

Slightly firmer tone to sterling

There was a generally cautious and subdued tone to much of the market action yesterday. Most of the main equity indices were either flat to slightly positive on the day. The Euro Stoxx 50 rose by 0.2%. Meanwhile, at the closing bell on Wall Street last night, the S&P 500 index was up just 0.1%.

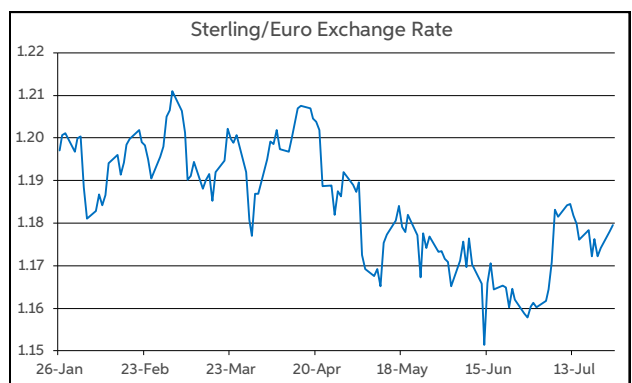
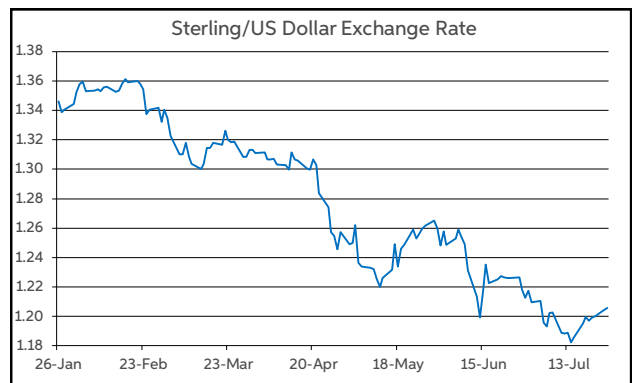
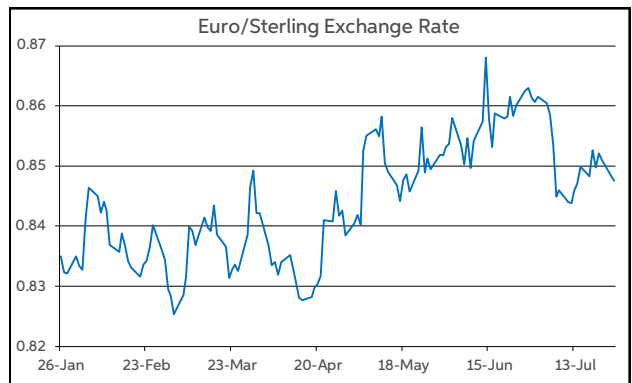
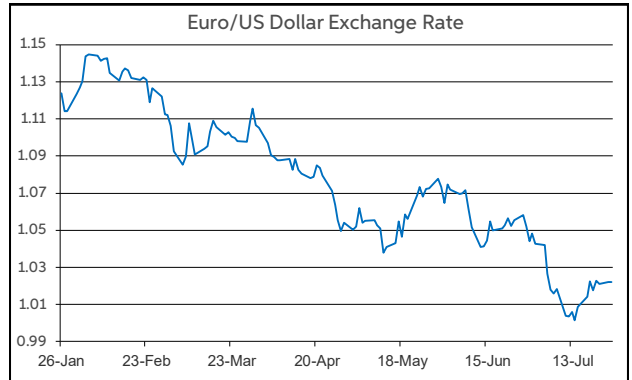
Data-wise, the main release of note yesterday was the German Ifo survey of business sentiment for July. Similar to last Friday's PMI data, it missed to the downside of expectations as well as being consistent with a slowdown in the Eurozone's largest economy. The headline reading fell to its lowest level since June 2020. The underlying data showed that the weakening in activity was broad-based across the key sectors of the economy.

On the currency front, the action was confined to fairly tight ranges yesterday. Of the limited moves to register, sterling was holding a modestly firmer tone without any obvious factor behind this. Meanwhile, the dollar found itself under some mild downward pressure over the course of the day against some of the other majors.

In level terms, EUR/USD opens this morning back above the \$1.02 threshold, trading in the lower half of \$1.02-1.03. Meanwhile, the firmer sterling tone sees the GBP/USD pair operating just above the midpoint of \$1.20-1.21. Meantime, EUR/GBP has been unable to hold onto the 85p handle and starts today at 84.7p.

Looking ahead to today, the data diary is quiet on this side of the Atlantic. However, there is a busier schedule in the US. House prices (May), new home sales (June) and the Conference Board measure of consumer confidence (July) are all due to release.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.0218	0.13	-10.12
EUR/GBP	0.8474	-0.52	0.88
GBP/USD	1.2055	0.63	-10.90
GBP/EUR	1.1793	0.52	-0.87
USD/JPY	136.72	0.37	18.80
EUR/JPY	139.71	0.49	6.75

* 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	2.30	2.77	3.41	3.25	2.87
EUR	0.00	-0.17	0.20	1.00	1.25	1.53
GBP	1.25	1.53	1.91	2.78	2.81	2.56

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 26 July 2022
07:25 am



Euro

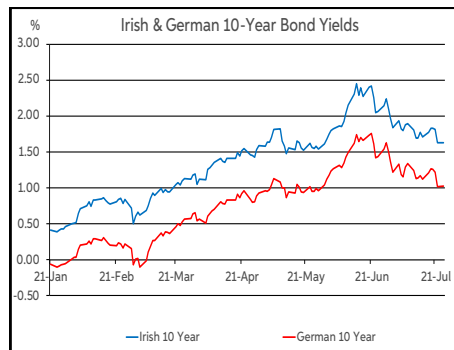
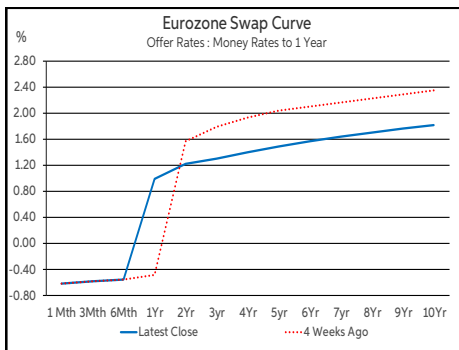
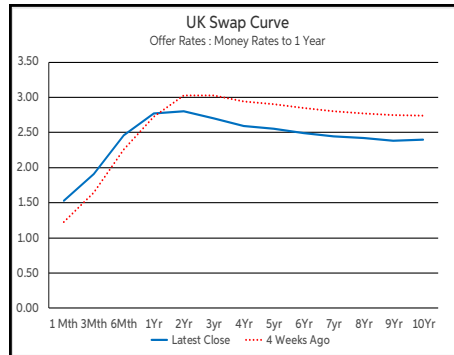
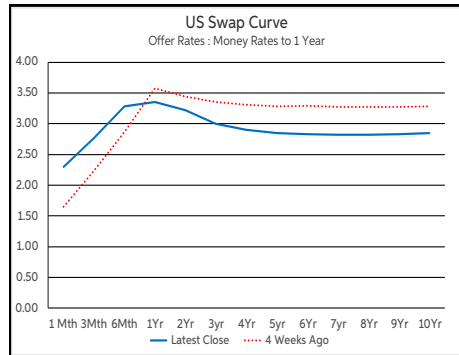
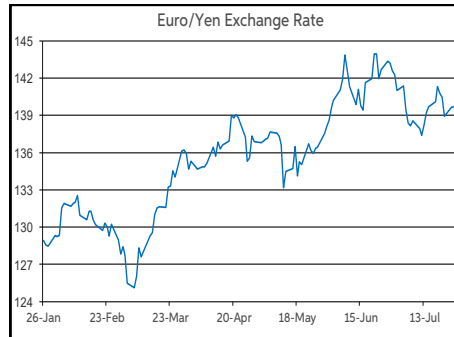
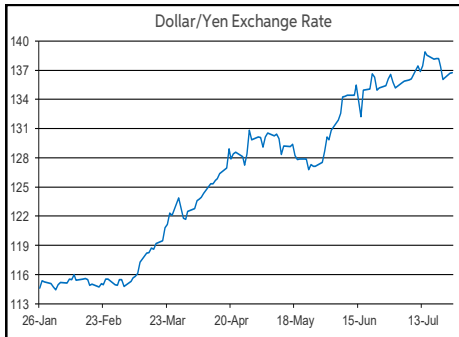
EUR/GBP	0.8474
EUR/USD	1.0218
EUR/JPY	139.71
EUR/SEK	10.4236
EUR/DKK	7.4448
EUR/NOK	10.0349
EUR/CHF	0.9859
EUR/AUD	1.4684
EUR/HKD	8.0211
EUR/CAD	1.3109

Sterling

GBP/EUR	1.1793
GBP/USD	1.2055
GBP/CAD	1.5464
GBP/NZD	1.9254
GBP/JPY	164.82
GBP/SEK	12.2954
GBP/DKK	8.7813
GBP/NOK	11.8392
GBP/CHF	1.1632
GBP/AUD	1.7324

Dollar

USD/JPY	136.72
USD/CAD	1.2825
USD/CHF	0.9648
USD/CNY	6.7546
USD/BRL	5.3571
USD/RUB	57.9
USD/INR	79.8
AUD/USD	0.6958
NZD/USD	0.6259



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	2.81	+5	-39	+130
Germany	1.03	+1	-51	+121
UK	1.94	-0	-46	+96
Ireland	1.69	-0	-49	+144
Belgium	1.64	-2	-53	+147
France	1.61	-1	-47	+142
Italy	3.38	-4	-25	+220
Spain	2.23	-3	-43	+164
Portugal	2.16	-4	-48	+167
Greece	3.10	-18	-76	+178
5 Year Swap %				
US	2.85	+5	-41	+152
Eurozone	1.49	-4	-52	+148
UK	2.55	-3	-34	+128
2 Year Swap %				
US	3.22	+6	-19	+227
Eurozone	1.23	-5	-34	+153
UK	2.81	-2	-21	+161
10 Year Government Bond Spreads to Benchmark bps				
Ireland	66	-1	+2	+23
Belgium	61	-3	-2	+26
France	58	-2	+5	+21
Italy	235	-4	+26	+99
Spain	120	-3	+8	+43
Portugal	113	-4	+4	+47
Greece	207	-19	-25	+57

Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	105.15	+1.89	-8.64	+35.19
West Texas Oil	99.83	+2.17	-10.42	+32.52
Gold \$	1718.8	-0.44	-5.70	-5.99

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