

EUR/USD below \$1.05

The mixed mood on equity markets persisted yesterday. The Euro Stoxx 50 eked out a small 0.3% gain. However, risk appetite was weaker on Wall Street. The S&P 500 closed down 2%. On bond markets, Eurozone yields continued to climb sharply higher, rising by 7-10bps. UK Gilt yields rose by 2-7bps along the curve, while US Treasury yields moved lower by a modest 2-3bps.

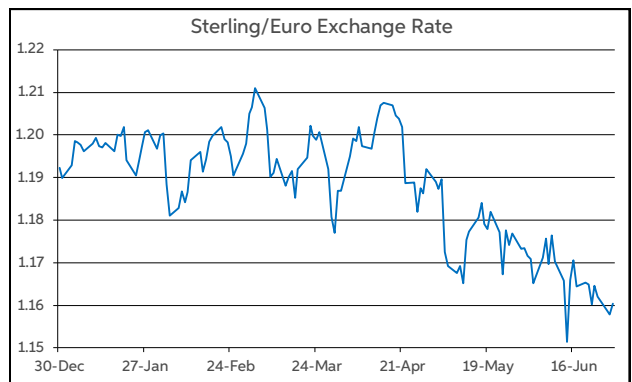
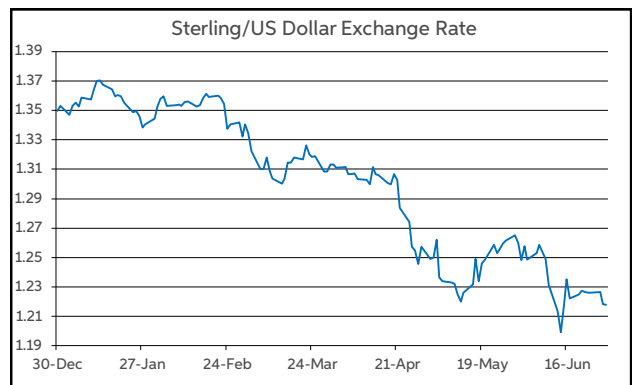
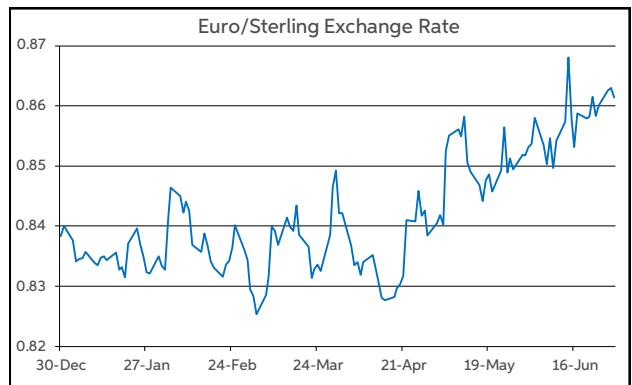
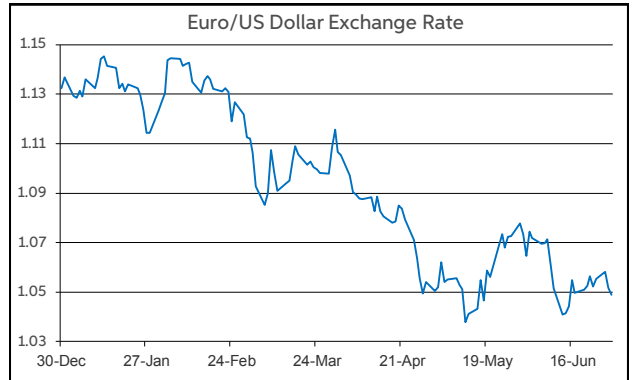
On the currency front, the main FX pairs operated in somewhat wider ranges yesterday. EUR/USD for, example traded briefly above \$1.06 before testing the \$1.05 threshold later in the day. Overall though, the dollar was holding a slightly firmer tone amid the weakening of risk appetite. Elsewhere, the Japanese yen remained on the defensive.

Data-wise, US consumer confidence fell to 98.7, printing below the consensus of 100.4. Almost all of the decline was due to a fall in participants expectations of the economic outlook. Meanwhile, at the ECB Forum of Central banking, President Lagarde noted that the ongoing supply shock may persist for longer than anticipated, placing further upward pressure on prices. However, neither the speech nor the data greatly impacted currency markets.

In level terms, the slightly firmer tone to the dollar sees EUR/USD open this morning back below the \$1.05 threshold. Meanwhile, GBP/USD is changing hands down in the \$1.21-1.22 range. EUR/GBP remains in the lower half of the 86-87p corridor.

Today, the main highlight will be a discussion on monetary policy by President Lagarde, Chair Powell and Governor Bailey. Meanwhile, the latest EC sentiment indices are projected to deteriorate in June as inflation continues to weigh on confidence.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.0491	-0.78	-7.71
EUR/GBP	0.8615	-0.05	2.56
GBP/USD	1.2176	-0.73	-10.00
GBP/EUR	1.1604	0.05	-2.50
USD/JPY	135.93	0.44	18.12
EUR/JPY	142.63	-0.35	8.99

* 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	1.625	1.67	2.25	3.28	3.38	3.23
EUR	0.00	-0.55	-0.22	0.86	1.52	2.01
GBP	1.25	1.23	1.66	2.80	3.07	2.99

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

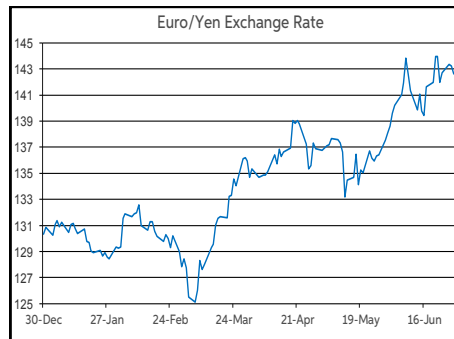
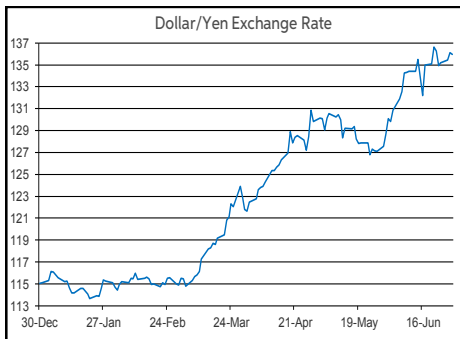
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Opening Levels

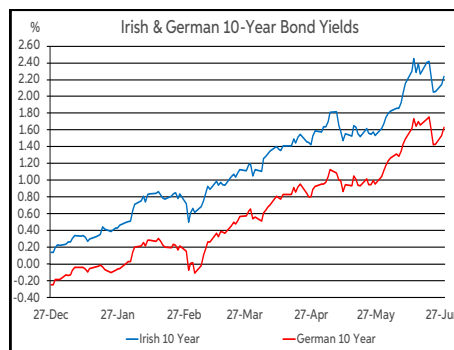
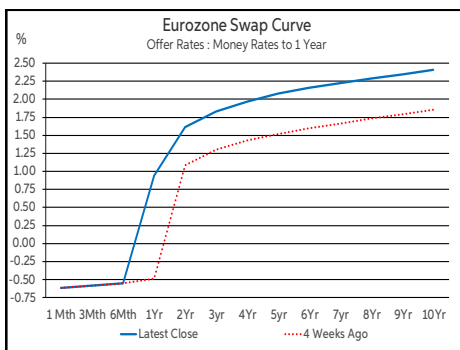
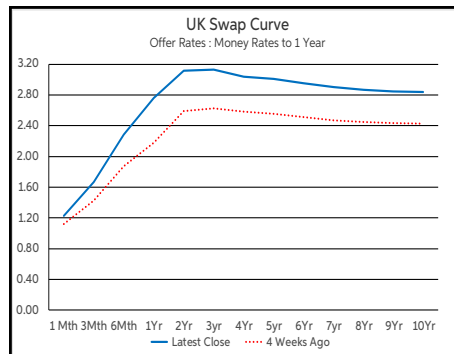
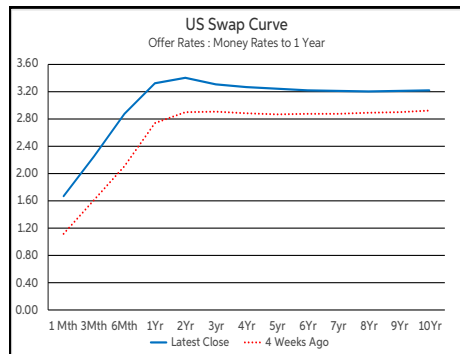
Wednesday 29 June 2022
07:37 am



Euro		Sterling		Dollar	
EUR/GBP	0.8615	GBP/EUR	1.1604	USD/JPY	135.93
EUR/USD	1.0491	GBP/USD	1.2176	USD/CAD	1.2875
EUR/JPY	142.63	GBP/CAD	1.5679	USD/CHF	0.956
EUR/SEK	10.6837	GBP/NZD	1.9515	USD/CNY	6.7074
EUR/DKK	7.4391	GBP/JPY	165.52	USD/BRL	5.2675
EUR/NOK	10.344	GBP/SEK	12.399	USD/RUB	52
EUR/CHF	1.0029	GBP/DKK	8.6327	USD/INR	78.95
EUR/AUD	1.524	GBP/NOK	12.0013		
EUR/HKD	8.234	GBP/CHF	1.1643	AUD/USD	0.6882
EUR/CAD	1.3511	GBP/AUD	1.7688	NZD/USD	0.6237



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	3.18	-2	+33	+167
Germany	1.64	+9	+51	+181
UK	2.47	+7	+37	+150
Ireland	2.25	+7	+55	+200
Belgium	2.26	+8	+55	+208
France	2.18	+10	+53	+198
Italy	3.66	+3	+54	+248
Spain	2.73	+7	+51	+214
Portugal	2.72	+8	+44	+223
Greece	3.88	+2	+30	+257
5 Year Swap %				
US	3.24	-2	+40	+190
Eurozone	2.08	+7	+57	+207
UK	3.01	+11	+46	+174
2 Year Swap %				
US	3.40	-0	+53	+246
Eurozone	1.62	+5	+54	+192
UK	3.12	+10	+53	+193
10 Year Government Bond Spreads to Benchmark bps				
Ireland	61	-2	+4	+19
Belgium	62	-1	+4	+27
France	54	+1	+2	+17
Italy	203	-6	+3	+67
Spain	110	-2	+0	+32
Portugal	108	-1	-7	+42
Greece	225	-7	-20	+75



Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	117.98	+2.51	-3.96	+51.68
West Texas Oil	113.66	+1.99	-0.63	+50.88
Gold \$	1819.7	-0.17	-0.95	-0.48

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