

## Currency markets remain range bound

The relatively quiet start to the week on financial markets from Monday carried through into yesterday's price action. In a similar vein to the day before, the Euro Stoxx 50 declined by 0.7%, while the S&P 500 edged 0.6% higher. Some negative earnings reports weighed on Eurozone equity markets.

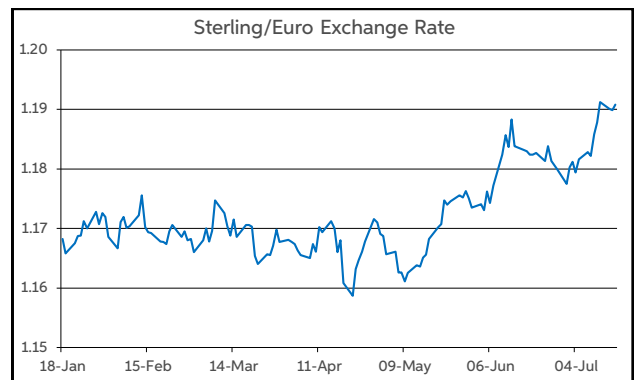
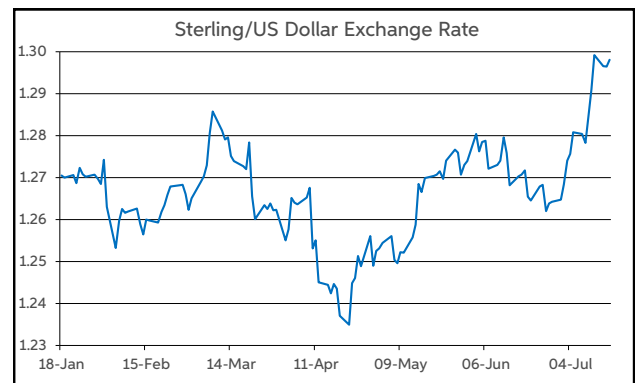
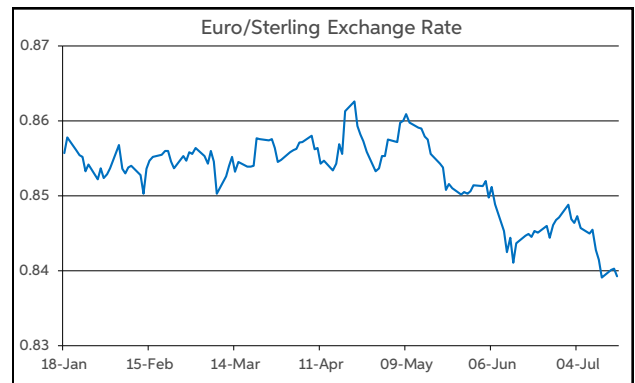
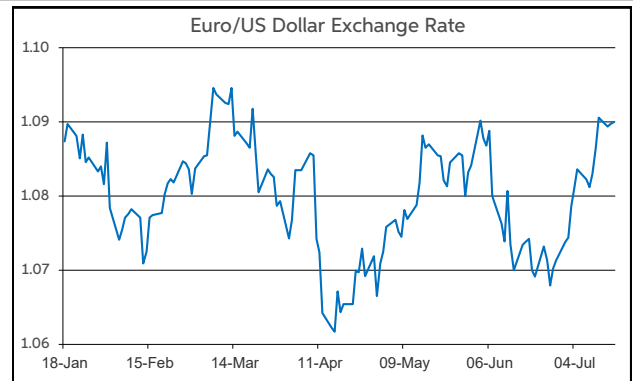
On the data front, the main release of note was US retail sales for June. Headline sales stagnated in the month, but printed above the consensus for a 0.3% contraction. Meanwhile, the control group measure rose by 0.9%, well above the 0.2% forecast. Elsewhere in the US, homebuilder sentiment inched lower to 42 in July from 43 (and vs. 43 f'cast). In the Eurozone, the German ZEW investor sentiment indicator deteriorated by more than expected in July.

Currency-wise, the main FX pairs operated within quite tight ranges throughout yesterday. Of the limited moves to note, the dollar was initially under some marginal downward pressure. However, the greenback took the ascendancy in the aftermath of the retail sales release, before softening once again overnight.

In level terms, EUR/USD opens this morning up at the \$1.09 threshold. GBP/USD is changing hands in the upper half of the \$1.29-1.30 corridor. Elsewhere, EUR/GBP is just below the 84p handle. USD/JPY is down under the ¥158 mark.

Already this morning, UK CPI data have broadly printed in-line with expectations. Both the headline and core rates were unchanged at 2.0% and 3.5%, respectively. Sterling has been holding a slightly firmer tone following the release. Later today, the final reading of Eurozone HICP for June is set to confirm inflation stood at 2.8% in the month. In the US, industrial production data for June are due.

**Daniel Noonan, Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2023
EUR/USD	1.09	0.09	-1.23
EUR/GBP	0.8393	-0.08	-3.17
GBP/USD	1.2981	0.15	1.98
GBP/EUR	1.1907	0.08	3.28
USD/JPY	157.92	-0.45	11.95
EUR/JPY	172.16	-0.36	10.62

\* 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	5.38	5.45	5.55	5.07	4.56	4.10
EUR	4.25	3.57	3.66	3.43	3.05	2.72
GBP	5.25	5.15	5.11	4.81	4.61	4.10

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

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

## Euro

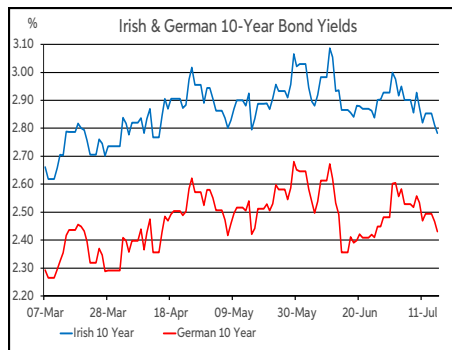
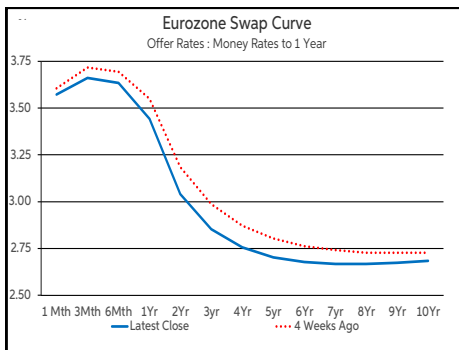
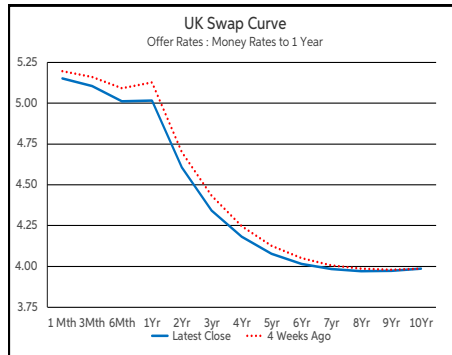
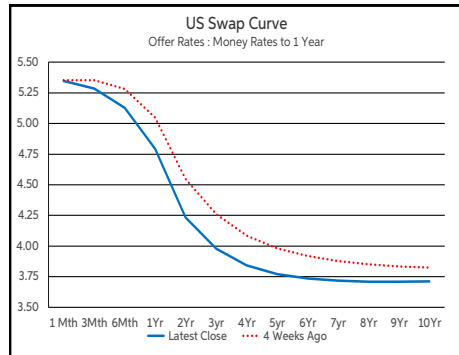
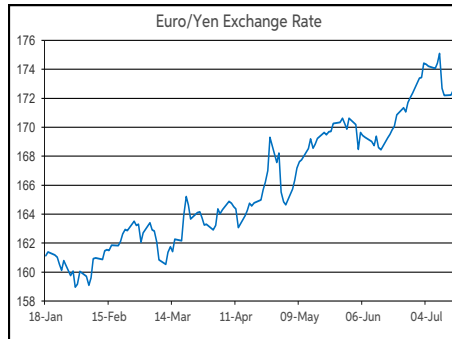
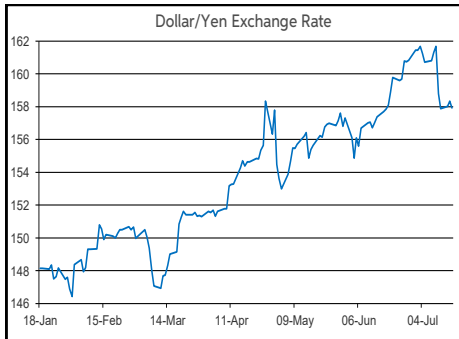
EUR/GBP	0.8393
EUR/USD	1.09
EUR/JPY	172.17
EUR/SEK	11.5456
EUR/DKK	7.4578
EUR/NOK	11.7777
EUR/CHF	0.974
EUR/AUD	1.6184
EUR/HKD	8.5096
EUR/CAD	1.4912

## Sterling

GBP/EUR	1.1907
GBP/USD	1.2981
GBP/CAD	1.776
GBP/NZD	2.1375
GBP/JPY	205.02
GBP/SEK	13.7498
GBP/DKK	8.8821
GBP/NOK	14.0272
GBP/CHF	1.1603
GBP/AUD	1.9277

## Dollar

USD/JPY	157.94
USD/CAD	1.3679
USD/CHF	0.8936
USD/CNY	7.2683
USD/BRL	5.4248
USD/RUB	87.9
USD/INR	83.5427
AUD/USD	0.6733
NZD/USD	0.6071



Debt Markets				
	Close	Day	4 Weeks	End 23
<b>10 Year Yield %</b>				
US	4.17	-6	-5	+31
Germany	2.43	-4	+4	+40
UK	4.05	-5	-0	+51
Ireland	2.81	-4	-6	+44
Belgium	3.00	-3	-6	+31
France	3.09	-3	-3	+53
Italy	3.71	-4	-18	+1
Spain	3.20	-3	-11	+21
Portugal	3.02	-3	-11	+23
Greece	3.42	-4	-19	+34
<b>5 Year Swap %</b>				
US	4.03	-7	-21	+23
Eurozone	2.70	-5	-9	+28
UK	4.08	-4	-4	+43
<b>2 Year Swap %</b>				
US	4.50	-3	-31	+17
Eurozone	3.04	-4	-14	+25
UK	4.58	-3	-11	+32
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	38	+0	-10	+4
Belgium	57	+1	-10	-9
France	65	+1	-7	+12
Italy	128	-0	-22	-40
Spain	77	+1	-15	-20
Portugal	59	+0	-15	-17
Greece	98	-0	-23	-6

Commodities				
	Close	Day	4 Weeks	End 23
Brent Oil	83.73	-1.32	-1.88	+8.68
West Texas Oil	71.65	-0.17	-1.90	-1.27
Gold \$	2468.6	+1.92	+6.02	+19.68

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.