

Mixed tone to start the week

There was a mixed tone to investor sentiment to start the week. The Euro Stoxx 50 gained 1.0%. Meanwhile on Wall Street, the S&P 500 initially rose. However, as the US session progressed, a risk averse tone took hold amid concerns over the economic outlook. The index was down 0.8% at the close last night. Meanwhile, oil prices moved back above \$105 per barrel on concerns about tight supply.

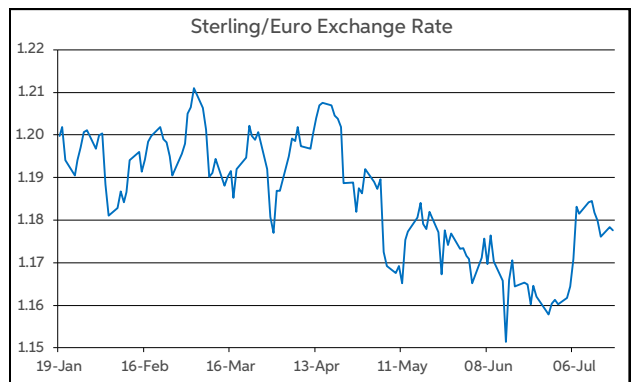
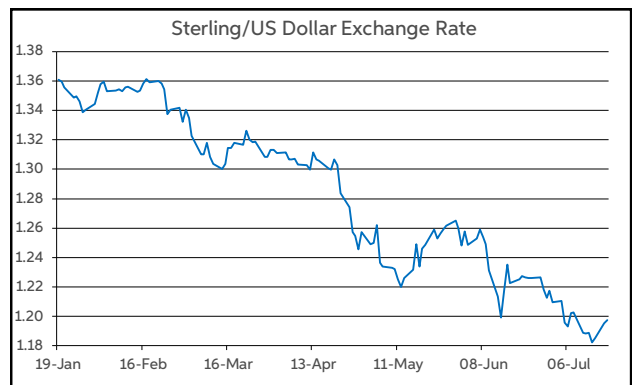
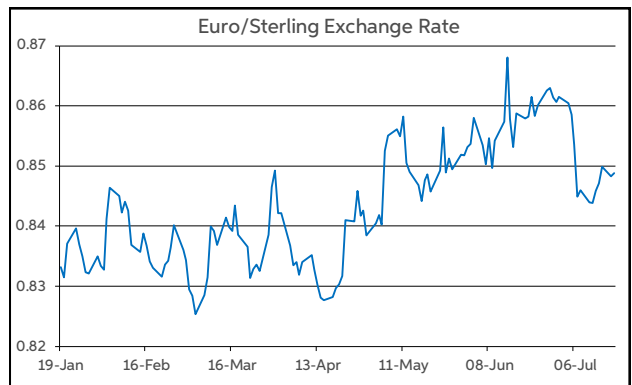
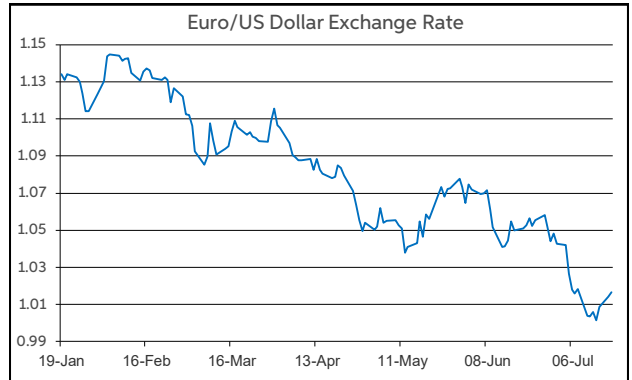
Currency-wise, the dollar rally took a breather. The currency found itself somewhat on the defensive. It fell by around 0.7% versus the euro and sterling yesterday. From a euro viewpoint, political turmoil in Italy has not impacted the single currency thus far. Elsewhere, the Japanese yen remained on the back foot also.

As trading gets underway this morning, the softer dollar tone is evidenced by EUR/USD opening up above \$1.01. Elsewhere, GBP/USD is in the upper half of \$1.19-1.20, having started the week below the \$1.19 threshold. EUR/GBP traded sideways for much of yesterday, and is currently operating in the top half of the 84-85p range once again. USD/JPY remains in and around the ¥138 mark.

Already today, UK labour market data for May has been released. The unemployment rate remained at 3.8% in May. Meanwhile underlying average earnings rose by 4.3% y/y, matching forecasts. The data has not affected sterling in early trading.

Later today though, prepared remarks from BoE Governor Bailey will be closely followed by sterling watchers. Elsewhere on currency markets, the recent pause in the dollar rally may also garner attention.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.0165	0.74	-10.58
EUR/GBP	0.849	0.04	1.07
GBP/USD	1.1974	0.74	-11.49
GBP/EUR	1.1775	-0.04	-1.06
USD/JPY	137.76	-0.41	19.71
EUR/JPY	140.08	0.36	7.04

* 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	2.13	2.71	3.46	3.38	3.06
EUR	0.00	-0.32	0.07	0.98	1.33	1.67
GBP	1.25	1.45	1.90	2.91	2.98	2.75

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

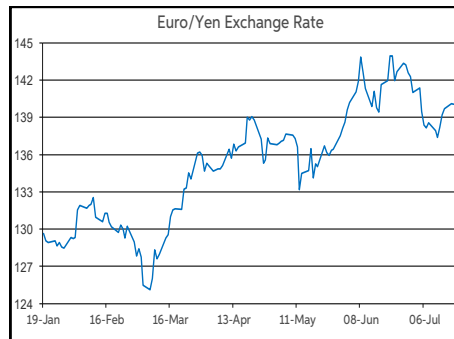
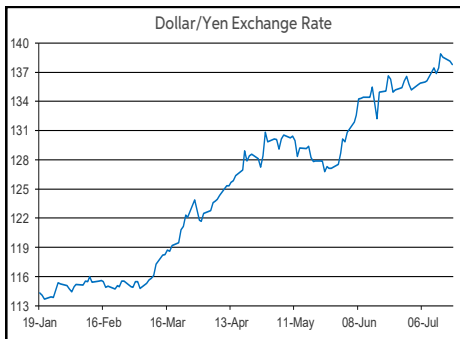
FX Spot	Karl Cooke Shane Gargan Ian Burke	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

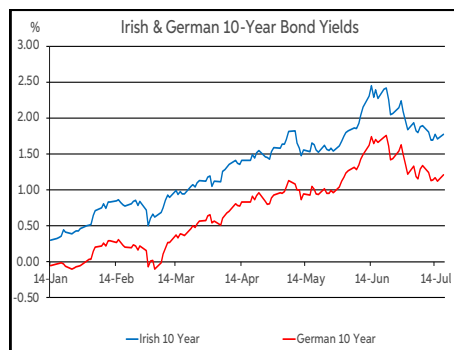
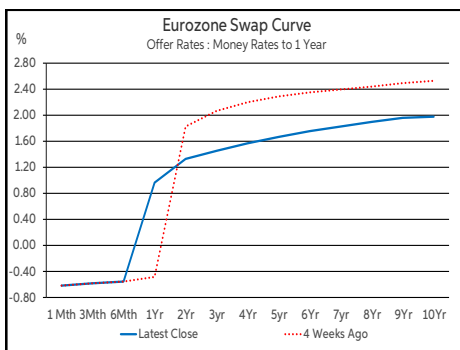
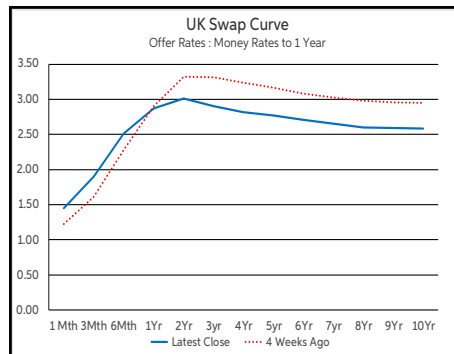
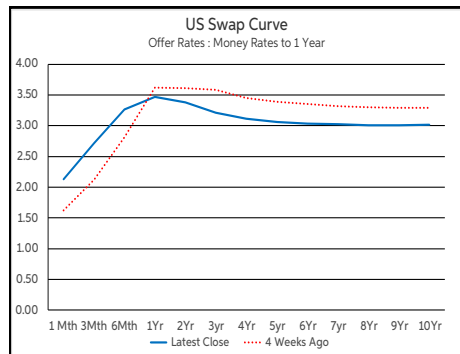
Tuesday 19 July 2022
07:54 am



Euro		Sterling		Dollar	
EUR/GBP	0.849	GBP/EUR	1.1775	USD/JPY	137.76
EUR/USD	1.0165	GBP/USD	1.1974	USD/CAD	1.2953
EUR/JPY	140.08	GBP/CAD	1.5509	USD/CHF	0.9744
EUR/SEK	10.5363	GBP/NZD	1.9361	USD/CNY	6.7465
EUR/DKK	7.4439	GBP/JPY	164.97	USD/BRL	5.4375
EUR/NOK	10.2172	GBP/SEK	12.4063	USD/RUB	56.35
EUR/CHF	0.9906	GBP/DKK	8.7653	USD/INR	79.948
EUR/AUD	1.4838	GBP/NOK	12.0283		
EUR/HKD	7.9807	GBP/CHF	1.1667	AUD/USD	0.685
EUR/CAD	1.317	GBP/AUD	1.7474	NZD/USD	0.6183



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	2.99	+6	-24	+148
Germany	1.21	+9	-53	+139
UK	2.16	+7	-44	+119
Ireland				
Ireland	1.80	+6	-63	+156
Belgium	1.84	+7	-57	+166
France	1.82	+16	-50	+162
Italy	3.37	+1	-42	+218
Spain	2.45	+17	-40	+186
Portugal				
Portugal	2.38	+8	-41	+189
Greece	3.48	-4	-51	+216
5 Year Swap %				
US	3.06	+7	-30	+173
Eurozone	1.67	+4	-61	+166
UK	2.77	+6	-35	+150
2 Year Swap %				
US	3.38	+3	-20	+243
Eurozone	1.33	+2	-49	+163
UK	3.01	+5	-30	+182
10 Year Government Bond Spreads to Benchmark bps				
Ireland	59	-3	-10	+16
Belgium	63	-2	-4	+27
France	60	+7	+3	+23
Italy	216	-8	+11	+79
Spain	124	+8	+13	+47
Portugal	117	-1	+12	+50
Greece	226	-13	+2	+77



Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	106.27	+5.05	-6.89	+36.63
West Texas Oil	104.48	+4.91	-5.25	+38.70
Gold \$	1709.0	+0.13	-7.03	-6.53

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