

Dollar maintains momentum

Risk appetite remained somewhat mixed yesterday. The Euro Stoxx recovered 0.6%, having shed 0.9% on Tuesday. Meantime in the US, the S&P 500 was up a more modest 0.3% for the day. On bond markets, benchmark sovereign yields continued to grind lower, with the 10 Year US Treasury yield falling below 1.3% for the first time since February. Oil prices continued to decline also.

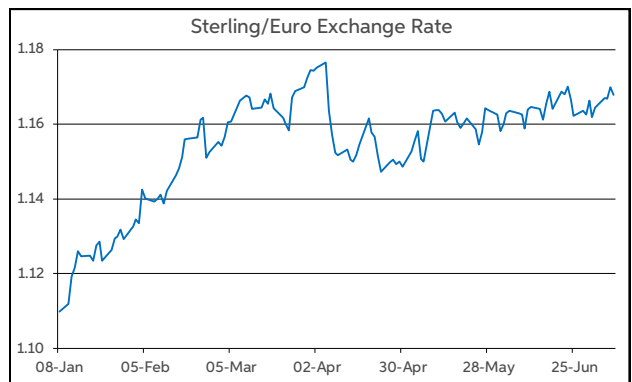
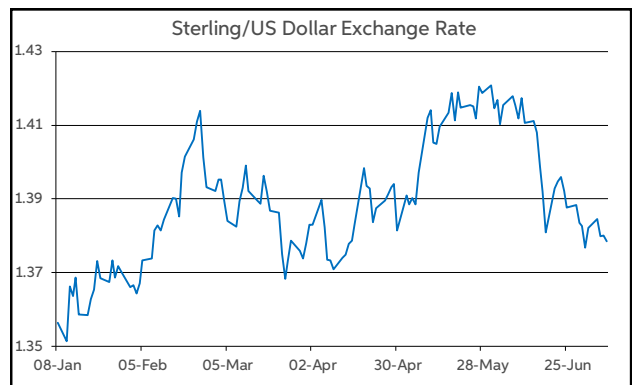
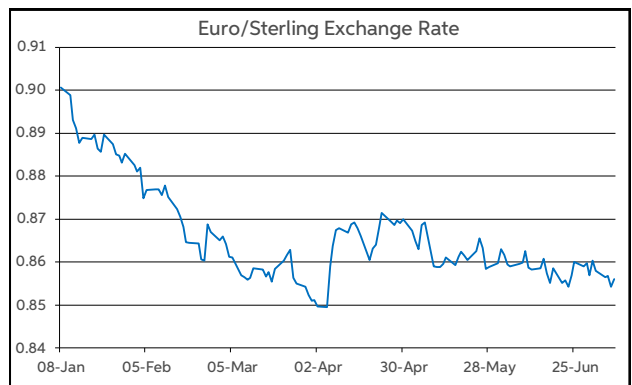
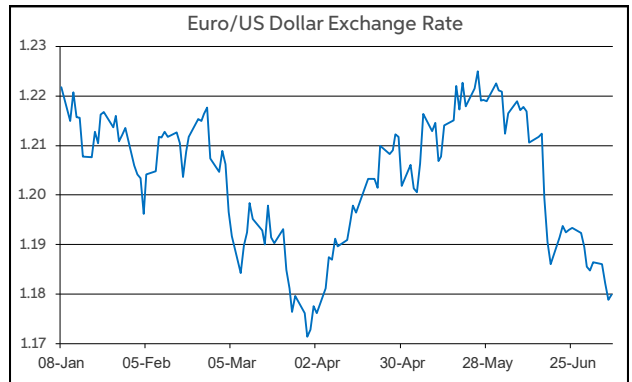
Currency-wise, the dollar maintained momentum on the exchanges yesterday. This was reflected in the greenback edging higher against both the euro and sterling. This saw EUR/USD fall below the \$1.18 handle late in the European session. Meantime GBP/USD moved below the \$1.38 mark also.

Overnight, all eyes were on the FOMC meeting minutes from June. The minutes outlined some details around the discussion on QE tapering held by officials. Although, a generally more hawkish tone was clearly evident from the Fed, there was little in the way of new information to provide fresh impetus for currency markets.

In level terms, the aforementioned slightly firmer tone to the dollar is reflected in EUR/USD opening down at \$1.18. Cable (GBP/USD) is operating in the top half of \$1.37-1.38. Meantime, EUR/GBP continues to trade in a narrow 85-86p corridor.

Today, it is the turn of the ECB to release the minutes from their June policy meeting. The central bank is also set to release the results of its monetary policy strategic review. Reports suggest officials have agreed to raise their inflation target to 2%, and to allow inflation to overshoot this target when needed. President Lagarde will hold a press conference after the announcement which may impact the euro.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1801	-0.18	-3.37
EUR/GBP	0.8561	-0.05	-4.21
GBP/USD	1.3785	-0.11	0.82
GBP/EUR	1.1677	0.05	4.39
USD/JPY	110.28	-0.21	6.82
EUR/JPY	130.17	-0.38	3.18

* 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	0.13	0.15	0.31	0.86
EUR	0.00	-0.55	-0.54	-0.50	-0.47	-0.32
GBP	0.10	0.06	0.08	0.22	0.39	0.65

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

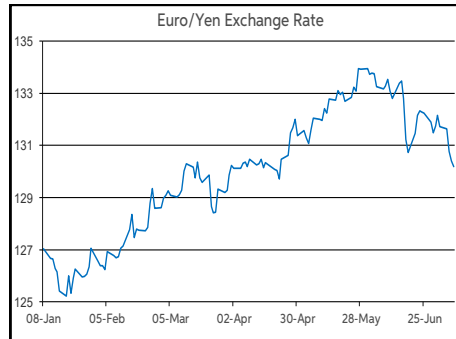
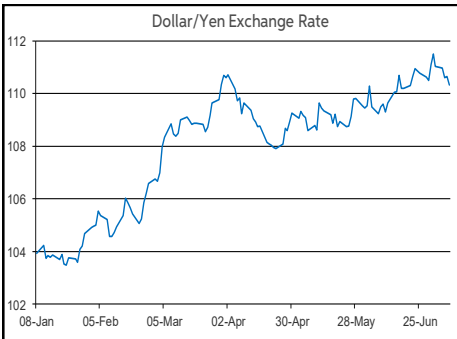
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

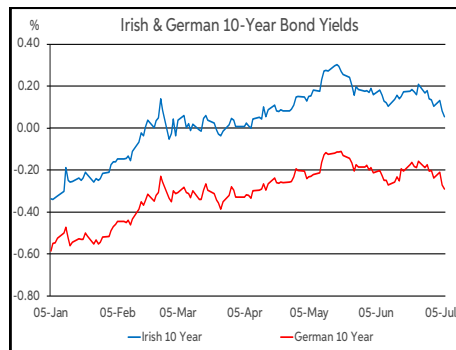
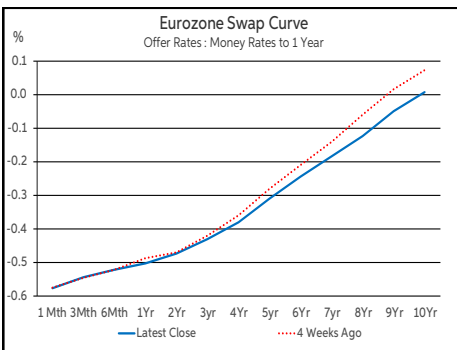
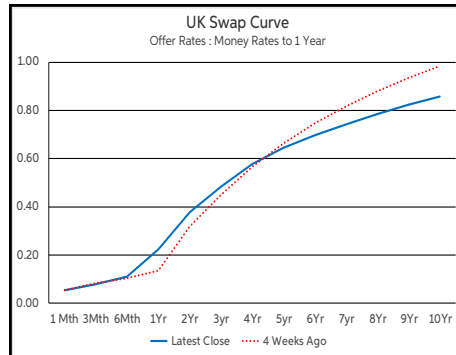
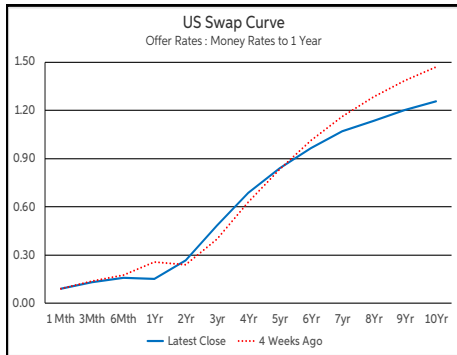
Thursday 08 July 2021
07:13 am



Euro		Sterling		Dollar	
EUR/GBP	0.8561	GBP/EUR	1.1676	USD/JPY	110.27
EUR/USD	1.1801	GBP/USD	1.3784	USD/CAD	1.2527
EUR/JPY	130.17	GBP/CAD	1.7268	USD/CHF	0.9245
EUR/SEK	10.1882	GBP/NZD	1.9735	USD/CNY	6.4747
EUR/DKK	7.436	GBP/JPY	152	USD/BRL	5.2315
EUR/NOK	10.332	GBP/SEK	11.8962	USD/RUB	74.7875
EUR/CHF	1.0914	GBP/DKK	8.6833	USD/INR	74.663
EUR/AUD	1.583	GBP/NOK	12.0607	AUD/USD	0.7455
EUR/HKD	9.1673	GBP/CHF	1.2745	NZD/USD	0.6984
EUR/CAD	1.4786	GBP/AUD	1.8487		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.32	-3	-17	+41
Germany	-0.29	-2	-4	+29
UK	0.60	-3	-13	+41
Ireland	0.09	-3	-7	+39
Belgium	0.01	-3	-9	+39
France	0.04	-2	-8	+38
Italy	0.74	-1	-9	+22
Spain	0.34	-1	-6	+29
Portugal	0.31	-1	-9	+25
Greece	0.73	-4	-9	+10
5 Year Swap %				
US	0.84	+0	+4	+42
Eurozone	-0.31	-1	-2	+15
UK	0.64	-1	-1	+45
2 Year Swap %				
US	0.27	-2	+6	+8
Eurozone	-0.47	-0	+1	+5
UK	0.38	-1	+7	+35
10 Year Government Bond Spreads to Benchmark bps				
Ireland	38	-1	-3	+11
Belgium	29	-1	-5	+10
France	33	-0	-4	+10
Italy	103	+1	-5	-7
Spain	63	+1	-2	+0
Portugal	60	+2	-5	-3
Greece	102	-2	-5	-18



Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	73.43	-1.48	+1.68	+41.76
West Texas Oil	72.22	-1.90	+3.32	+49.37
Gold \$	1803.4	+0.37	-4.50	-4.91

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