.23	+16.45

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