

Main currency pairs confined to tight ranges

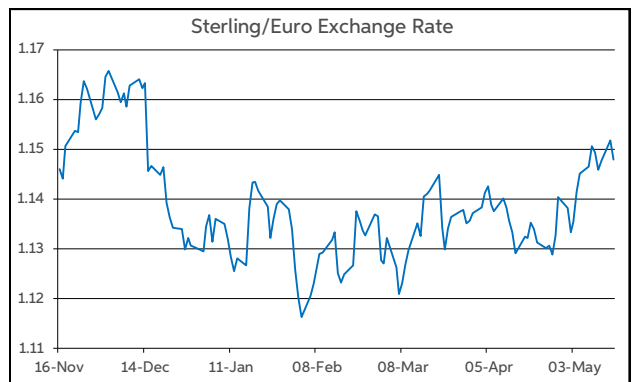
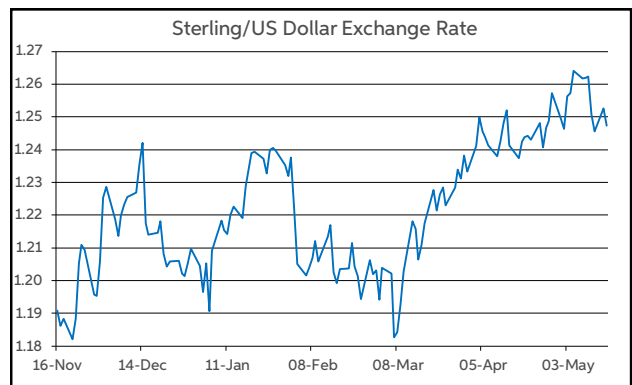
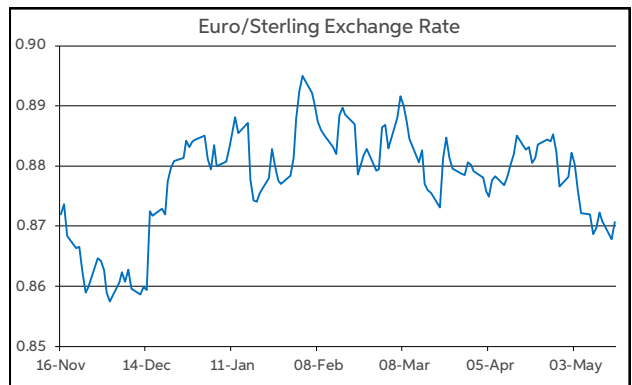
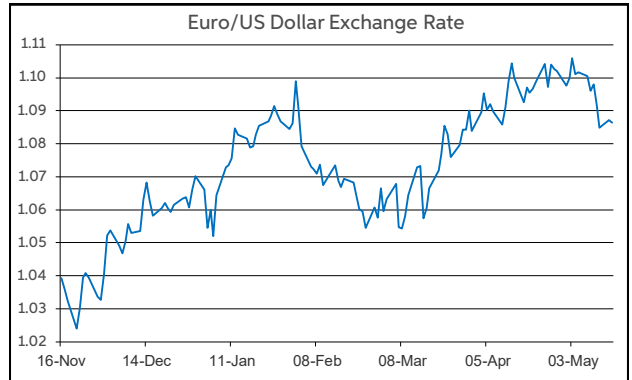
There was a mixed mood on markets at the start of the week. Some weak macro data in the US and Eurozone, and hawkish Fed rhetoric weighed on investor sentiment for much of the day. The Euro Stoxx 50 finished flat. However, on Wall Street, the S&P 500 rallied late on to register a modest 0.3% gain. On bond markets, 10-year yields rose by 4bps in the US, UK and Eurozone.

Data-wise, the NY Fed Empire State index plunged to -31.8 in May, from +10.8 previously (and vs. -3.75 f'cast). Meanwhile, Eurozone industrial production fell by 4.1% in March, below the consensus, for a 2.5% decline. However, the contraction appears to have been exaggerated by multinational trade flows in Ireland. In any case, the data did not have a major impact on forex markets. Similarly, the dollar has been little moved by hawkish remarks from a number of Fed officials over the past 24 hours.

Against this backdrop, the main currency pairs operated in very tight ranges yesterday. Of the limited moves to note, sterling was holding a slightly firmer tone, but it has since handed back most of its gains. In level terms EUR/GBP is just at the 87p mark. GBP/USD is in the top half of the \$1.24-1.25 range, having traded north of \$1.25 yesterday. Meantime, EUR/USD remains in the upper half of the \$1.08-1.09 corridor.

Already this morning, UK labour market data have been released. The unemployment rate rose to 3.9% in March, from 3.8%, while average earnings growth slowed slightly to +5.8% y/y, from +5.9% y/y. Despite the data printing broadly as expected, sterling has been on the back-foot in early trading. Later today, US retail sales and industrial production (April) are due. Prepared remarks from a number of central banker officials will also garner some attention.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.0864	0.03	1.51
EUR/GBP	0.8708	-0.08	-1.54
GBP/USD	1.2474	0.10	3.12
GBP/EUR	1.1478	0.08	1.56
USD/JPY	136.02	-0.04	3.74
EUR/JPY	147.8	-0.02	5.35

* 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	5.11	5.32	4.92	4.17	3.50
EUR	3.75	3.16	3.35	3.74	3.38	2.95
GBP	4.50	4.41	4.58	4.81	4.72	4.25

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

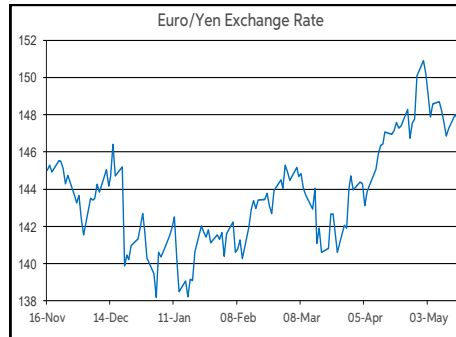
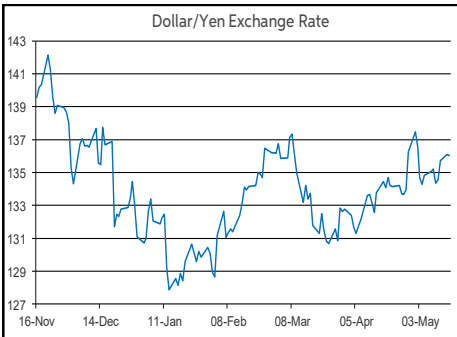
FX Spot	Karl Cooke Shane Gargan Ian Burke	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

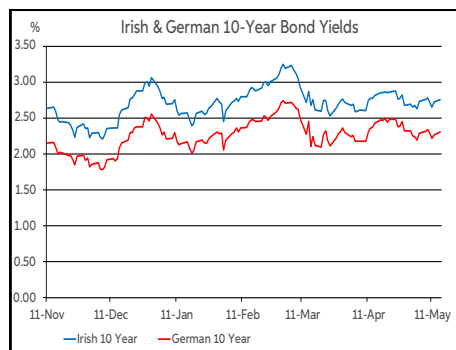
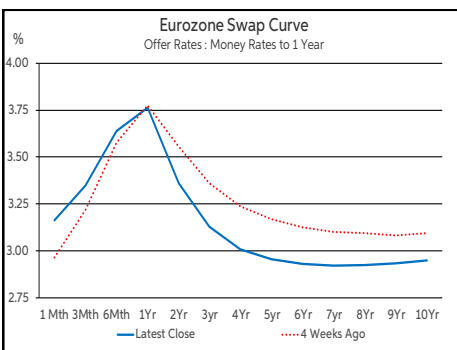
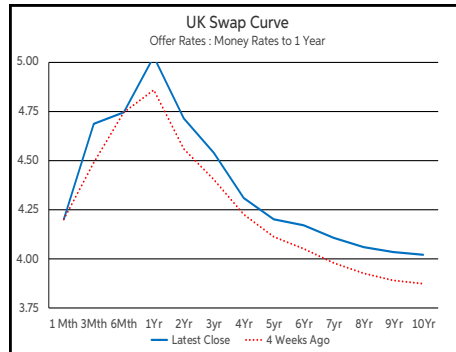
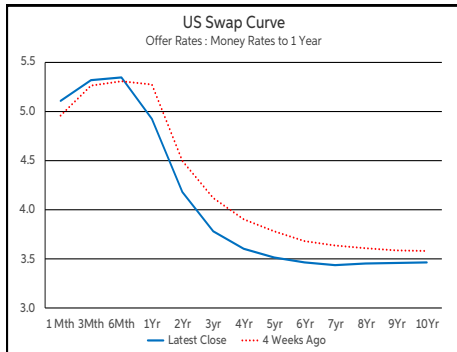
Tuesday 16 May 2023
07:22 am



Euro		Sterling		Dollar	
EUR/GBP	0.8708	GBP/EUR	1.1478	USD/JPY	136.02
EUR/USD	1.0864	GBP/USD	1.2474	USD/CAD	1.3487
EUR/JPY	147.8	GBP/CAD	1.6826	USD/CHF	0.8956
EUR/SEK	11.2715	GBP/NZD	2.0025	USD/CNY	6.9653
EUR/DKK	7.4477	GBP/JPY	169.67	USD/BRL	4.8891
EUR/NOK	11.5801	GBP/SEK	12.9423	USD/RUB	80
EUR/CHF	0.9732	GBP/DKK	8.5489	USD/INR	82.2625
EUR/AUD	1.6291	GBP/NOK	13.2947		
EUR/HKD	8.5155	GBP/CHF	1.1174	AUD/USD	0.6669
EUR/CAD	1.4656	GBP/AUD	1.8705	NZD/USD	0.6227



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 22
10 Year Yield %				
US	3.51	+4	-10	-37
Germany	2.31	+4	-17	-25
UK	3.82	+4	+13	+15
5 Year Swap %				
US	3.52	+3	-22	-48
Eurozone	2.96	-0	-21	-27
UK	4.20	+0	+10	-10
2 Year Swap %				
US	4.18	+2	-28	-50
Eurozone	3.36	-2	-19	-3
UK	4.71	+1	+16	+3
10 Year Government Bond Spreads to Benchmark bps				
Ireland	48	-2	+6	-11
Belgium	70	-1	+4	+6
France	58	-1	+9	+3
Italy	187	-4	+5	-27
Spain	107	-2	+5	-2
Portugal	83	-1	-3	-21
Greece	170	-5	-17	-33



Commodities				
	% Change			
	Close	Day	4 Weeks	End 22
Brent Oil	75.23	+1.43	-11.24	-12.43
West Texas Oil	71.07	+1.50	-12.18	-11.34
Gold \$	2020.6	+0.47	+1.29	+10.75

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