

Euro remains on the back foot

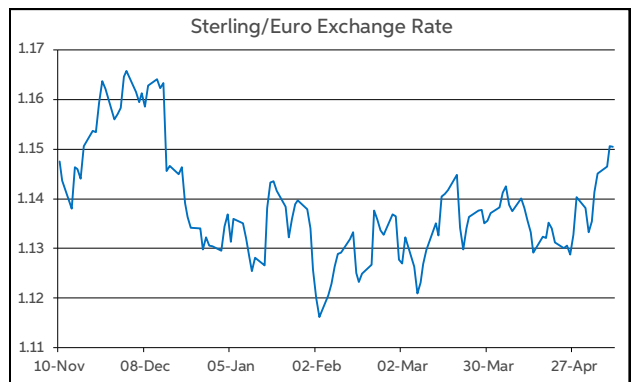
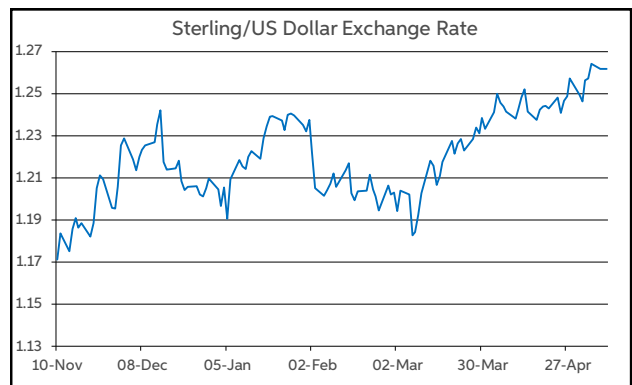
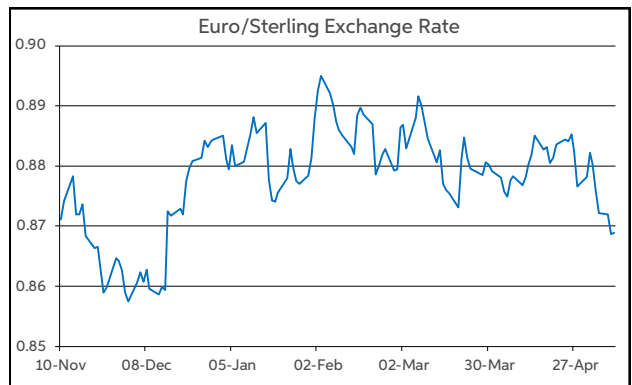
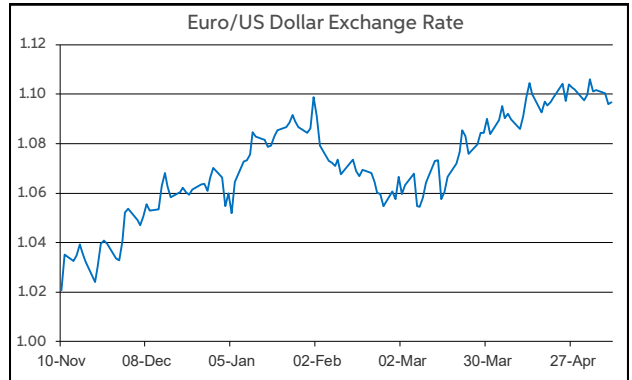
There was a cautious tone to market sentiment yesterday. Mixed earnings newsflow was unhelpful to risk appetite. This was reflected in falls on most of the main equity indices. In Europe, the Euro Stoxx 50 finished 0.6% lower on the day. Meanwhile, at the closing bell on Wall Street last night, the S&P 500 index was down by 0.5%.

Data-wise, the only release of note yesterday was from the US macro diary. The NFIB measure of US small business sentiment for April missed to the downside of expectations. The headline number fell to a 10-year low of 89, from 90.1 in March and versus a forecast for 89.7. The index remains at levels consistent with previous periods of contraction in activity. The underlying details in the report, including capex plans, were also weak.

On the currency front, the majors were once again confined to tight ranges. Within this limited action the euro remained on the back foot. EUR/USD traded to a low of \$1.094, while EUR/GBP fell to a daily trough of 86.8p. Elsewhere, GBP/USD operated within a narrow \$1.257-1.264 range. As trading gets underway this morning, EUR/USD remains below the \$1.10 mark, while EUR/GBP opens under the 87p threshold. Meanwhile, GBP/USD starts the day just above the \$1.26 level.

Looking ahead to today, the focus will be on the US macro schedule with one of the key data highlights of the week due for release—US CPI inflation figures for April. The market will closely assess the data in light of the Fed opening the door to pausing its rate hiking cycle at last week's FOMC meeting. The headline rate is expected to remain unchanged at 5%/y, while the core rate is forecast to ease slightly to 5.5% (from 5.6%).

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2022
EUR/USD	1.0968	-0.17	2.49
EUR/GBP	0.8689	-0.25	-1.75
GBP/USD	1.262	0.07	4.32
GBP/EUR	1.1504	0.25	1.78
USD/JPY	135.4	0.30	3.27
EUR/JPY	148.52	0.12	5.86

* 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	5.34	4.98	4.26	3.60
EUR	3.75	3.14	3.31	3.72	3.43	3.04
GBP	4.25	4.40	4.55	4.81	4.75	4.29

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

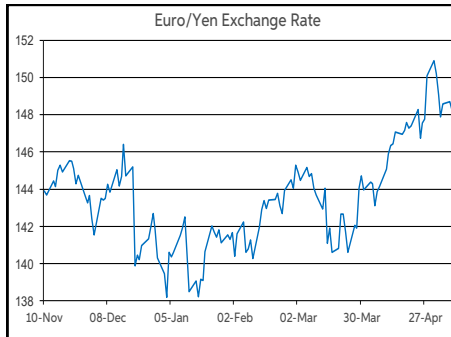
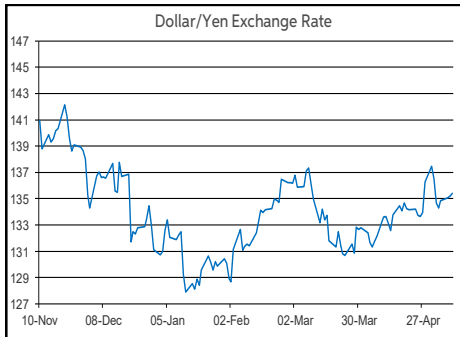
FX Spot	Karl Cooke Shane Gargan Ian Burke	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
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Opening Levels

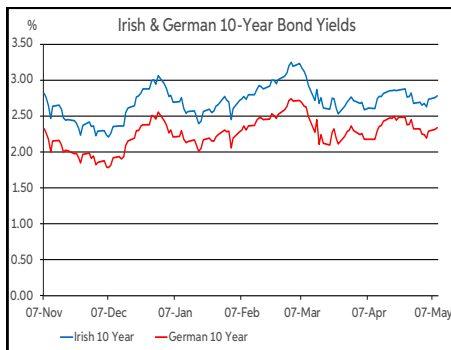
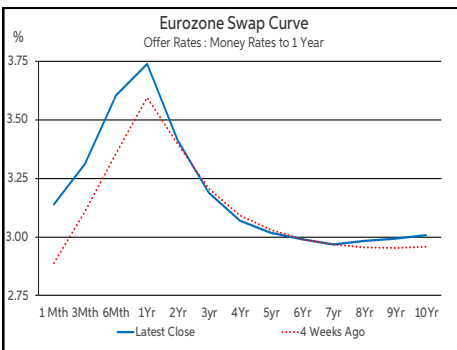
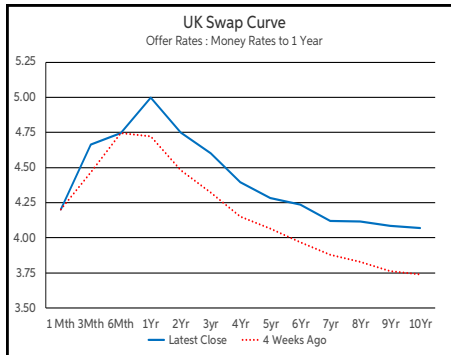
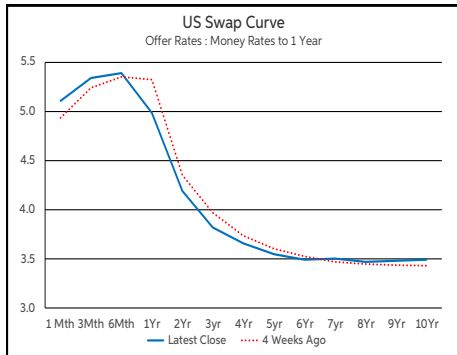
Wednesday 10 May 2023
07:33 am



Euro		Sterling		Dollar	
EUR/GBP	0.8689	GBP/EUR	1.1504	USD/JPY	135.4
EUR/USD	1.0968	GBP/USD	1.262	USD/CAD	1.3382
EUR/JPY	148.52	GBP/CAD	1.6891	USD/CHF	0.8899
EUR/SEK	11.1787	GBP/NZD	1.9911	USD/CNY	6.9287
EUR/DKK	7.4444	GBP/JPY	170.87	USD/BRL	4.9869
EUR/NOK	11.5852	GBP/SEK	12.8668	USD/RUB	77.85
EUR/CHF	0.9761	GBP/DKK	8.5651	USD/INR	82.0201
EUR/AUD	1.6217	GBP/NOK	13.3289	AUD/USD	0.6763
EUR/HKD	8.5895	GBP/CHF	1.1232	NZD/USD	0.6338
EUR/CAD	1.4681	GBP/AUD	1.8659		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 22
10 Year Yield %				
US	3.52	+2	+9	-36
Germany	2.34	+2	+4	-23
UK	3.85	+8	+32	+19
5 Year Swap %				
US	3.55	-0	-3	-45
Eurozone	3.02	+2	-0	-21
UK	4.28	+2	+22	-2
2 Year Swap %				
US	4.19	-1	-14	-49
Eurozone	3.41	+1	+3	+2
UK	4.75	+7	+27	+7
10 Year Government Bond Spreads to Benchmark bps				
Ireland	50	+2	+1	-9
Belgium	71	+2	+2	+8
France	60	+1	+8	+5
Italy	194	+2	+8	-20
Spain	110	+2	+5	+1
Portugal	87	+0	-1	-17
Greece	179	+2	-12	-24



Commodities				
	% Change			
	Close	Day	4 Weeks	End 22
Brent Oil	77.44	+0.56	-9.54	-9.86
West Texas Oil	73.68	+0.75	-9.64	-8.08
Gold \$	2034.2	+0.63	+1.55	+11.50

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