

EUR/USD back above \$1.07

Investor sentiment continued to hold a more positive tone on financial markets yesterday. The Euro Stoxx 50 finished up 1.7%, while the S&P 500 rose by 2%. On bond markets, yield curves moved higher and steeper, but stayed within recent ranges. Meanwhile, in the UK, the Government announced a fiscal package to alleviate the cost of living squeeze on households.

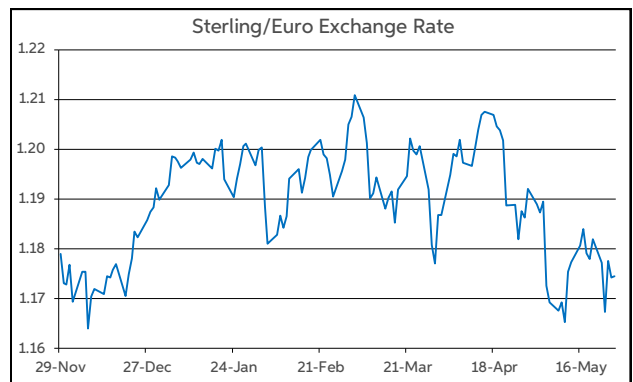
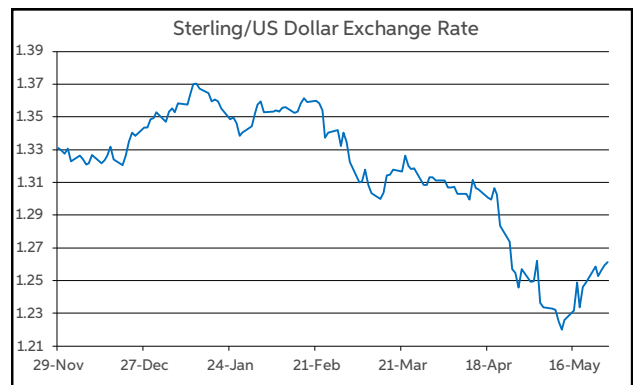
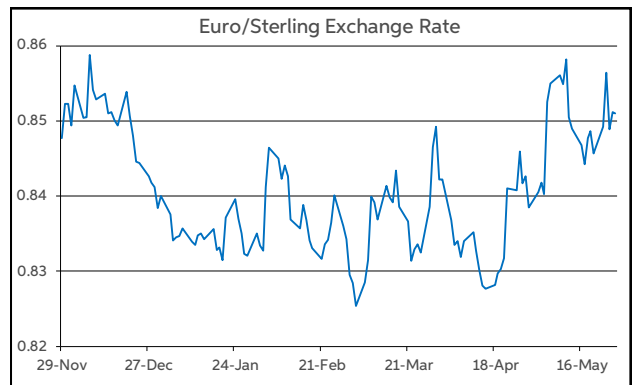
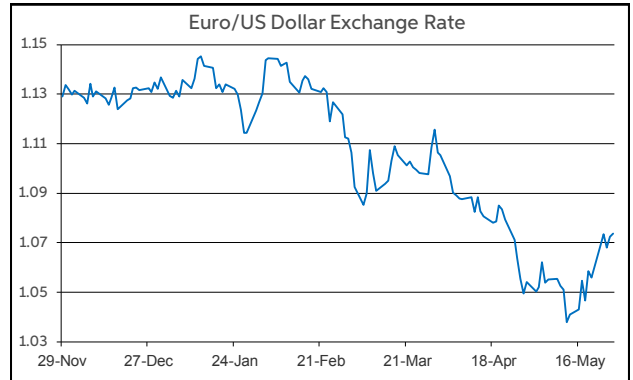
On the currency front, the main pairs continued to operate in relatively tight ranges. A market holiday for many European countries and a quiet data schedule may have contributed to the limited amount of price action. The only release of note, the second reading of US GDP showed the economy contracted by 1.5% in annualised terms in Q1 (vs. -1.4% previously). However, the underlying details in the report remained strong.

Of the limited moves to register on the exchanges, the dollar was holding a slightly softer tone, as it has done throughout the week. Elsewhere, the euro moved slightly higher. As a result the single currency regained the \$1.07 handle versus the greenback.

As trading gets underway this morning, EUR/USD opens in the lower half of the \$1.07-1.08 corridor. Meanwhile, EUR/GBP is operating just above the 85p mark. GBP/USD is changing hands up above the \$1.26 threshold.

Turning to today, the latest reading of US core-PCE inflation will garner close attention. The consensus is for core-PCE to ease back to 4.9% in April from 5.2%, indicating inflation may have peaked in the US. Elsewhere, US consumption and income data for April will also be of interest, but are unlikely to impact the dollar.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.0741	0.57	-5.52
EUR/GBP	0.851	0.15	1.31
GBP/USD	1.2616	0.39	-6.75
GBP/EUR	1.1743	-0.15	-1.29
USD/JPY	126.99	-0.27	10.35
EUR/JPY	136.39	0.26	4.22

* 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	0.875	1.02	1.55	2.47	2.77	2.76
EUR	0.00	-0.55	-0.35	0.40	0.93	1.39
GBP	1.00	1.07	1.35	2.19	2.46	2.43

All rates quoted are indicative market rates

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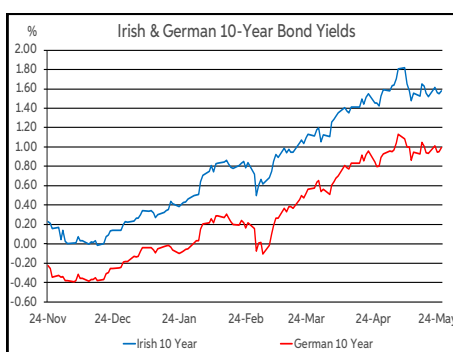
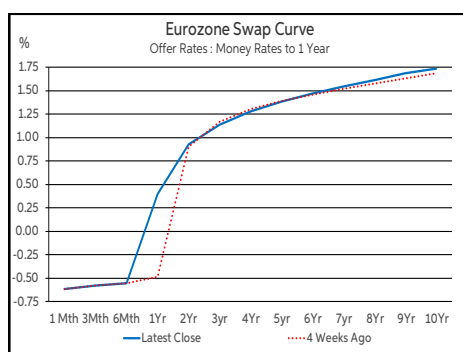
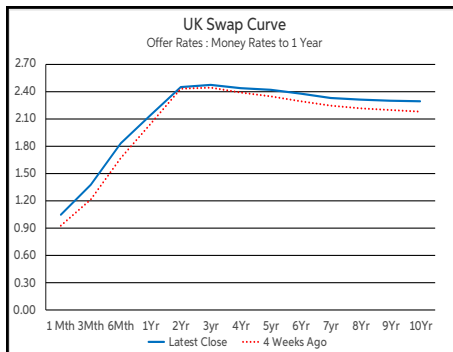
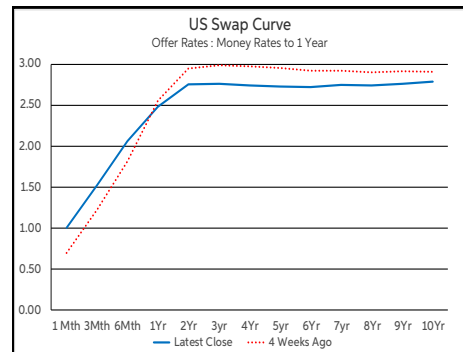
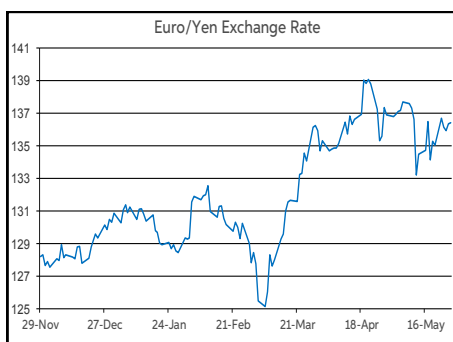
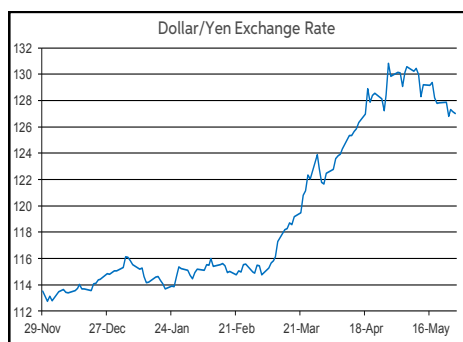
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Opening Levels

Friday 27 May 2022
07:50 am



Euro		Sterling		Dollar	
EUR/GBP	0.851	GBP/EUR	1.1744	USD/JPY	126.97
EUR/USD	1.0739	GBP/USD	1.2618	USD/CAD	1.2758
EUR/JPY	136.4	GBP/CAD	1.61	USD/CHF	0.9596
EUR/SEK	10.5511	GBP/NZD	1.9397	USD/CNY	6.7392
EUR/DKK	7.4389	GBP/JPY	160.24	USD/BRL	4.7695
EUR/NOK	10.222	GBP/SEK	12.3954	USD/RUB	64.5
EUR/CHF	1.0306	GBP/DKK	8.7385	USD/INR	77.672
EUR/AUD	1.507	GBP/NOK	12.0086		
EUR/HKD	8.4297	GBP/CHF	1.211	AUD/USD	0.7127
EUR/CAD	1.3703	GBP/AUD	1.7704	NZD/USD	0.6503



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	2.74	-1	-9	+123
Germany	1.00	+4	+10	+118
UK	1.97	+6	+9	+100
Ireland	1.61	+3	+4	+136
Belgium	1.59	+3	+14	+141
France	1.51	+3	+11	+132
Italy	2.90	-4	+19	+172
Spain	2.06	+0	+15	+147
Portugal	2.12	+2	+17	+164
Greece	3.54	-4	+38	+222
5 Year Swap %				
US	2.73	+1	-18	+140
Eurozone	1.38	+2	+0	+137
UK	2.42	+5	+8	+114
2 Year Swap %				
US	2.76	+2	-15	+181
Eurozone	0.92	+1	+3	+122
UK	2.45	+4	+2	+126
10 Year Government Bond Spreads to Benchmark bps				
Ireland	61	-1	-6	+18
Belgium	59	-2	+3	+24
France	51	-1	+1	+14
Italy	190	-9	+8	+54
Spain	106	-4	+5	+29
Portugal	113	-3	+6	+46
Greece	254	-8	+28	+105

Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	117.4	+2.96	+9.12	+50.94
West Texas Oil	116.19	+2.93	+10.16	+54.24
Gold \$	1850.0	-0.15	-2.34	+1.18

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