

Some caution on markets

The action on markets last week for the most part saw a more cautious tone to investor sentiment. This occurred against a backdrop of rising concerns over the risks associated with variants of the Covid-19 virus. On Wall Street, the main US equity indices were on the defensive for much of the week. However, an improved performance on Friday, saw the S&P 500 manage to finish back in positive territory for the week.

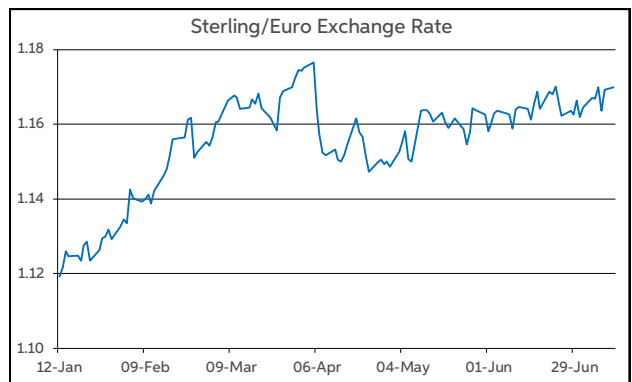
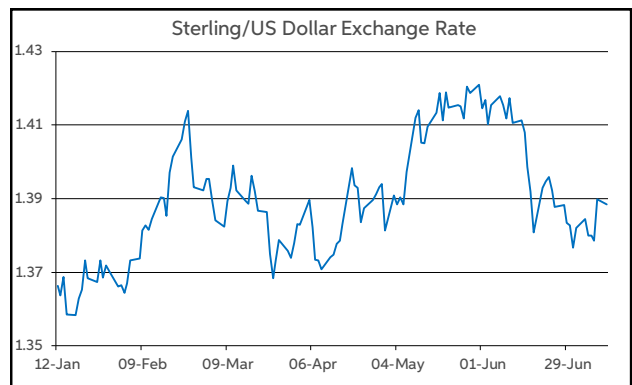
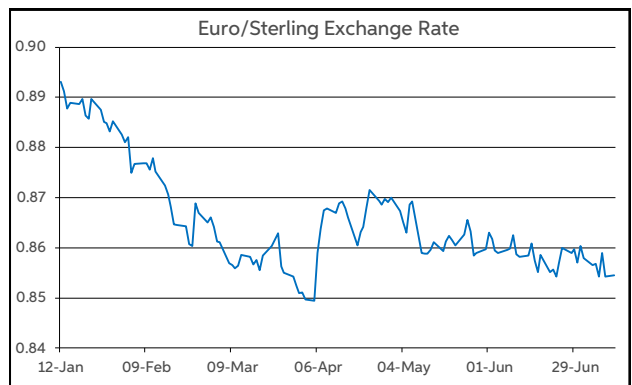
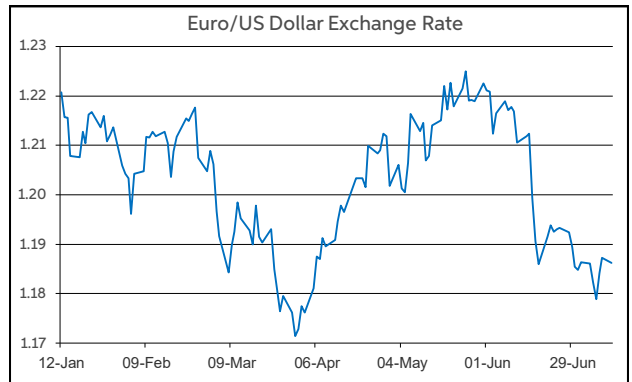
Meanwhile, on bond markets, some safe haven demand benefitted bonds, which was reflected in yields moving lower. At one stage during the week, the 10-year US Treasury yield had fallen back below the 1.3% mark for the first time since February.

On the currency front, the action continued to be confined to fairly narrow ranges. The dollar along with some other safe haven currencies did experience some safe haven demand. However, in terms of EUR/USD and GBP/USD, they both finished the week relatively similar to where they started it.

So as trading gets underway this morning, EUR/USD opens near to the midpoint of \$1.18-1.19. Meanwhile, GBP/USD remains within \$1.38-1.39, although it has managed to move up towards the upper end of this trading band. Elsewhere, EUR/GBP continues within the 85-86p trading range.

Ahead this week, there are some important releases from the US, including retail sales and CPI data for June. In the UK, the main highlight is a raft of labour market data for May. In contrast, the Eurozone diary is quiet. Overall, from a currency viewpoint, the main pairs could continue to remain fairly range bound.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1862	0.26	-2.87
EUR/GBP	0.8543	-0.52	-4.41
GBP/USD	1.3885	0.81	1.55
GBP/EUR	1.1702	0.53	4.61
USD/JPY	110.18	0.17	6.72
EUR/JPY	130.71	0.45	3.61

* 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	0.32	0.88
EUR	0.00	-0.55	-0.54	-0.50	-0.46	-0.30
GBP	0.10	0.05	0.08	0.24	0.42	0.69

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

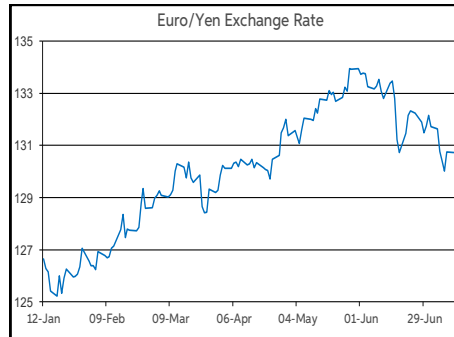
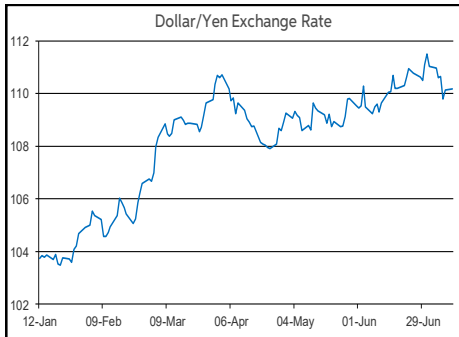
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

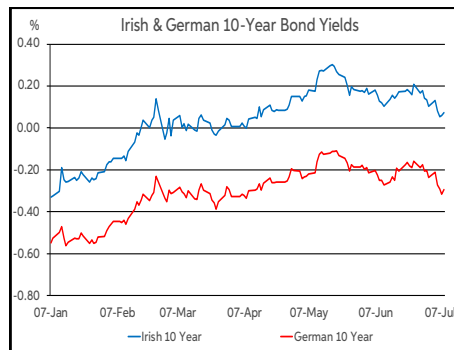
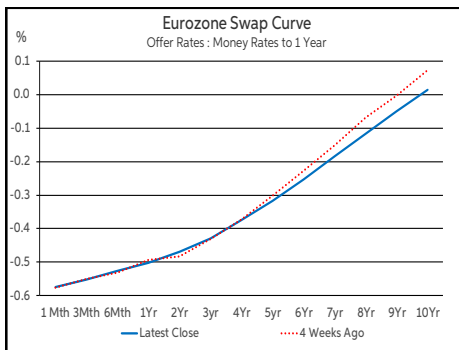
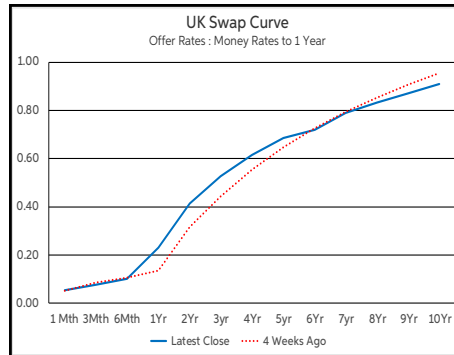
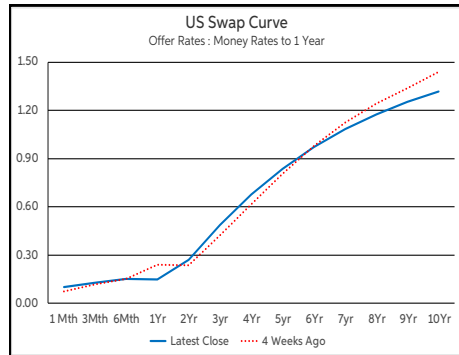
Monday 12 July 2021
07:19 am



Euro		Sterling		Dollar	
EUR/GBP	0.8543	GBP/EUR	1.1702	USD/JPY	110.18
EUR/USD	1.1862	GBP/USD	1.3885	USD/CAD	1.2467
EUR/JPY	130.71	GBP/CAD	1.7308	USD/CHF	0.9149
EUR/SEK	10.1907	GBP/NZD	1.9891	USD/CNY	6.4728
EUR/DKK	7.4363	GBP/JPY	152.98	USD/BRL	5.2579
EUR/NOK	10.3289	GBP/SEK	11.9235	USD/RUB	74.437
EUR/CHF	1.0854	GBP/DKK	8.7029	USD/INR	74.445
EUR/AUD	1.5881	GBP/NOK	12.0822	AUD/USD	0.747
EUR/HKD	9.2128	GBP/CHF	1.2703	NZD/USD	0.6978
EUR/CAD	1.479	GBP/AUD	1.8586		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.36	+7	-9	+44
Germany	-0.29	+2	-2	+28
UK	0.66	+5	-5	+46
Ireland	0.11	+2	-3	+41
Belgium	0.02	+1	-5	+40
France	0.05	+1	-5	+39
Italy	0.77	+0	+2	+25
Spain	0.36	+1	-1	+31
Portugal	0.34	+1	-2	+28
Greece	0.75	-2	+1	+13
5 Year Swap %				
US	0.84	+3	+3	+41
Eurozone	-0.32	+0	-1	+14
UK	0.69	+3	+4	+50
2 Year Swap %				
US	0.27	+0	+8	+8
Eurozone	-0.47	+0	+2	+6
UK	0.41	+2	+11	+39
10 Year Government Bond Spreads to Benchmark bps				
Ireland	40	-1	-1	+13
Belgium	31	-1	-3	+12
France	35	-1	-2	+11
Italy	106	-2	+4	-4
Spain	65	-1	+2	+2
Portugal	63	-1	+0	-0
Greece	105	-4	+4	-16



Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	75.55	+1.93	+3.93	+45.85
West Texas Oil	74.56	+2.16	+5.01	+54.21
Gold \$	1808.0	+0.30	-3.66	-4.67

This publication is for information purposes and is not an invitation to deal. The information is believed to be reliable but is not guaranteed. Any expressions of opinions are subject to change without notice. This publication is not to be reproduced in whole or in part without prior permission. In the Republic of Ireland it is distributed by Allied Irish Banks, p.l.c. In the UK it is distributed by Allied Irish Banks, p.l.c. and Allied Irish Bank (GB). In Northern Ireland it is distributed by Allied Irish Bank (NI). In the United States of America it is distributed by Allied Irish Banks, p.l.c. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland. Allied Irish Bank (GB) and AIB (NI) are trade marks used under licence by AIB Group (UK) p.l.c. (a wholly owned subsidiary of Allied Irish Banks, p.l.c.), incorporated in Northern Ireland. Registered Office 92 Ann Street, Belfast BT1 3HH. Registered Number NI018800. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In the United States of America, Allied Irish Banks, p.l.c., New York Branch, is a branch licensed by the New York State Department of Financial Services. Deposits and other investment products are not FDIC insured, they are not guaranteed by any bank and they may lose value. Please note that telephone calls may be recorded in line with market practice.