

Fed in focus this week

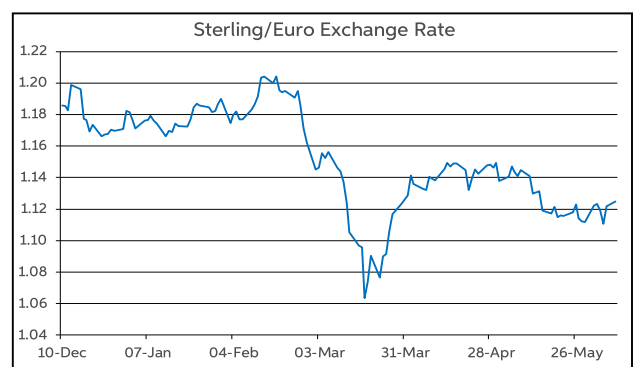
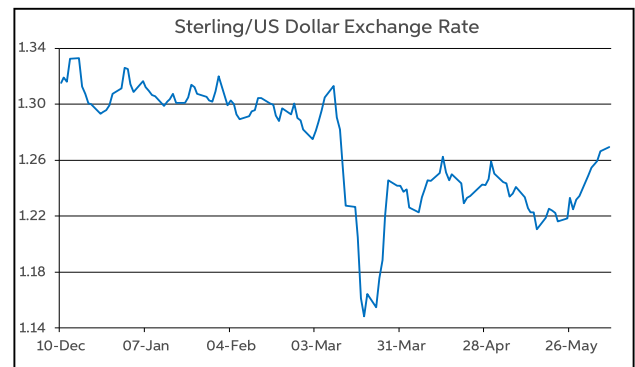
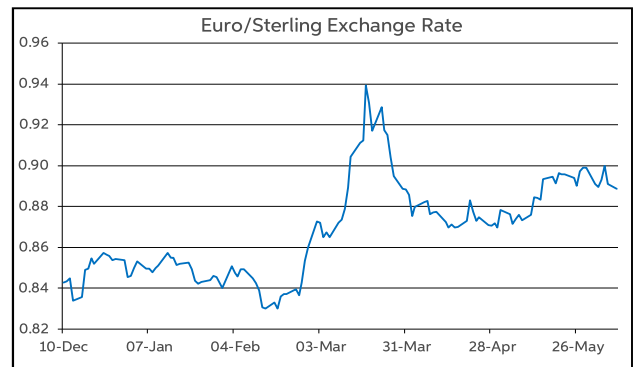
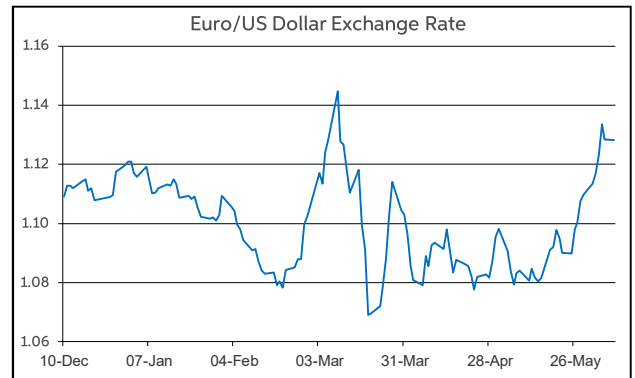
The action on currency markets last week saw both the euro and sterling make gains against the dollar. This occurred against a backdrop of a positive tone to investor sentiment, with some of the main equity indices up over 5% on the week. Friday's US jobs report for May showed an unexpected rise in employment and this added to the bullish market sentiment.

Meanwhile from a euro viewpoint, the announcement by the ECB of a larger than expected increase in its QE programme was a support. It provided further upward momentum for the currency following the previous week's boost from the €750bn EU Recovery fund proposal. Meantime, sterling finished the week on the front foot, despite the latest round of EU/UK trade talks finishing with very limited progress being made.

In level terms, all of the above is reflected in EUR/USD starting this week up close to \$1.13, having been as high as \$1.138 on Friday. Cable (GBP/USD) is trading up near to \$1.27, a gain of over 2% compared to last Monday's open at \$1.24. Meanwhile, EUR/GBP is changing hands this morning just below 89p having been unable to sustain the 90p threshold last week.

Looking ahead to this week's macro diary, the main scheduled event is the Fed meeting for June. No changes are expected to policy (rates at effectively zero and the Fed is essentially implementing unlimited QE). The updated interest rate projections will offer some insight into the Fed's outlook for policy. Overall though, the meeting may not generate much of a reaction from the dollar. For sterling, April GDP is the main highlight. Meantime, from a euro perspective, the only releases of note are the industrial production figures for April.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.1283	-0.55	0.65
EUR/GBP	0.8886	-1.20	5.11
GBP/USD	1.2695	0.65	-4.25
GBP/EUR	1.1249	1.22	-4.86
USD/JPY	109.52	0.35	0.84
EUR/JPY	123.59	-0.21	1.44

* 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	0.32	0.53
EUR	0.00	-0.48	-0.35	-0.29	-0.29	-0.24
GBP	0.10	0.09	0.22	0.32	0.31	0.40

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

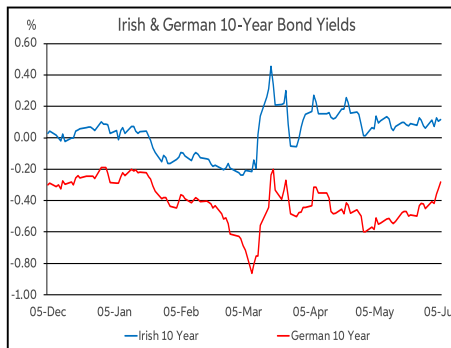
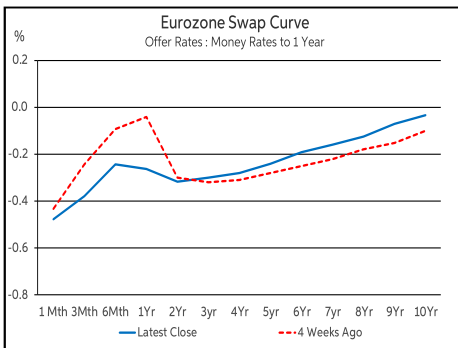
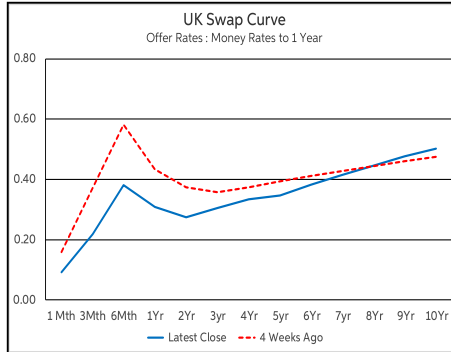
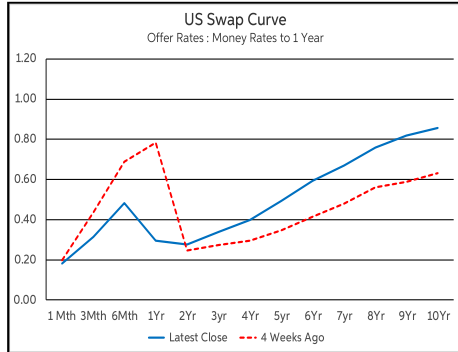
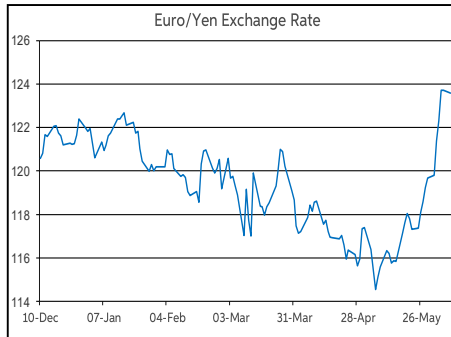
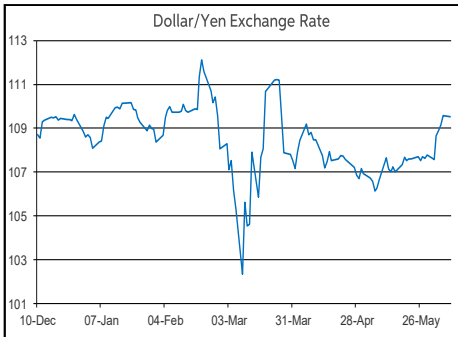
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

Monday 08 June 2020
07:19 am



Euro		Sterling		Dollar	
EUR/GBP	0.8886	GBP/EUR	1.1249	USD/JPY	109.52
EUR/USD	1.1283	GBP/USD	1.2695	USD/CAD	1.3418
EUR/JPY	123.59	GBP/CAD	1.7034	USD/CHF	0.9633
EUR/SEK	10.3725	GBP/NZD	1.9487	USD/CNY	7.0846
EUR/DKK	7.4565	GBP/JPY	139.04	USD/BRL	4.9585
EUR/NOK	10.4901	GBP/SEK	11.6642	USD/RUB	68.2675
EUR/CHF	1.0871	GBP/DKK	8.3874	USD/INR	75.633
EUR/AUD	1.6189	GBP/NOK	11.8034	AUD/USD	0.6969
EUR/HKD	8.7446	GBP/CHF	1.2229	NZD/USD	0.6511
EUR/CAD	1.5142	GBP/AUD	1.8213		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 19
10 Year Yield %				
US	0.89	+7	+21	-103
Germany	-0.28	+5	+26	-9
UK	0.36	+5	+12	-47
5 Year Swap %				
US	0.49	+6	+15	-122
Eurozone	-0.24	-0	+5	-12
UK	0.35	-0	-3	-53
2 Year Swap %				
US	0.28	+2	+3	-138
Eurozone	-0.32	-3	-1	-2
UK	0.27	-0	-8	-52
10 Year Government Bond Spreads to Benchmark bps				
Ireland	44	-4	-24	+13
Belgium	36	-2	-22	+8
France	30	-2	-20	-1
Italy	170	-4	-63	+8
Spain	84	-5	-56	+19
Portugal	83	-3	-64	+19
Greece	163	-8	-109	-2

Commodities				
	% Change			
	Close	Day	4 Weeks	End 19
Brent Oil	42.3	+5.78	+36.58	-35.91
West Texas Oil	39.49	+5.53	+59.68	-35.41
Gold \$	1685.2	-1.48	-0.91	+11.09

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