

Uneventful start to the week

The market action yesterday across most of the main asset classes was generally uneventful. On equity markets, the main European indices were broadly flat on the day. Meanwhile, the action on bond markets was also fairly limited.

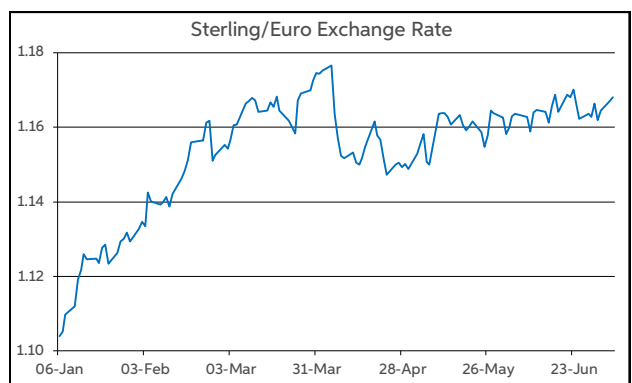
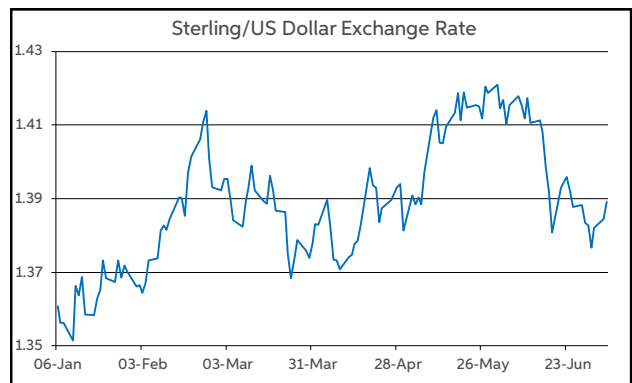
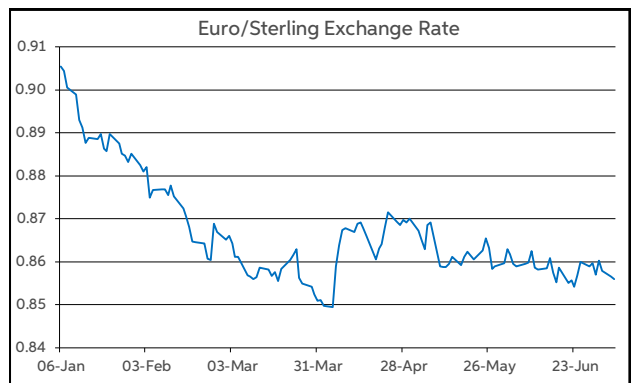
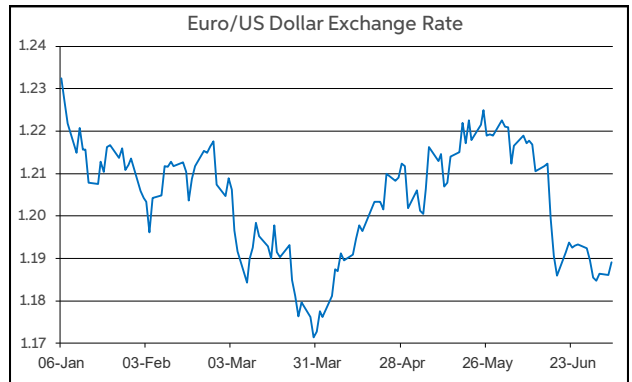
A contributing factor to the lacklustre action was that US markets were closed (Independence Day holiday). Another factor was the dearth of top tier data on the release schedule. Of the data that was published, it was mainly the final readings of the PMIs for June from the Eurozone and UK. There were some upward revisions to the flash results, especially in the case of the UK services and composite surveys.

On the currency front, the majors remained confined to narrow ranges. Of the limited moves to register over the past 24 hours, sterling has been slightly firmer, while the dollar has edged marginally lower.

As trading gets underway this morning the modest FX changes referenced above are reflected in the EUR/GBP pair opening near to the midpoint of 85-86p. Meantime, EUR/USD has edged back up towards the \$1.19 threshold, while GBP/USD is changing hands just below the \$1.39 level.

Looking ahead to today's macro diary, the main releases of note from the Eurozone are retail sales (May) and the German ZEW survey (July). Meanwhile, in the US, the final reading of the composite PMI (June) and the non-manufacturing ISM (June) are the main highlights. Overall though, from a currency viewpoint, the main pairs may continue to operate within fairly narrow ranges.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.189	0.30	-2.64
EUR/GBP	0.8558	-0.20	-4.24
GBP/USD	1.3894	0.52	1.62
GBP/EUR	1.1681	0.20	4.43
USD/JPY	110.8	-0.29	7.32
EUR/JPY	131.78	0.01	4.45

* 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	0.10	0.14	0.16	0.33	0.96
EUR	0.00	-0.56	-0.55	-0.50	-0.45	-0.25
GBP	0.10	0.05	0.08	0.23	0.41	0.71

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

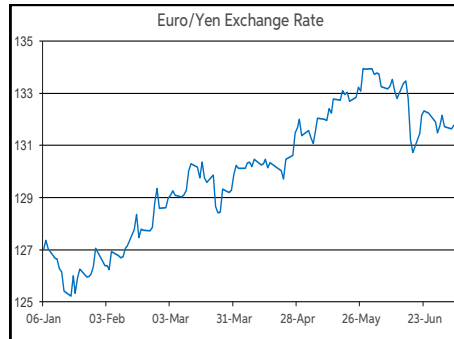
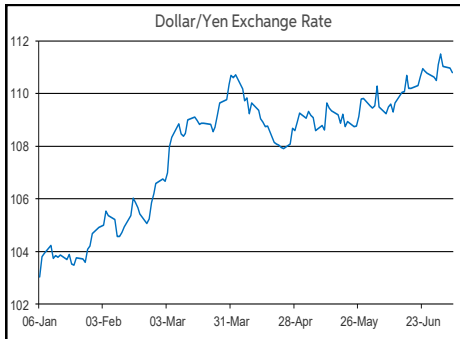
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

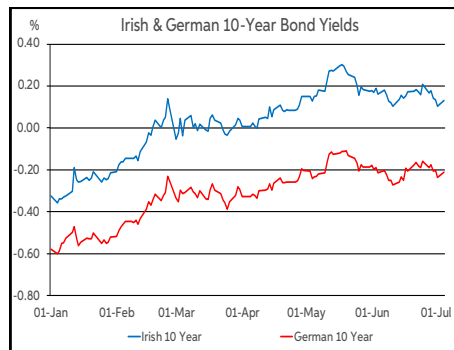
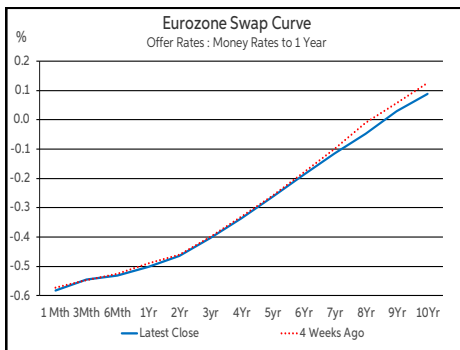
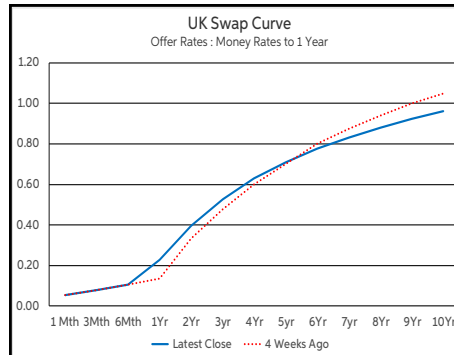
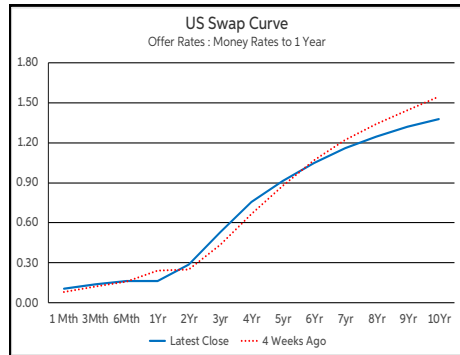
Tuesday 06 July 2021
07:26 am



Euro		Sterling		Dollar	
EUR/GBP	0.8558	GBP/EUR	1.1681	USD/JPY	110.8
EUR/USD	1.189	GBP/USD	1.3894	USD/CAD	1.2302
EUR/JPY	131.78	GBP/CAD	1.7094	USD/CHF	0.9198
EUR/SEK	10.133	GBP/NZD	1.9572	USD/CNY	6.4594
EUR/DKK	7.4358	GBP/JPY	153.95	USD/BRL	5.0915
EUR/NOK	10.1447	GBP/SEK	11.8339	USD/RUB	73.2268
EUR/CHF	1.0939	GBP/DKK	8.6865	USD/INR	74.3225
EUR/AUD	1.5664	GBP/NOK	11.8459	AUD/USD	0.759
EUR/HKD	9.2359	GBP/CHF	1.278	NZD/USD	0.7096
EUR/CAD	1.4633	GBP/AUD	1.8296		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.43	-3	-14	+51
Germany	-0.21	+3	-1	+37
UK	0.72	+1	-9	+52
Ireland	0.17	+3	-5	+47
Belgium	0.09	+3	-5	+48
France	0.12	+3	-5	+46
Italy	0.81	+3	-11	+29
Spain	0.40	+3	-8	+35
Portugal	0.38	+2	-10	+32
Greece	0.81	+1	-2	+18
5 Year Swap %				
US	0.91	+0	+7	+49
Eurozone	-0.26	+2	+1	+20
UK	0.71	+1	+1	+52
2 Year Swap %				
US	0.29	-1	+7	+9
Eurozone	-0.46	+1	+1	+6
UK	0.40	+0	+7	+37
10 Year Government Bond Spreads to Benchmark bps				
Ireland	38	+0	-4	+11
Belgium	30	+0	-4	+11
France	33	+0	-4	+10
Italy	102	+0	-10	-8
Spain	61	-0	-7	-2
Portugal	59	-1	-9	-5
Greece	102	-2	-1	-19



Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	77.16	+1.30	+7.93	+48.96
West Texas Oil	75.37	+0.05	+8.90	+55.88
Gold \$	1791.6	+0.27	-5.65	-5.53

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