

Dollar remains firmly in the ascendancy

There was a “risk-off” mood to start the week on markets as recession fears mounted. On equity markets, the Euro Stoxx 50 and the S&P 500 fell by 1.0-1.2%, on concerns of lower corporate returns, with earnings season due to kick-off this week. Meanwhile, benchmark sovereign bond yields moved circa 5-13bps lower across the board in the US, Eurozone and UK.

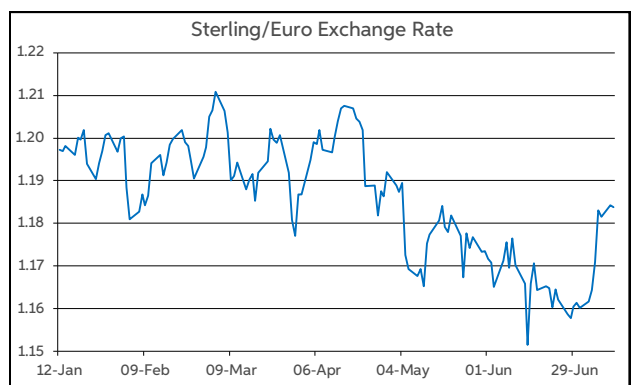
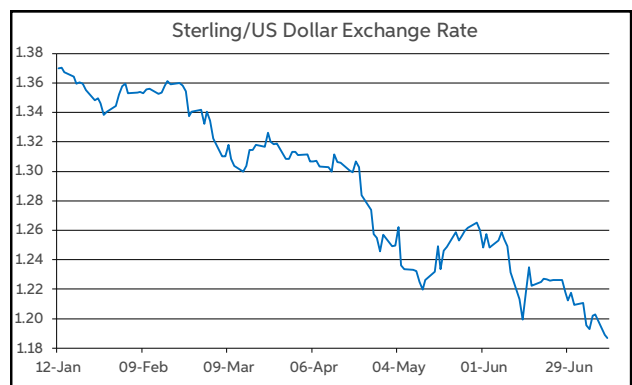
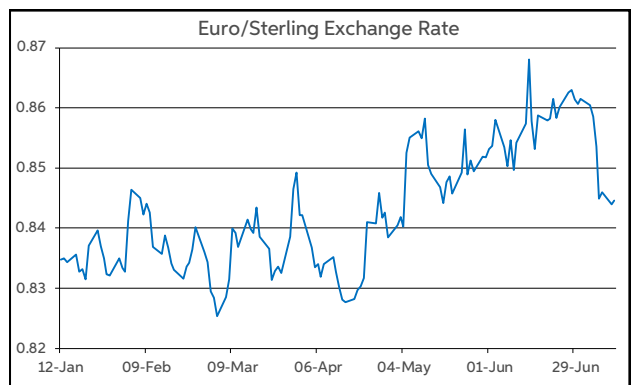
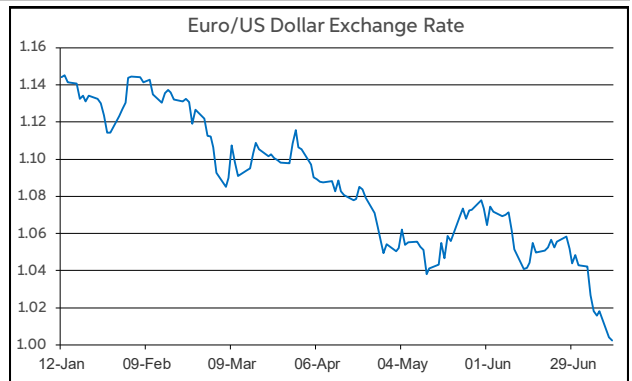
Amid the risk averse backdrop the dollar remained firmly in the ascendancy on currency markets. The greenback made further advances against a number of currencies, including the euro, sterling and the yen. The dollar-index (a measure of the currency’s value versus a number of peers) broke above 108. EUR/USD fell to a fresh low, just above parity. Elsewhere, sterling was holding a slightly softer tone, with EUR/GBP climbing to 84.9p. Overnight though, sterling recouped some of its losses.

As trading gets underway this morning, EUR/USD opens at \$1.002, edging closer to parity. Meanwhile, GBP/USD is changing hands in the top half of the \$1.18-1.19 range. EUR/GBP is operating near the midpoint of the 84-85p corridor.

Turning to the day ahead, there is a quiet data schedule on both sides of the Atlantic. The only release of note is US small business optimism for June. However, barring any major surprises, the data is unlikely to impact the dollar.

All eyes will remain on forex markets today, with the dollar likely to remain in control as fears of a recession remain to the fore. The EUR/USD pair will be a key point of focus once again, with a move below parity potentially opening up a slump towards \$0.98.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.0023	-1.23	-11.83
EUR/GBP	0.8447	-0.21	0.56
GBP/USD	1.1864	-1.02	-12.31
GBP/EUR	1.1832	0.21	-0.56
USD/JPY	137.23	0.18	19.25
EUR/JPY	137.59	-1.04	5.13

* 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	1.625	1.90	2.42	3.32	3.28	3.05
EUR	0.00	-0.43	-0.09	0.85	1.26	1.68
GBP	1.25	1.28	1.76	2.76	2.92	2.74

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

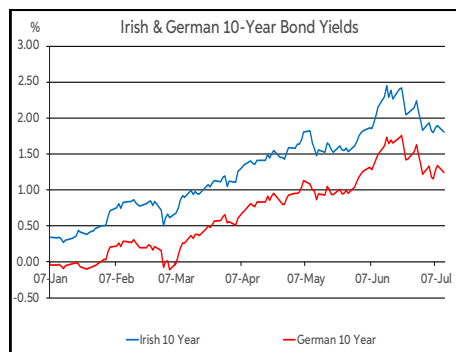
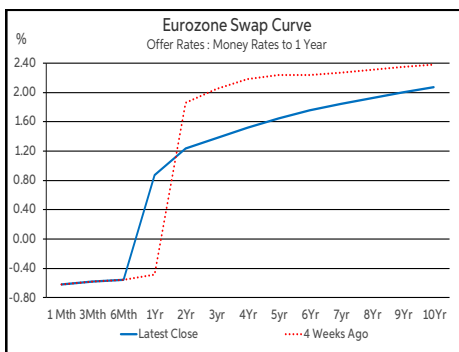
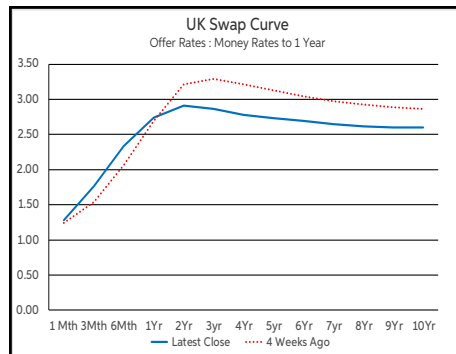
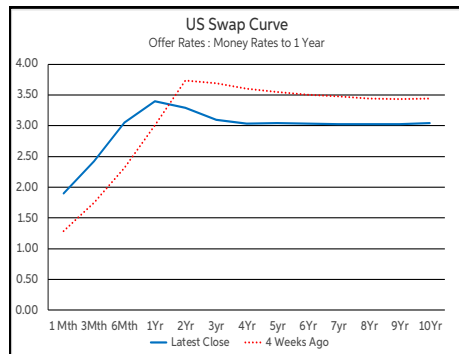
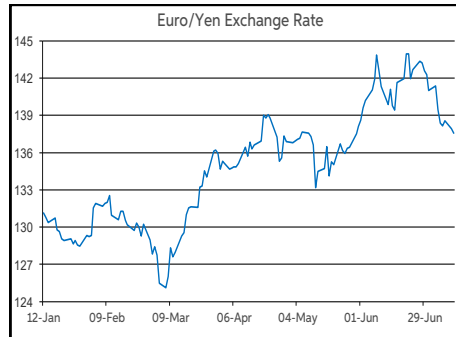
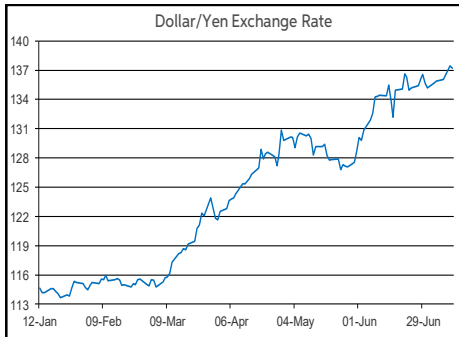
FX Spot	Karl Cooke Shane Gargan Ian Burke	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

Tuesday 12 July 2022
07:25 am



Euro		Sterling		Dollar	
EUR/GBP	0.8447	GBP/EUR	1.1832	USD/JPY	137.23
EUR/USD	1.0023	GBP/USD	1.1864	USD/CAD	1.3026
EUR/JPY	137.59	GBP/CAD	1.5457	USD/CHF	0.9837
EUR/SEK	10.6699	GBP/NZD	1.9416	USD/CNY	6.7257
EUR/DKK	7.4409	GBP/JPY	162.86	USD/BRL	5.3782
EUR/NOK	10.2442	GBP/SEK	12.623	USD/RUB	59
EUR/CHF	0.9862	GBP/DKK	8.8052	USD/INR	79.6375
EUR/AUD	1.4899	GBP/NOK	12.1249	AUD/USD	0.6727
EUR/HKD	7.8693	GBP/CHF	1.1672	NZD/USD	0.6108
EUR/CAD	1.3059	GBP/AUD	1.7633		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	2.99	-9	-37	+148
Germany	1.25	-10	-38	+143
UK	2.18	-5	-34	+121
Ireland	1.82	-13	-52	+157
Belgium	1.89	-10	-44	+171
France	1.78	-11	-47	+158
Italy	3.30	-7	-80	+211
Spain	2.34	-8	-65	+174
Portugal	2.35	-9	-65	+186
Greece	3.62	-3	-75	+231
5 Year Swap %				
US	3.05	-8	-46	+171
Eurozone	1.65	-8	-58	+164
UK	2.73	-11	-39	+146
2 Year Swap %				
US	3.29	-7	-40	+235
Eurozone	1.24	-6	-61	+154
UK	2.91	-10	-30	+172
10 Year Government Bond Spreads to Benchmark bps				
Ireland	57	-4	-14	+14
Belgium	64	-0	-6	+28
France	53	-1	-9	+15
Italy	205	+2	-43	+68
Spain	109	+1	-27	+31
Portugal	110	+1	-28	+43
Greece	237	+7	-37	+88

Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	107.1	+0.07	-12.41	+37.70
West Texas Oil	106.09	-0.65	-12.26	+40.83
Gold \$	1733.7	-0.47	-4.68	-5.18

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