

## EUR/GBP above 91p

The start of the week on currency markets yesterday saw sterling on the defensive. There was no specific data or newsflow on the day to account for this. However, it may be the case that the market is assessing the downside risks facing the currency. This is in the context of the fact that the end 2020 deadline for the UK and EU to agree a trade deal is now just six months away and very little progress has been made so far in the talks.

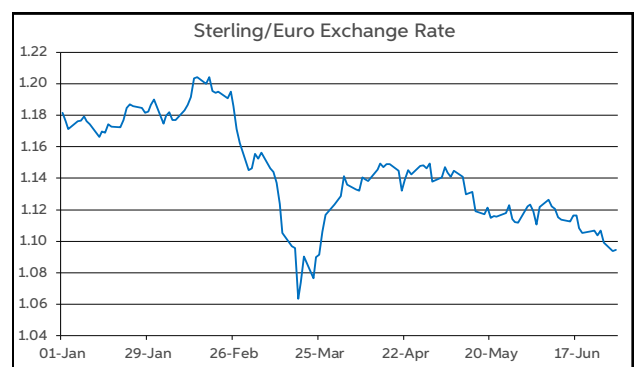
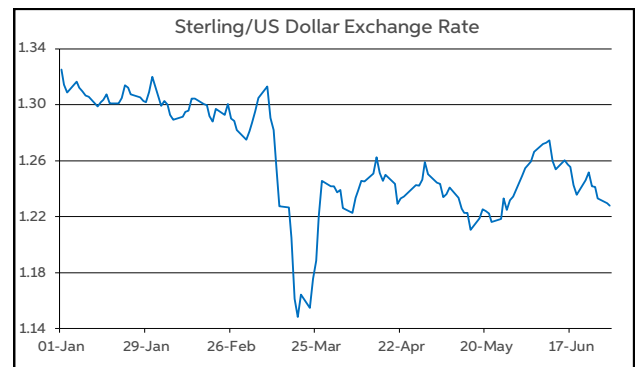
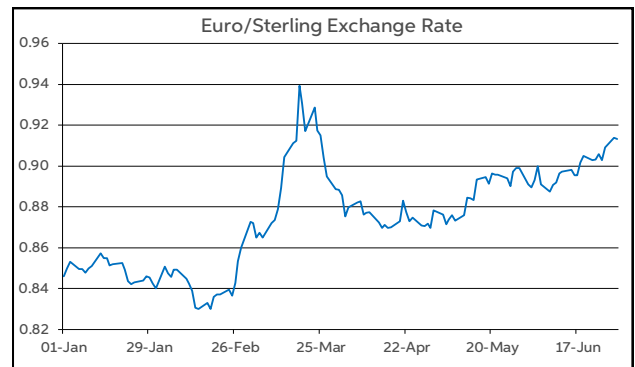
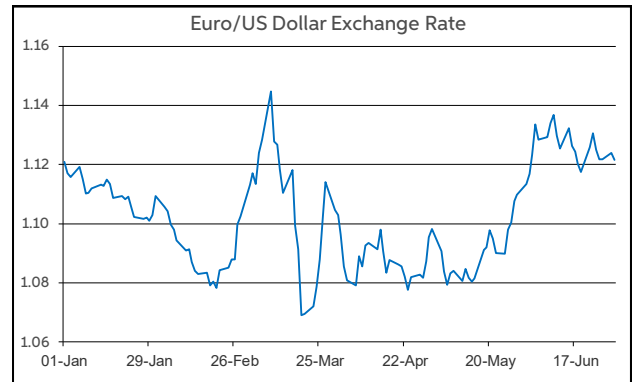
The softer tone to sterling was reflected in EUR/GBP regaining the 91p level. It is changing hands this morning at 91.3p, having traded as high as 91.7p yesterday. The weakness in sterling was also evident in GBP/USD, with the pair unable to hold above \$1.23.

Meanwhile, the action in EUR/USD was very uneventful for much of yesterday, with the pair remaining in a tight range near the midpoint of \$1.12-1.13. However, overnight, the pair has edged lower and opens the European session nearer to the \$1.12 mark.

Elsewhere on markets, after last week's risk averse mood to proceedings there was an improvement in risk appetite yesterday. Equity markets on both sides of the Atlantic managed to register gains on the day. At the closing bell last night on Wall Street, the benchmark S&P 500 index was up 1.5%

Looking ahead to today, the macro data diary has a relatively sparse appearance. The two main data highlights are the flash reading of Eurozone HICP inflation and the Conference Board measure of US consumer confidence (both June). Neither release would be expected to be of much directional impact to the respective currencies. Therefore, it could be a case of somewhat narrow range trading for the main FX pairs today.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.1214	-0.25	0.04
EUR/GBP	0.9133	0.50	8.03
GBP/USD	1.2277	-0.72	-7.41
GBP/EUR	1.0945	-0.49	-7.43
USD/JPY	107.74	0.63	-0.80
EUR/JPY	120.83	0.38	-0.82

\* 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	0.17	0.30	0.24	0.24	0.32
EUR	0.00	-0.50	-0.40	-0.34	-0.38	-0.34
GBP	0.10	0.09	0.13	0.23	0.20	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

Tuesday 30 June 2020  
07:25 am



## Euro

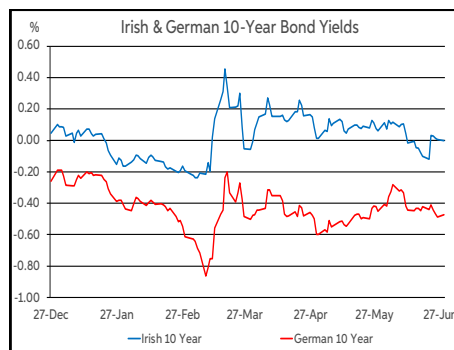
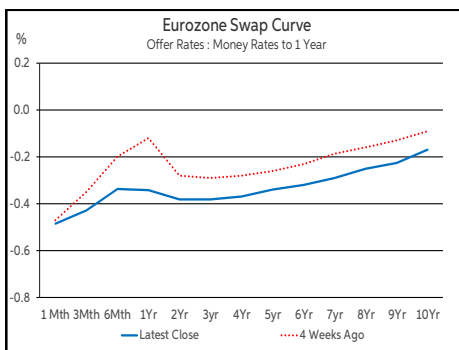
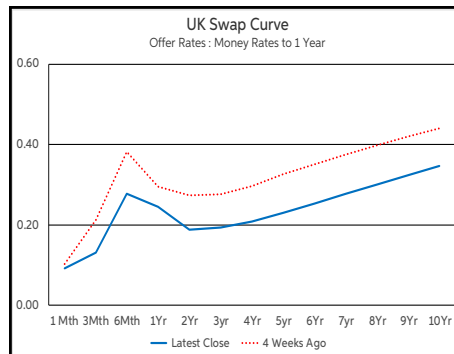
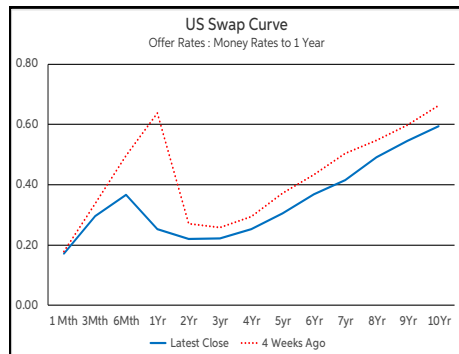
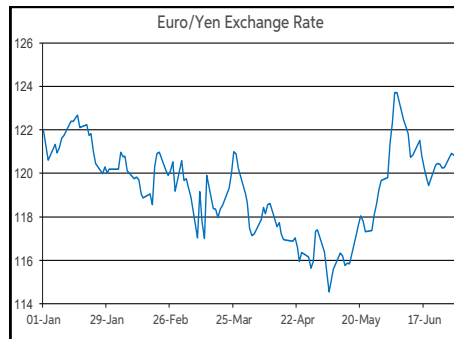
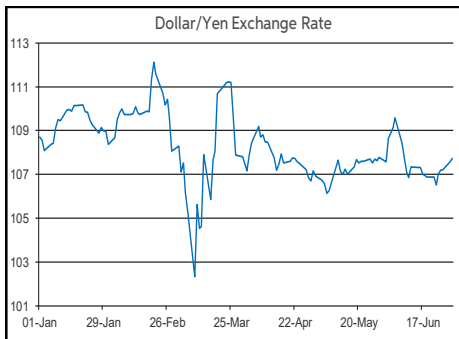
EUR/GBP	0.9133
EUR/USD	1.1214
EUR/JPY	120.83
EUR/SEK	10.4935
EUR/DKK	7.4523
EUR/NOK	10.8909
EUR/CHF	1.0683
EUR/AUD	1.6357
EUR/HKD	8.6903
EUR/CAD	1.5342

## Sterling

GBP/EUR	1.0945
GBP/USD	1.2277
GBP/CAD	1.6791
GBP/NZD	1.9143
GBP/JPY	132.27
GBP/SEK	11.4836
GBP/DKK	8.1576
GBP/NOK	11.9218
GBP/CHF	1.1692
GBP/AUD	1.7902

## Dollar

USD/JPY	107.74
USD/CAD	1.3681
USD/CHF	0.9524
USD/CNY	7.0706
USD/BRL	5.4034
USD/RUB	70.0999
USD/INR	75.508
AUD/USD	0.6856
NZD/USD	0.6409



Debt Markets				
	Close	Day	4 Weeks	End 19
<b>10 Year Yield %</b>				
US	0.63	-1	-4	-129
Germany	-0.47	+1	-7	-28
UK	0.16	-1	-7	-66
<b>5 Year Swap %</b>				
US	0.30	-3	-3	-140
Eurozone	-0.34	+1	-7	-22
UK	0.23	-1	-8	-65
<b>2 Year Swap %</b>				
US	0.22	+0	-2	-144
Eurozone	-0.38	+0	-9	-8
UK	0.19	-2	-8	-61
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	49	-2	-6	+18
Belgium	33	-1	-12	+4
France	35	-1	-4	+4
Italy	183	-2	-4	+22
Spain	95	+0	-4	+30
Portugal	96	+0	+3	+32
Greece	176	-0	-15	+12

Commodities				
	Close	Day	4 Weeks	End 19
Brent Oil	41.71	+1.68	+8.85	-36.80
West Texas Oil	39.67	+2.96	+11.78	-35.12
Gold \$	1771.5	+0.05	+1.81	+16.78

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