

## Muted market moves

There was a generally subdued day of action across most markets to start the week yesterday. Investor sentiment retained a cautious tone. This followed last week's risk averse environment, which was against the backdrop of concerns over US regional banks and the looming US debt ceiling deadline. At the closing bell last night on Wall Street, the S&P 500 index was unchanged on the day.

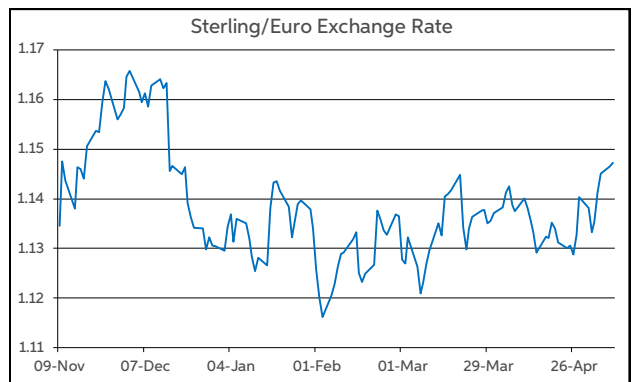
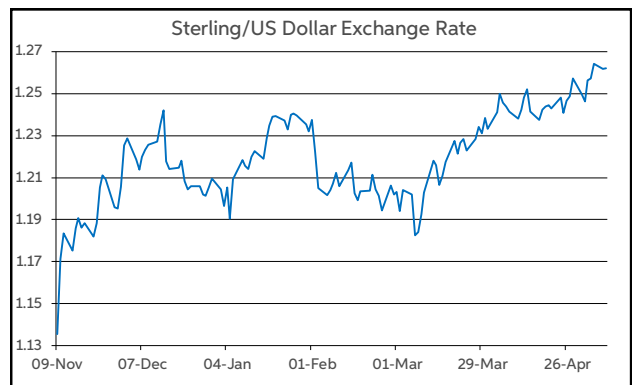
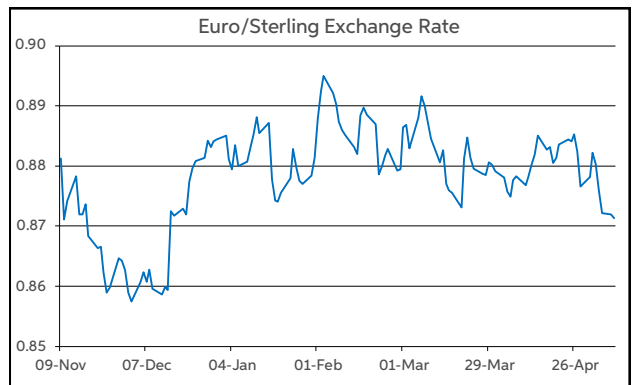
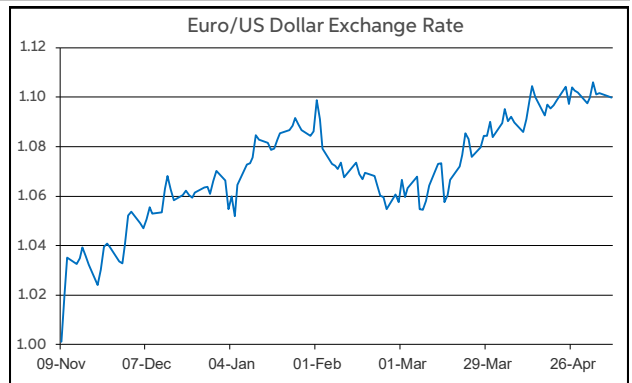
One reason for yesterday's muted action was the quiet data diary. The only release of note from the Eurozone, was the early morning publication (pre-European open) of German industrial output for March. The headline number printed much weaker than expected, falling by 3.4% in the month, versus a -1.3% forecast. The German data provided somewhat of an unhelpful start to the day for the euro, which had come into week on the defensive.

The only other notable piece of macro newsflow yesterday was the US Fed's Loan Officer Survey. The report showed a continued tightening in credit conditions in Q1. The survey also showed that the share of banks reporting weaker loan demand was the highest since 2009.

Looking at the main FX pairs over the past 24 hours, the action has been confined to tight ranges. The euro has retained its softer tone. EUR/USD opens this morning just below the \$1.10 threshold. Meanwhile, EUR/GBP has remained pinned down near to the 87p level. Elsewhere, GBP/USD has edged back nearer to \$1.26.

Ahead today, the macro schedule remains relatively sparse. The main data highlight is the NFIB measure of US small business sentiment for April. Risk appetite though remains sensitive to banking sector newsflow.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.0997	-0.41	2.76
EUR/GBP	0.8714	-0.15	-1.47
GBP/USD	1.262	-0.25	4.32
GBP/EUR	1.1472	0.15	1.49
USD/JPY	134.74	0.01	2.77
EUR/JPY	148.23	-0.38	5.65

\* 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	5.13	5.10	5.34	4.93	4.20	3.55
EUR	3.75	3.10	3.28	3.72	3.42	3.02
GBP	4.25	4.35	4.50	4.77	4.72	4.26

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

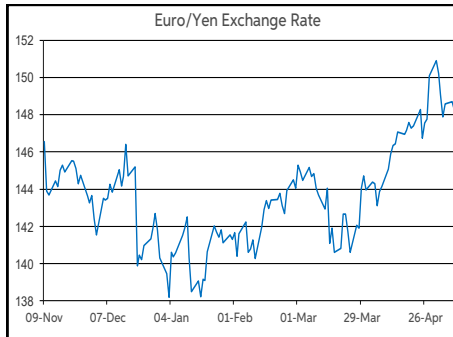
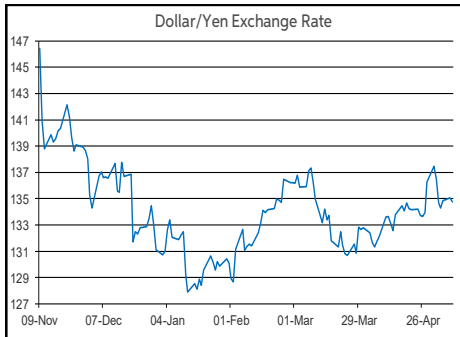
FX Spot	Karl Cooke Shane Gargan Ian Burke	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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# Opening Levels

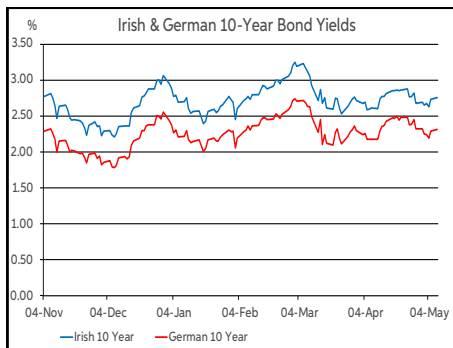
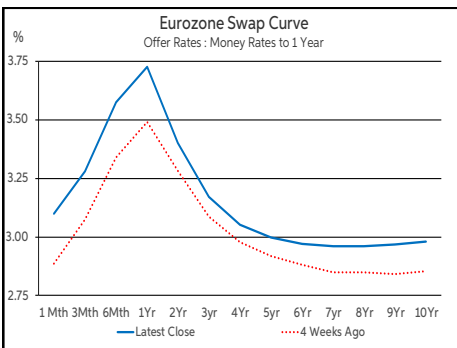
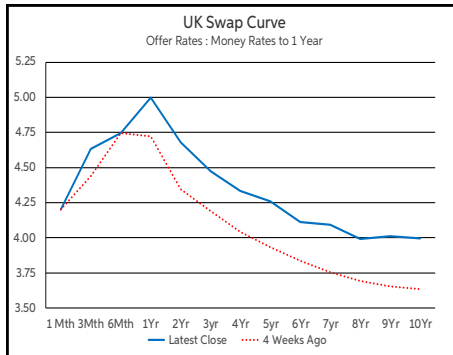
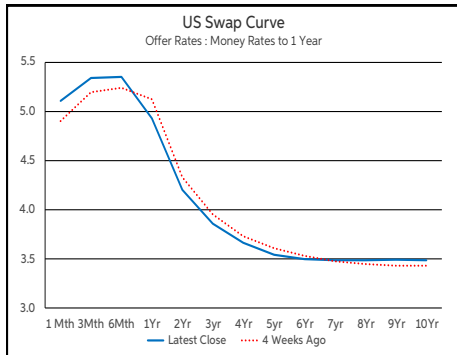
Tuesday 09 May 2023  
07:26 am



Euro		Sterling		Dollar	
EUR/GBP	0.8714	GBP/EUR	1.1472	USD/JPY	134.74
EUR/USD	1.0997	GBP/USD	1.262	USD/CAD	1.3376
EUR/JPY	148.23	GBP/CAD	1.6883	USD/CHF	0.8889
EUR/SEK	11.1832	GBP/NZD	1.9916	USD/CNY	6.9242
EUR/DKK	7.4476	GBP/JPY	170.04	USD/BRL	5.0092
EUR/NOK	11.5877	GBP/SEK	12.838	USD/RUB	77.6205
EUR/CHF	0.9775	GBP/DKK	8.5448	USD/INR	82.01
EUR/AUD	1.6235	GBP/NOK	13.2895	AUD/USD	0.6771
EUR/HKD	8.6294	GBP/CHF	1.1219	NZD/USD	0.6335
EUR/CAD	1.4714	GBP/AUD	1.8635		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 22
<b>10 Year Yield %</b>				
US	3.51	+7	+9	-37
Germany	2.32	+2	+14	-25
UK	3.78	+13	+35	+11
<b>5 Year Swap %</b>				
US	2.79	+4	+15	-36
Belgium	3.01	+3	+14	-19
France	2.91	+3	+20	-20
Italy	4.24	+4	+21	-46
Spain	3.40	+3	+17	-25
Portugal	3.18	+3	+12	-42
Greece	4.08	+2	-1	-51
<b>2 Year Swap %</b>				
US	3.54	+9	-2	-45
Eurozone	3.00	+3	+11	-23
UK	4.26	+0	+33	-4
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	47	+1	+2	-11
Belgium	70	+1	+0	+6
France	59	+1	+6	+4
Italy	192	+2	+7	-22
Spain	109	+0	+3	-1
Portugal	86	+0	-2	-18
Greece	177	-0	-15	-26



Commodities				
	% Change			
	Close	Day	4 Weeks	End 22
Brent Oil	77.01	+2.27	-8.52	-10.36
West Texas Oil	73.13	+2.54	-8.35	-8.77
Gold \$	2021.4	+0.24	+1.58	+10.80

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