

US non-farm payrolls due today

There was a positive tone to investor sentiment yesterday. The Euro Stoxx 50 gained 0.4%, while at the close on Wall Street, the S&P 500 was up 0.5%, clocking another new all-time high in the process. Currency-wise, there was a slightly softer tone to sterling.

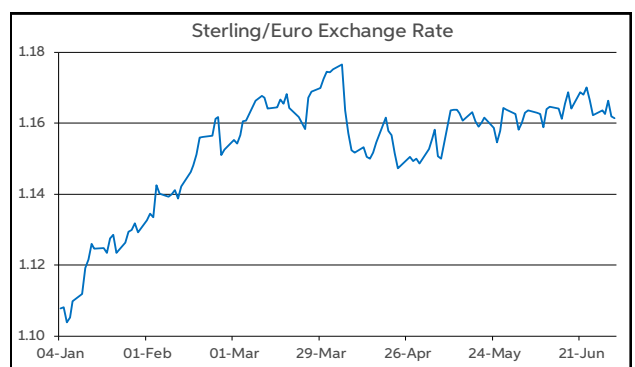
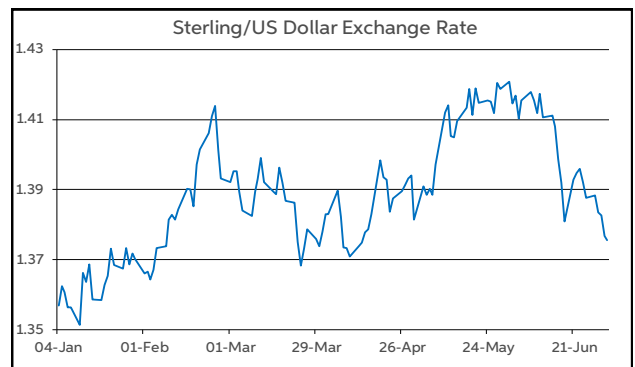
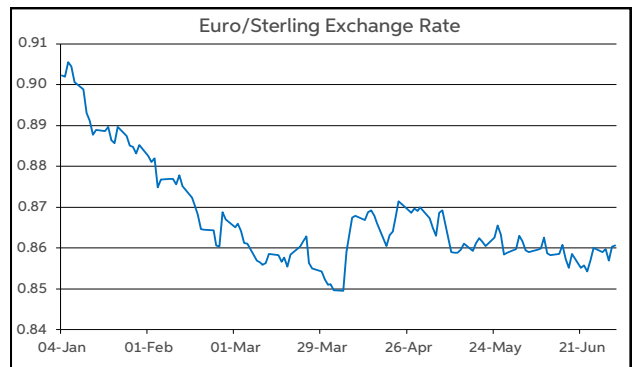
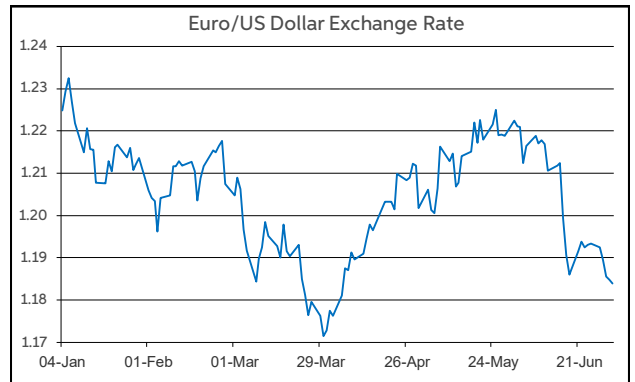
Data-wise, the Eurozone unemployment rate edged trivially lower to 7.9% in May from 8.0%. Meanwhile in the US, initial weekly jobless claims printed at a new post-pandemic low of 364k, below the consensus of 390k. Elsewhere in the US, the manufacturing ISM inched lower, but was broadly as expected in June. The data did not appear to impact the action on the exchanges.

The slightly softer tone to sterling yesterday may in some part have been due to some dovish remarks from Bank of England Governor Bailey. In a speech, Governor Bailey noted that the UK economy is likely to revert to lower growth longer-term, and reiterated that the rise in inflation will probably be transitory.

The slight sterling weakness is reflected in EUR/GBP edging back above the 86p threshold. Meanwhile, GBP/USD is changing hands back near to the midpoint of \$1.37-1.38. Elsewhere, EUR/USD continues to trade in the bottom half of \$1.18-1.19.

Today, all eyes will be on the latest US payrolls number. They have printed below the consensus in the past two months, raising concerns that the jobs market recovery may be slowing. Nonetheless, the forecast is for a strong 700k number for June. The jobless rate is set to edge lower to 5.7% from 5.8% also. However, another large downside miss would add further credence to the view that the US labour market will take longer to recover than had been previously anticipated.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1839	-0.07	-3.06
EUR/GBP	0.8606	0.36	-3.70
GBP/USD	1.3757	-0.41	0.61
GBP/EUR	1.1617	-0.36	3.85
USD/JPY	111.6	0.46	8.10
EUR/JPY	132.16	0.40	4.76

* v Previous Day's European Open

See Next Page for More Rates

Opening Interest Rates						
		Money Market		Swap Rates		
	Base Rate	1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	0.125	0.10	0.15	0.17	0.36	0.99
EUR	0.00	-0.57	-0.54	-0.51	-0.45	-0.25
GBP	0.10	0.06	0.08	0.23	0.42	0.73

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 02 July 2021
07:42 am



Euro

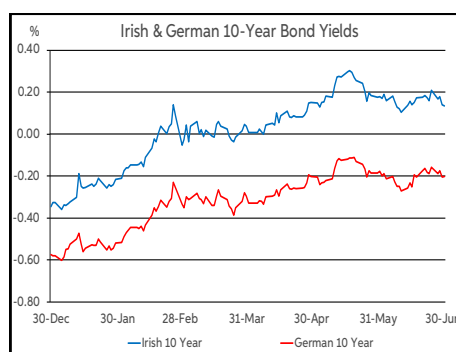
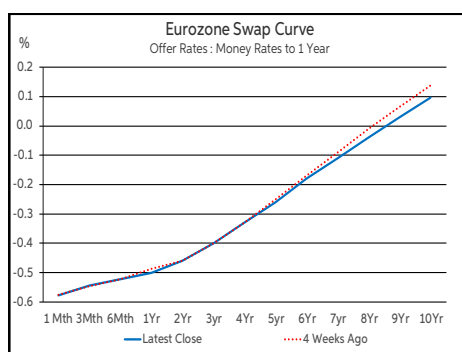
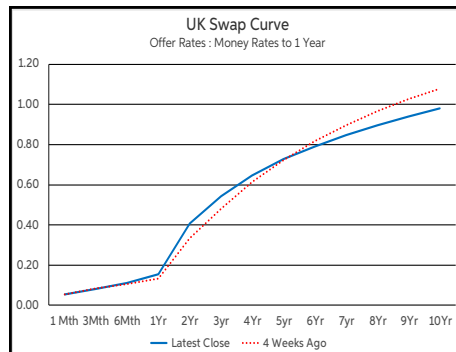
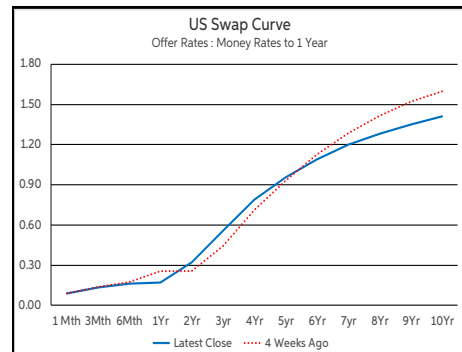
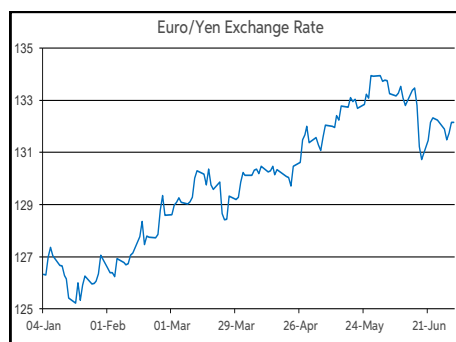
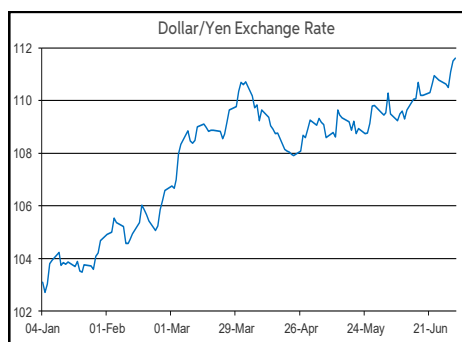
EUR/GBP	0.8606
EUR/USD	1.1839
EUR/JPY	132.16
EUR/SEK	10.158
EUR/DKK	7.4355
EUR/NOK	10.218
EUR/CHF	1.0963
EUR/AUD	1.5863
EUR/HKD	9.1978
EUR/CAD	1.4719

Sterling

GBP/EUR	1.1617
GBP/USD	1.3757
GBP/CAD	1.7108
GBP/NZD	1.9743
GBP/JPY	153.53
GBP/SEK	11.8028
GBP/DKK	8.637
GBP/NOK	11.8726
GBP/CHF	1.2735
GBP/AUD	1.8429

Dollar

USD/JPY	111.6
USD/CAD	1.2437
USD/CHF	0.9259
USD/CNY	6.4787
USD/BRL	5.0476
USD/RUB	73.4225
USD/INR	74.7775
AUD/USD	0.7462
NZD/USD	0.6967



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.46	-1	-17	+54
Germany	-0.20	+0	-2	+38
UK	0.73	+1	-11	+54
Ireland				
Ireland	0.17	-1	-5	+48
Belgium	0.11	+0	-4	+49
France	0.12	-1	-5	+47
Italy	0.81	-2	-9	+29
Spain	0.41	-1	-7	+35
Portugal	0.39	-2	-8	+32
Greece	0.83	+1	+3	+21
5 Year Swap %				
US	0.95	+2	+6	+53
Eurozone	-0.26	-1	+0	+20
UK	0.73	+3	+1	+54
2 Year Swap %				
US	0.32	+0	+9	+13
Eurozone	-0.46	+0	+1	+7
UK	0.41	+4	+8	+38
10 Year Government Bond Spreads to Benchmark bps				
Ireland	37	-1	-4	+10
Belgium	31	-0	-2	+11
France	32	-1	-4	+9
Italy	101	-2	-8	-9
Spain	61	-2	-5	-2
Portugal	59	-3	-7	-5
Greece	103	+0	+5	-17

Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	75.84	+0.95	+6.35	+46.41
West Texas Oil	75.33	+2.46	+9.48	+55.80
Gold \$	1776.6	+0.38	-5.02	-6.32

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