

EUR/USD back below \$1.07

There was a very quiet start to the week on financial markets yesterday. A bank holiday in the US, UK and parts of mainland Europe resulted in very limited price action. A sparse data schedule also contributed to the lacklustre moves on the exchanges.

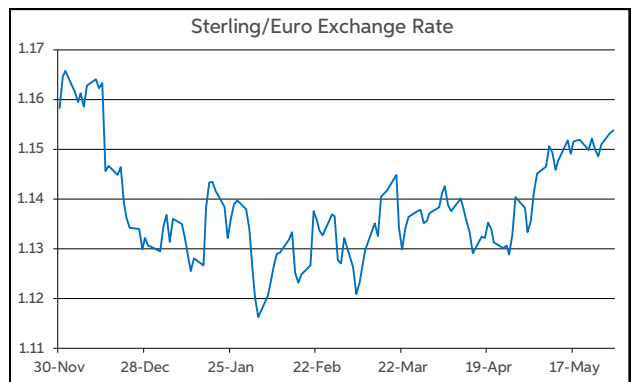
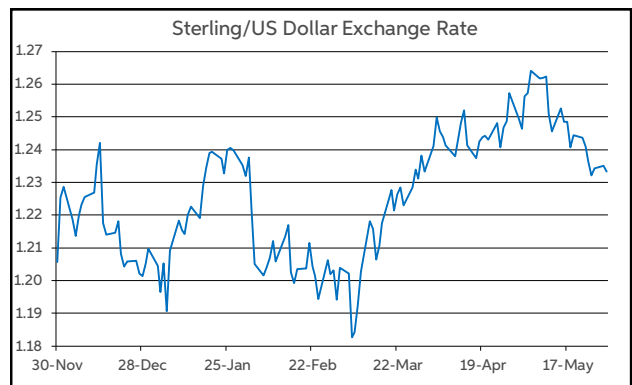
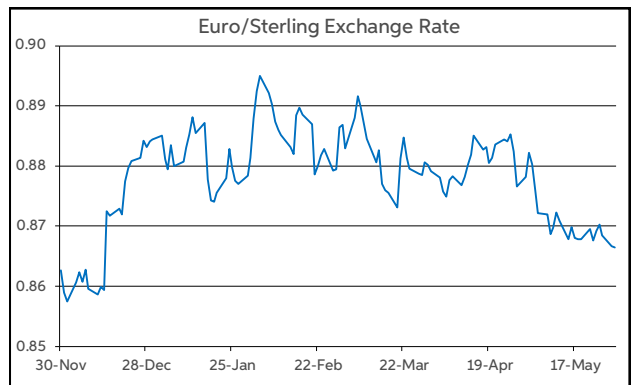
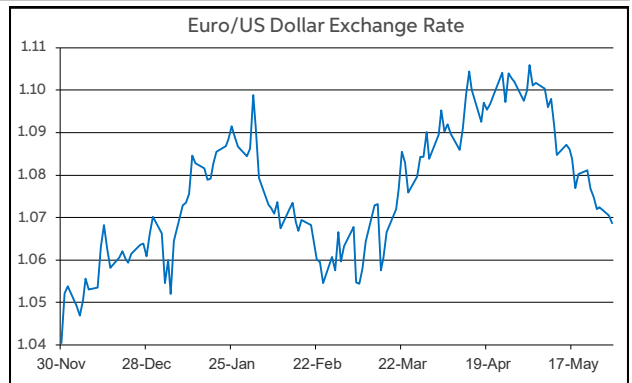
Against this backdrop, though, in the parts of Europe in which markets were open, investor sentiment was holding a subdued tone, despite the weekend agreement on raising the US debt ceiling. The Euro Stoxx 50 fell by 0.4%. Meanwhile, on bond markets, German Bund yields fell by 6-10bps. The move was most pronounced at the back-end of the curve. Periphery and semi-core country yields in the Eurozone declined by a similar magnitude to their German counterparts.

Currency-wise, the main FX pairs were confined to tight ranges yesterday, amid thin trading conditions. Of the limited action to register, the euro was under some moderate downward pressure. Elsewhere, the dollar was on the front-foot overnight.

In level terms, the softer euro and firmer dollar tone sees EUR/USD open this morning back down below the \$1.07 threshold. EUR/GBP has inched lower within the 86-87p corridor. Meanwhile, GBP/USD is operating in the bottom half of \$1.23-1.24.

Today, the Eurozone EC sentiment survey results for May are due. The consensus is for a modest deterioration in economic and business conditions. The flash reading of Spanish HICP inflation (May) will also garner close attention. Meantime, US consumer confidence is forecast to decline for the fourth month in five this year. Efforts in the US to move the Bill to raise the US debt ceiling limit through Congress will be of interest as well.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.0686	-0.45	-0.15
EUR/GBP	0.8665	-0.28	-2.02
GBP/USD	1.233	-0.20	1.93
GBP/EUR	1.1537	0.28	2.07
USD/JPY	140.89	0.34	7.46
EUR/JPY	150.55	-0.12	7.31

* 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	5.15	5.48	5.39	4.77	4.01
EUR	3.75	3.20	3.46	3.91	3.67	3.19
GBP	4.50	4.46	4.75	5.35	5.45	4.89

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

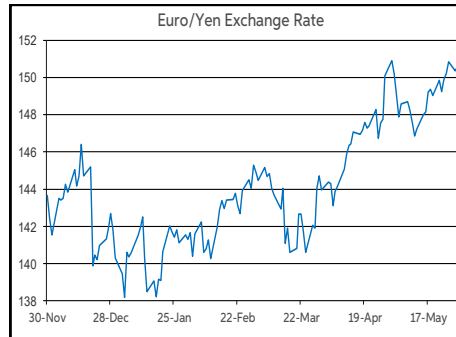
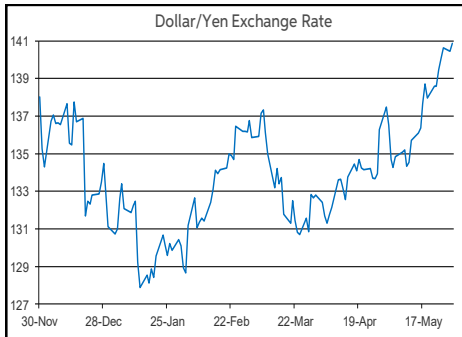
FX Spot	Karl Cooke Shane Gargan Ian Burke	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

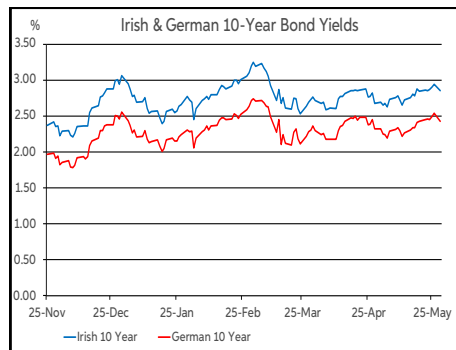
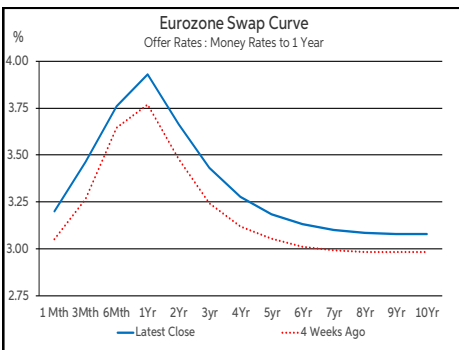
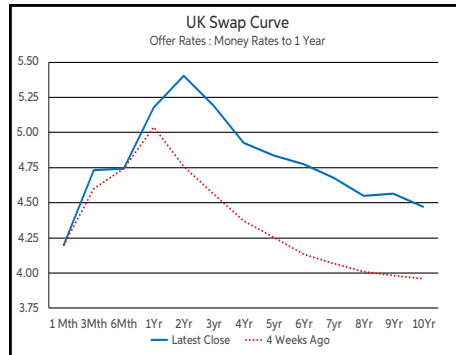
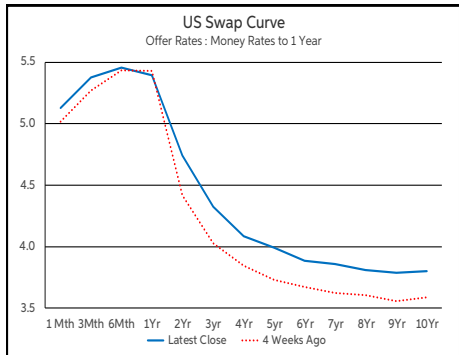
Tuesday 30 May 2023
07:23 am



Euro		Sterling		Dollar	
EUR/GBP	0.8665	GBP/EUR	1.1537	USD/JPY	140.89
EUR/USD	1.0686	GBP/USD	1.233	USD/CAD	1.3607
EUR/JPY	150.55	GBP/CAD	1.6778	USD/CHF	0.9063
EUR/SEK	11.5963	GBP/NZD	2.046	USD/CNY	7.0964
EUR/DKK	7.4476	GBP/JPY	173.72	USD/BRL	5.0191
EUR/NOK	11.9182	GBP/SEK	13.3804	USD/RUB	81.17
EUR/CHF	0.9686	GBP/DKK	8.5934	USD/INR	82.748
EUR/AUD	1.6405	GBP/NOK	13.7532		
EUR/HKD	8.3721	GBP/CHF	1.1176	AUD/USD	0.6512
EUR/CAD	1.4538	GBP/AUD	1.8932	NZD/USD	0.6024



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 22
10 Year Yield %				
US	3.81	-1	+24	-7
Germany	2.43	-11	+11	-13
UK	4.34	-4	+62	+67
5 Year Swap %				
US	3.99	+0	+30	-0
Eurozone	3.19	-8	+14	-4
UK	4.84	+0	+63	+54
2 Year Swap %				
US	4.74	+1	+37	+7
Eurozone	3.66	-5	+20	+28
UK	5.41	+1	+69	+72
10 Year Government Bond Spreads to Benchmark bps				
Ireland	43	-1	+3	-15
Belgium	70	+1	+1	+6
France	57	-1	-0	+2
Italy	185	-1	-1	-29
Spain	107	+0	+3	-3
Portugal	74	-2	-9	-30
Greece	145	+4	-44	-58



Commodities				
	% Change			
	Close	Day	4 Weeks	End 22
Brent Oil	77.07	+0.16	-2.82	-10.29
West Texas Oil	72.35	+0.93	-4.36	-9.74
Gold \$	1942.8	-0.18	-1.98	+6.49

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