

Some recovery in risk appetite

Risk appetite improved somewhat yesterday after Wednesday's sell-off in equity markets. Concerns over the Covid-19 outbreak in the US has ebbed and flowed throughout the week. Cases there hit a new daily high yesterday.

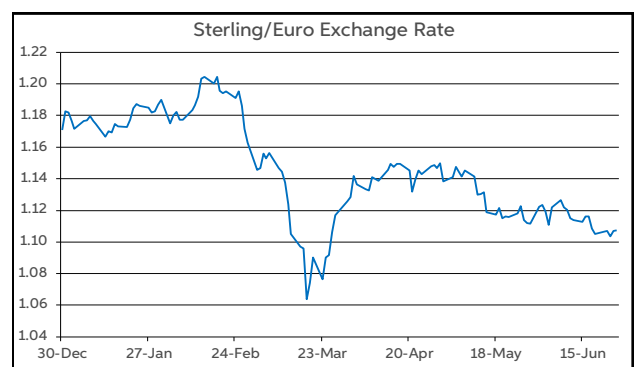
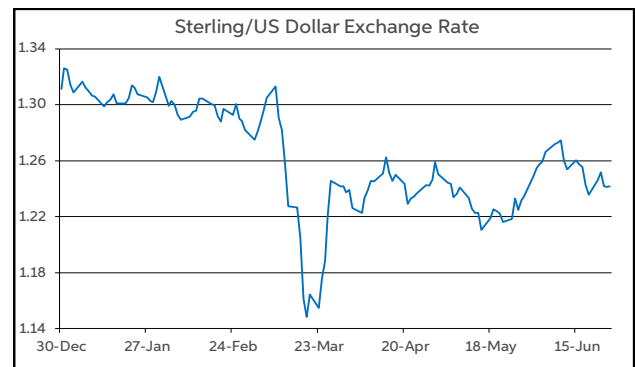
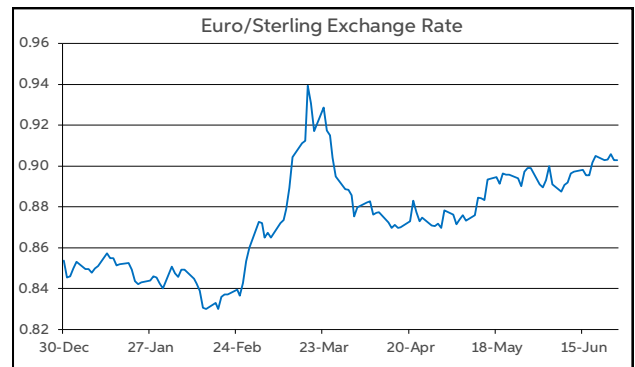
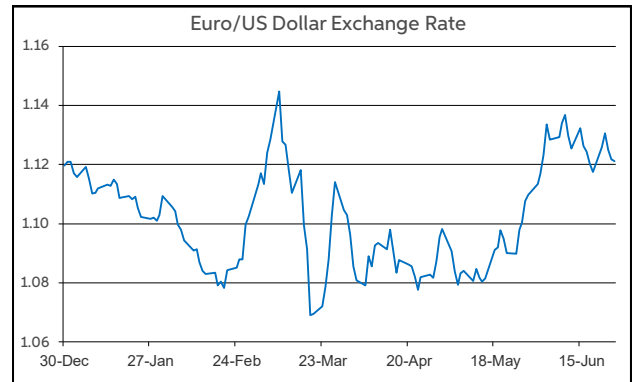
On currency markets, the moves over the past 24 hours have generally been limited. The euro came under some marginal downward pressure but there was no standout macro factor for this. Meanwhile, the dollar remains well supported in the more uncertain trading environment.

In level terms, the above is reflected in EUR/USD opening this morning back down near the \$1.12 threshold. At the same time, EUR/GBP is changing hands in the lower half of the 90-91p band. Elsewhere, cable (GBP/USD) is operating in a tight range just above the \$1.24 level.

Data-wise, yesterday's latest weekly initial jobless claims figures in the US were a disappointment. 1.48m (f'cast 1.3m) individuals filed for unemployment in the week. Lay-offs have remained stubbornly high in the US and may rise further if the current Covid outbreak cannot be contained. More positively, core durable goods orders surprised to the upside in May, rising by 2.3% (f'cast +1.0%).

Today, the May print of US personal consumption will be of interest. The available data suggest that spending could have risen significantly in the month as the economy partially re-opened. Expenditure has also been supported by scaled up benefits. Overall though, barring a major surprise, the data may have little impact on the dollar. Instead, the currency may prove more sensitive to shifts in sentiment related to Covid-19 headlines.

Conor Beakey, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.1214	-0.30	0.04
EUR/GBP	0.9029	-0.34	6.80
GBP/USD	1.2418	0.03	-6.34
GBP/EUR	1.1073	0.34	-6.37
USD/JPY	107.08	-0.04	-1.41
EUR/JPY	120.06	-0.36	-1.45

* 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	0.31	0.28	0.25	0.37
EUR	0.00	-0.51	-0.40	-0.33	-0.36	-0.35
GBP	0.10	0.10	0.14	0.25	0.22	0.24

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

Friday 26 June 2020
07:22 am



Euro

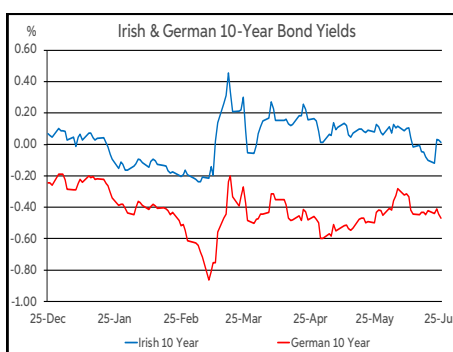
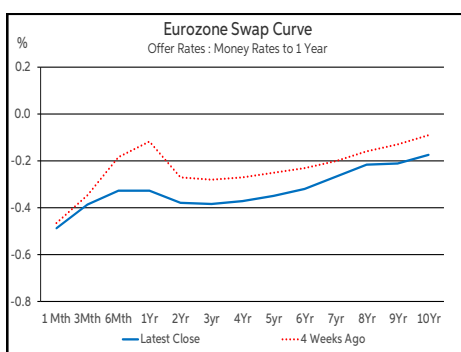
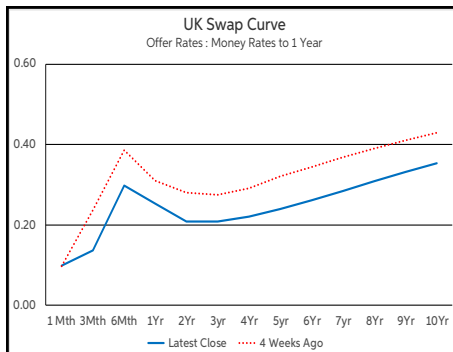
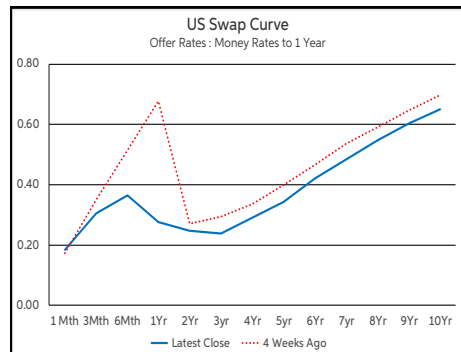
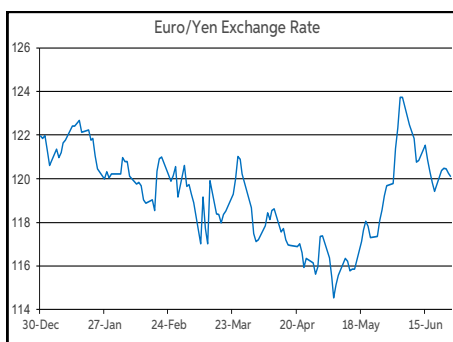
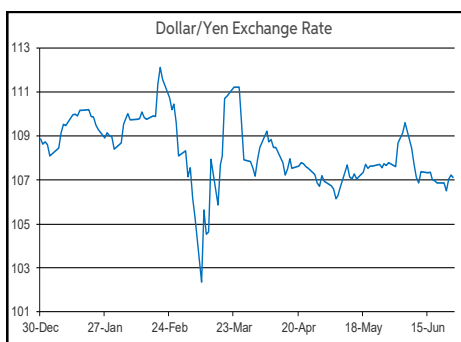
EUR/GBP	0.9029
EUR/USD	1.1214
EUR/JPY	120.07
EUR/SEK	10.4622
EUR/DKK	7.4532
EUR/NOK	10.8362
EUR/CHF	1.0634
EUR/AUD	1.6289
EUR/HKD	8.6906
EUR/CAD	1.5298

Sterling

GBP/EUR	1.1072
GBP/USD	1.242
GBP/CAD	1.6943
GBP/NZD	1.9282
GBP/JPY	132.98
GBP/SEK	11.5837
GBP/DKK	8.2532
GBP/NOK	11.9978
GBP/CHF	1.1777
GBP/AUD	1.804

Dollar

USD/JPY	107.08
USD/CAD	1.3639
USD/CHF	0.9484
USD/CNY	7.077
USD/BRL	5.359
USD/RUB	68.8529
USD/INR	75.491
AUD/USD	0.6883
NZD/USD	0.6438



	Close	Change bps		
		Day	4 Weeks	End 19
10 Year Yield %				
US	0.68	+0	-1	-124
Germany	-0.47	-3	-5	-28
UK	0.16	-3	-6	-67
5 Year Swap %				
US	0.34	+1	-3	-136
Eurozone	-0.35	-0	-9	-23
UK	0.24	-2	-7	-64
2 Year Swap %				
US	0.25	+0	-0	-141
Eurozone	-0.38	-1	-10	-8
UK	0.21	-0	-6	-59
10 Year Government Bond Spreads to Benchmark bps				
Ireland	50	+0	-5	+19
Belgium	33	+1	-9	+5
France	35	+1	-2	+4
Italy	183	+5	-2	+22
Spain	93	+2	-8	+27
Portugal	94	+3	-4	+30
Greece	177	+6	-16	+13

	% Change			
	Close	Day	4 Weeks	End 19
Brent Oil	41.05	+1.84	+16.32	-37.80
West Texas Oil	38.66	+1.98	+14.82	-36.77
Gold \$	1761.5	+0.00	+2.50	+16.12

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