

All eyes on ECB today

The market action yesterday was fairly muted. Data-wise, the macro diary was once again sparse and therefore lacking in any potential market moving news. The fact that today's ECB meeting was looming on the horizon was also a contributing factor to the subdued mood on markets.

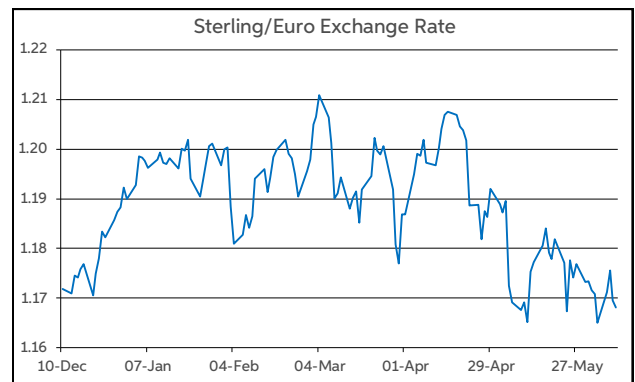
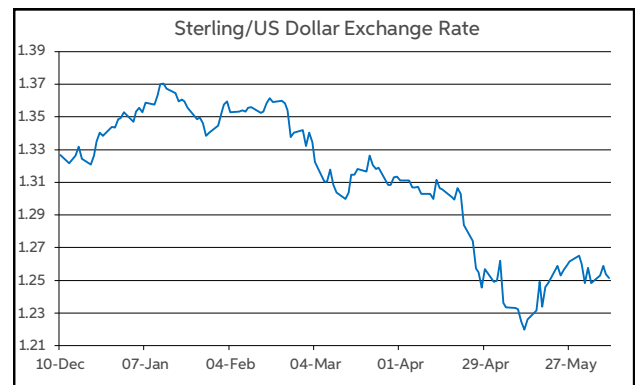
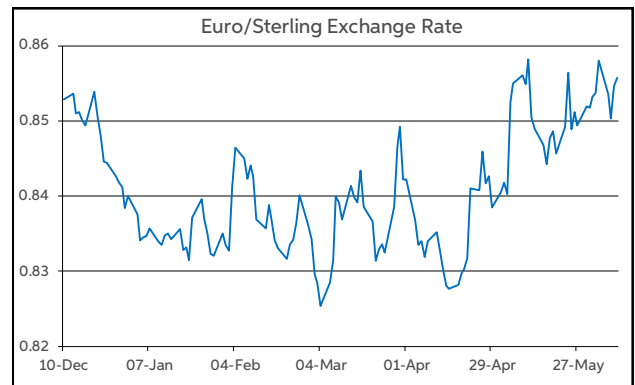
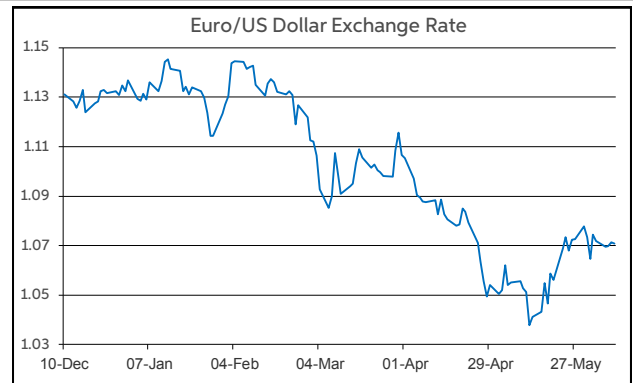
On the currency front, the euro managed to generate some upward momentum in the lead up to the ECB meeting. This is reflected in EUR/USD opening this morning back up at the \$1.07 threshold. EUR/GBP has also edged higher, to the midpoint of the 85-86p trading band. Meanwhile, GBP/USD is changing hands in the lower half of \$1.25-1.26. Elsewhere, the yen continues to weaken with USD/JPY at new 20-year highs above ¥133.

Looking ahead to today, attention is very much centred on the aforementioned ECB meeting and in turn this entails event risk for the euro. The Governing Council is not expected to hike rates today. However, it is expected to provide guidance that a rate hike will be announced at its July 21st meeting.

There is, though, uncertainty over the pace of tightening from the ECB this year. Recent comments suggest differing views within the Governing Council on the issue. Some members have indicated a preference for a 50bps hike in Q3, while others are in favour of more gradual 25bps increments. The market is expecting at least one 50bps hike with a total of 125bps priced in by year end.

Therefore, today's post-meeting press conference from President Lagarde will be closely scrutinised by markets as they look for clarity on the pace/extent of rate hikes. As a result, the euro could be sensitive to President Lagarde's remarks.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.0708	0.29	-5.81
EUR/GBP	0.8556	0.64	1.86
GBP/USD	1.2513	-0.35	-7.51
GBP/EUR	1.1681	-0.63	-1.82
USD/JPY	133.88	0.48	16.34
EUR/JPY	143.37	0.77	9.55

* 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	1.20	1.69	2.80	3.16	3.09
EUR	0.00	-0.53	-0.30	0.65	1.32	1.76
GBP	1.00	1.19	1.47	2.46	2.82	2.76

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

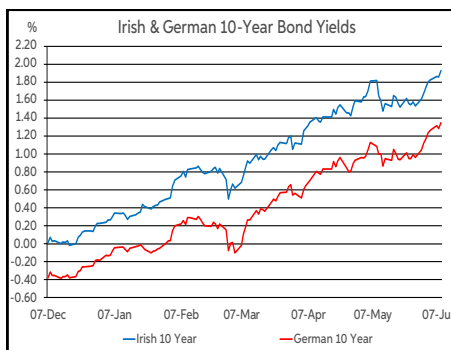
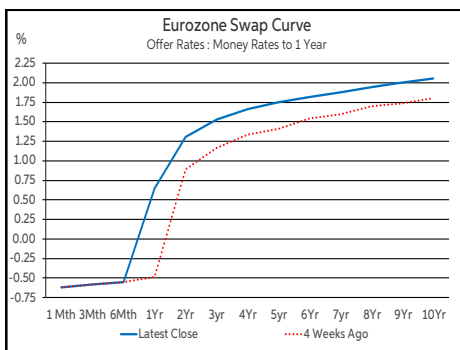
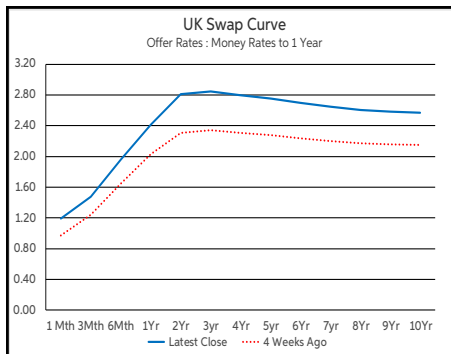
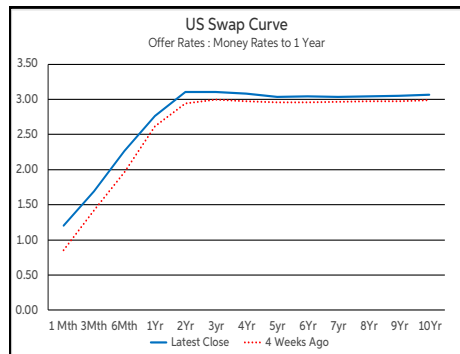
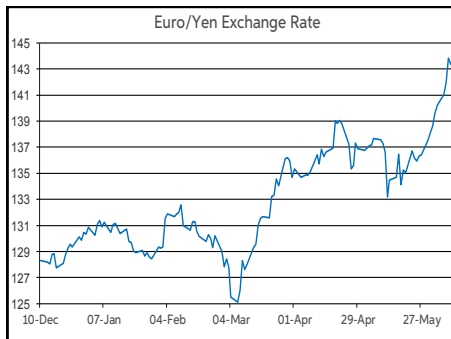
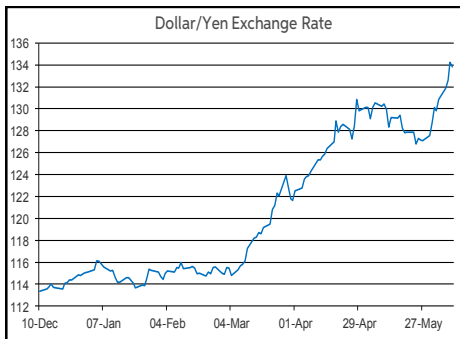
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Opening Levels

Thursday 09 June 2022
07:28 am



Euro		Sterling		Dollar	
EUR/GBP	0.8556	GBP/EUR	1.1681	USD/JPY	133.88
EUR/USD	1.0708	GBP/USD	1.2513	USD/CAD	1.2573
EUR/JPY	143.37	GBP/CAD	1.5733	USD/CHF	0.9788
EUR/SEK	10.5418	GBP/NZD	1.9422	USD/CNY	6.6849
EUR/DKK	7.4391	GBP/JPY	167.52	USD/BRL	4.8988
EUR/NOK	10.1673	GBP/SEK	12.315	USD/RUB	59.2
EUR/CHF	1.0483	GBP/DKK	8.6895	USD/INR	77.7825
EUR/AUD	1.4928	GBP/NOK	11.878		
EUR/HKD	8.4058	GBP/CHF	1.2246	AUD/USD	0.717
EUR/CAD	1.3465	GBP/AUD	1.7445	NZD/USD	0.644



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	3.03	+5	+10	+152
Germany	1.36	+7	+35	+153
UK	2.25	+3	+42	+128
Ireland	1.94	+7	+32	+169
Belgium	1.96	+6	+40	+178
France	1.87	+6	+38	+168
Italy	3.47	+7	+58	+228
Spain	2.48	+6	+45	+188
Portugal	2.51	+5	+40	+202
Greece	3.99	+16	+47	+267
5 Year Swap %				
US	3.04	+3	+11	+170
Eurozone	1.75	+5	+34	+174
UK	2.76	+4	+49	+148
2 Year Swap %				
US	3.11	+5	+21	+216
Eurozone	1.31	+3	+43	+161
UK	2.81	+5	+51	+162
10 Year Government Bond Spreads to Benchmark bps				
Ireland	58	+0	-4	+16
Belgium	61	-0	+5	+25
France	52	-0	+3	+15
Italy	211	-0	+23	+75
Spain	112	-0	+10	+35
Portugal	115	-2	+5	+49
Greece	263	+10	+12	+114

Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	123.58	+2.50	+14.95	+58.88
West Texas Oil	121.94	+2.00	+15.58	+61.87
Gold \$	1853.3	+0.07	+0.06	+1.36

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