

Investor sentiment remains downbeat

The risk averse mood that has been present on markets all week persisted yesterday. Concerns of a global recession remained the main factor influencing sentiment. The Euro Stoxx 50 fell by 1.7%. The S&P 500 recorded its fifth consecutive daily loss, down 0.3%.

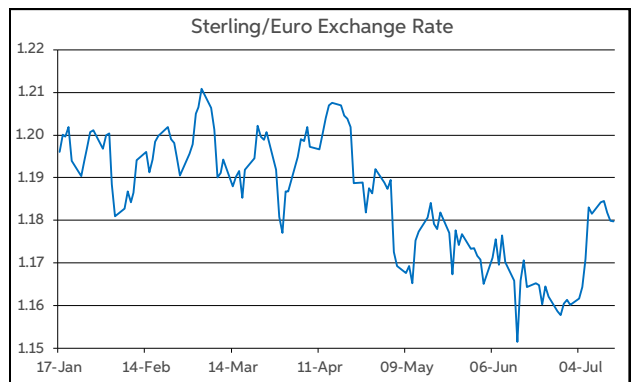
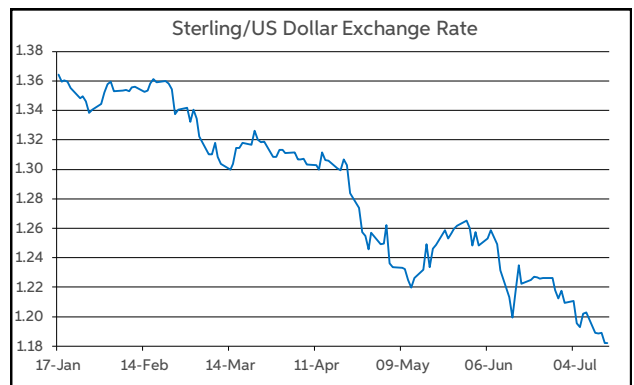
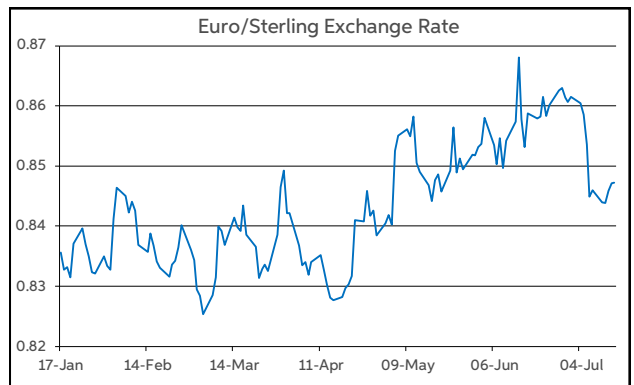
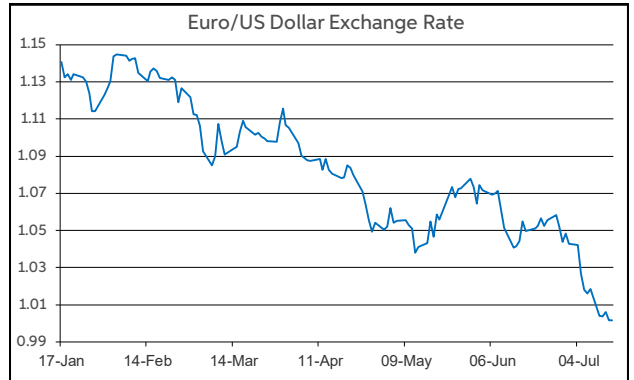
Elsewhere, oil fell back to levels not seen since before the Russian invasion of Ukraine, before rebounding overnight. Brent Crude is currently near \$100 per barrel. On bond markets, Italian spreads widened by circa 15bps, as PM Draghi lost the support of a key party in his coalition government.

Currency-wise, the dollar remained in the driving seat for much of yesterday. EUR/USD fell to another new low below parity, of \$0.995. Meanwhile, GBP/USD traded down to \$1.176, its lowest level since March 2020. However, the greenback was unable to hold onto all of its gains. Overnight, comments from Fed hawk Waller, in favour of a 75bps hike (rather than 100bps) later this month, were also unhelpful for the US currency.

As trading gets underway this morning, EUR/USD opens up just above parity, at \$1.001. Meantime, GBP/USD is operating in the lower half the \$1.18-1.19 range. EUR/GBP has edged up into the top half of the 84-85p corridor.

Today, all the main releases of note come from the US. Retail sales and industrial production are forecast to rise by 0.8% and 0.2%, respectively, in June. Meanwhile, the Michigan measure of consumer sentiment is projected to deteriorate further in July, from its all-time low. The inflation expectations component of the survey will also garner attention. From a currency viewpoint political turmoil in Italy may weigh on the euro.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.0014	-0.07	-11.91
EUR/GBP	0.8474	0.30	0.88
GBP/USD	1.1818	-0.35	-12.65
GBP/EUR	1.1797	-0.30	-0.87
USD/JPY	138.86	0.46	20.66
EUR/JPY	139.09	0.39	6.28

* 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	2.00	2.51	3.49	3.38	3.04
EUR	0.00	-0.42	-0.05	0.92	1.25	1.59
GBP	1.25	1.38	1.81	2.89	2.95	2.71

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

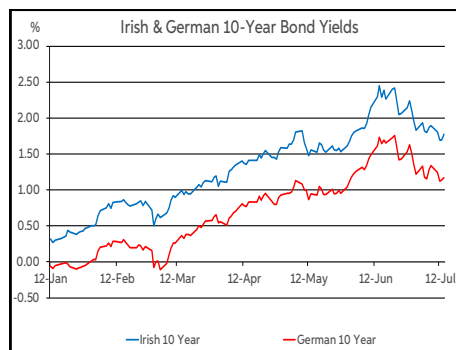
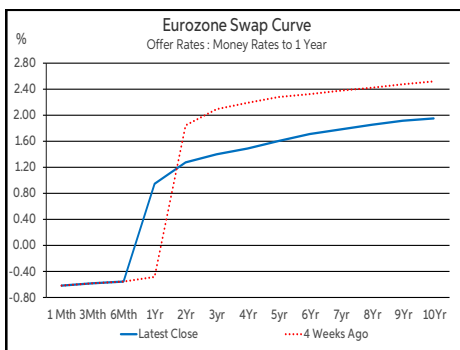
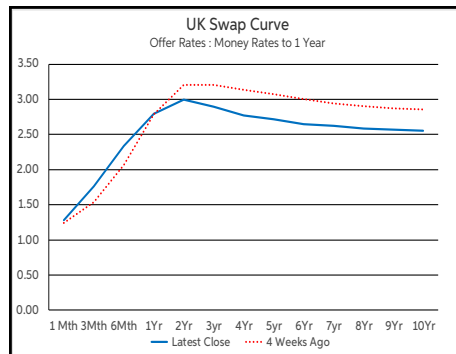
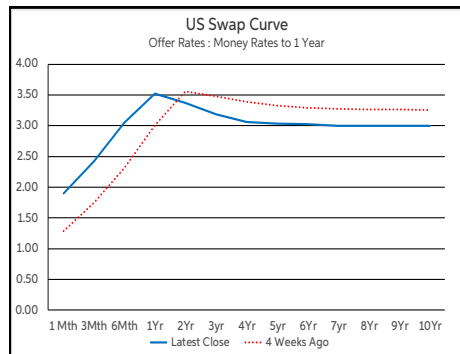
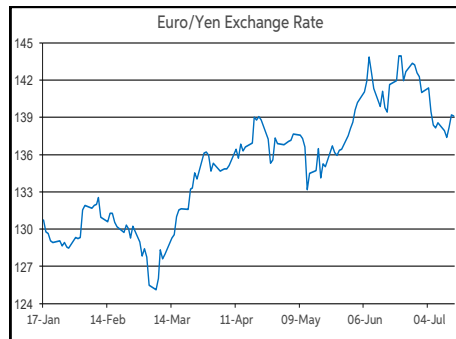
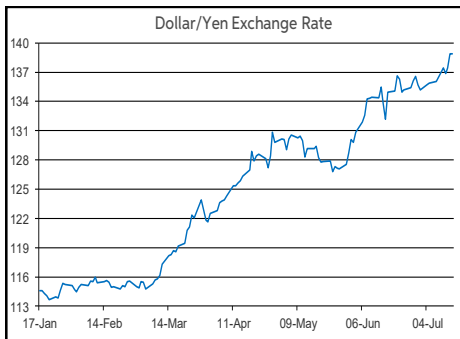
FX Spot	Karl Cooke Shane Gargan Ian Burke	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

Friday 15 July 2022
07:33 am



Euro		Sterling		Dollar	
EUR/GBP	0.8474	GBP/EUR	1.1797	USD/JPY	138.86
EUR/USD	1.0014	GBP/USD	1.1818	USD/CAD	1.3119
EUR/JPY	139.09	GBP/CAD	1.5505	USD/CHF	0.9829
EUR/SEK	10.6008	GBP/NZD	1.9293	USD/CNY	6.759
EUR/DKK	7.4418	GBP/JPY	164.1	USD/BRL	5.4234
EUR/NOK	10.2658	GBP/SEK	12.508	USD/RUB	58.3
EUR/CHF	0.9846	GBP/DKK	8.7799	USD/INR	79.86
EUR/AUD	1.4889	GBP/NOK	12.1156		
EUR/HKD	7.8625	GBP/CHF	1.1618	AUD/USD	0.6726
EUR/CAD	1.3139	GBP/AUD	1.7569	NZD/USD	0.6125



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	2.96	+2	-24	+145
Germany	1.18	+3	-52	+136
UK	2.10	+4	-42	+113
5 Year Swap %				
US	3.04	+5	-25	+170
Eurozone	1.60	+1	-68	+159
UK	2.71	+5	-35	+144
2 Year Swap %				
US	3.37	+2	-15	+243
Eurozone	1.28	+5	-56	+158
UK	3.00	+11	-21	+180
10 Year Government Bond Spreads to Benchmark bps				
Ireland	63	+2	-10	+20
Belgium	62	-1	-3	+26
France	51	-1	-5	+13
Italy	219	+11	+4	+83
Spain	115	+4	-3	+37
Portugal	118	+5	+3	+51
Greece	236	+0	-24	+86

Commodities				
	Close	% Change		
		Day	4 Weeks	End 21
Brent Oil	99.1	-0.47	-17.29	+27.41
West Texas Oil	97.79	-0.66	-16.82	+29.82
Gold \$	1709.4	-1.49	-7.93	-6.51

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