

News and Events

- **GE:** Exports contracted 1.1% mom in May, with imports down 3.4%.
- **FR:** The Bank of France business sentiment indicator remained at 97 in June.
- **ECB:** Christian Noyer (8:30 CET) and Luis María Linde (9:00 CET) speak today.
- **EU:** European Union finance ministers gather today at 9:00 CET.
- **SZ:** We expect CPI inflation to accelerate to 0.4% yoy in June from 0.2% yoy (9:15 CET).
- **UK:** We see industrial production rising 0.2% mom in May, with manufacturing output up 0.1% (10:30 CET).
- **Fed:** Jeffrey Lacker (19:00 CET) and Narayana Kocherlakota (19:45 CET) are due to speak today on the economy and monetary policy.

FI/FX Strategy

- **FI View:** The past two days were characterized by extremely thin trading activity. Still, we have little reason to expect a more thrilling trading session today. Fundamental input is limited to German export and UK IP data. CB speeches are expected from Christian Noyer and Luis María Linde (ECB) as well as Mr. Lacker and Mr. Kocherlakota (Fed). Another summer-lull trading day is likely.
- **Netherlands:** The Dutch debt agency will tap the DSL 2% Jul24 for EUR 1.5-2.5bn today. At 1.48%, the Jul24 offers a 22bp yield pick-up vs. Bunds at the tight end of the recent trading range.
- **Austria:** The Austrian Treasury will reopen the RAGB 1.65% Oct24 and the RAGB 3.15% Apr44 for a total of EUR 1.1bn today. At the very long end of the curve, RAGBs have suffered recently, probably in response to the latest newsflow. Compared to Dutch bonds, the 10Y RAGB has tightened from 8bp to 6bp, whereas at the 30 year, Austria has widened from 12bp to 14bp.
- **EUR:** A light daily agenda prevented a strong EUR-USD reaction to poor German IP data yesterday, with the pair ultimately reverting back to 1.36. Given the lack of data releases in the eurozone and the US also today, dull trading at around the indicated threshold is likely to continue.
- **JN:** A stronger JPY is not in Japan's interest and that a lower currency can be expected in the medium term. Still, for now USD-JPY is likely to stay stuck close to 102, limiting a EUR-JPY recovery to 140.
- **CHF:** Slightly higher-than-consensus Swiss inflation data, as we expect, are unlikely to impact the franc this morning. At most, USD-CHF may return closer to 0.89, while EUR-CHF may again drift just below 1.2150.
- **GBP:** UK Industrial Production in May proving less buoyant than in April may steer cable closer to the 1.71 baseline and lift EUR-GBP back above 0.7950. Indeed, prospects of tighter monetary policy at home are expected to again offer sterling a good cushion to the downside.
- **Nordics:** The NOK shrugged off the unexpected plunge of Norwegian IP in May, with EUR-NOK now below 8.40, suggesting that investors may start viewing the recent sell-off of the two Nordics as a buying opportunity. Still, given poor data at home and huge swings, we would recommend staying on the sidelines for now.