

EUR/USD continues march higher, at \$1.11

The dollar remained somewhat on the back foot yesterday, possibly reflecting the impact of month end flows. While risk appetite has eased modestly in the past 24 hours, the improvement in sentiment evident on markets since Monday has also been a factor behind the softer dollar this week.

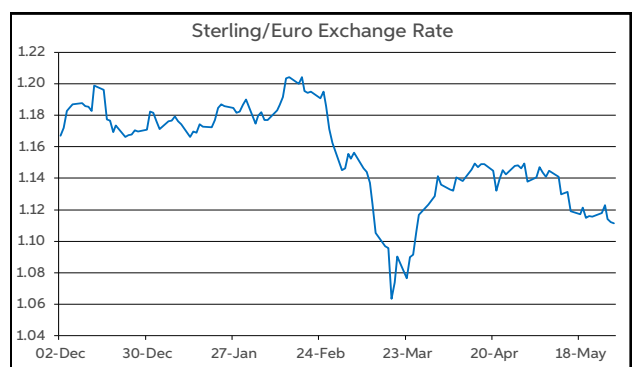
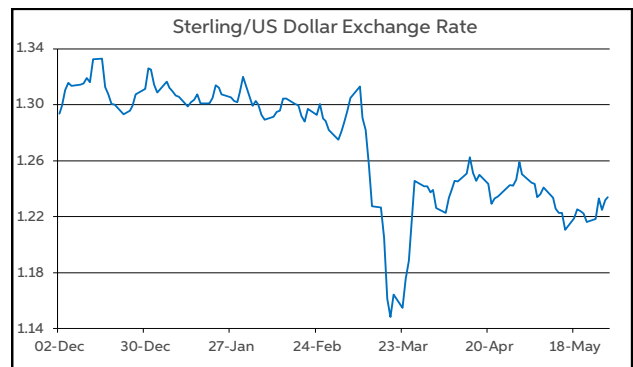
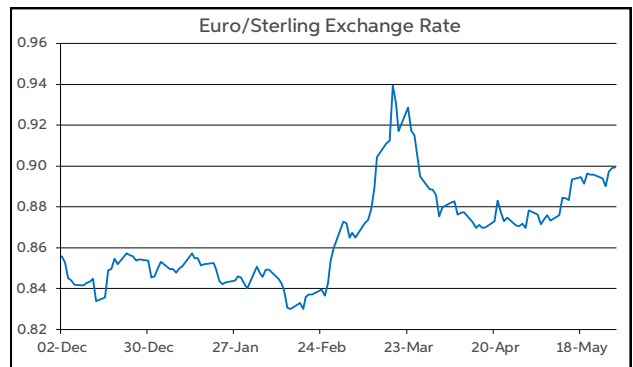
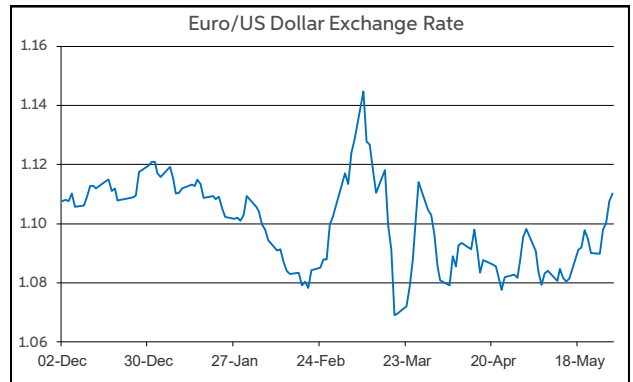
Data-wise, yesterday the headline EC sentiment index for May rose slightly, providing some further evidence that downturn may have bottomed out. However, it did disappoint versus forecast downside (67.5 vs 70.3). Overall, there was no euro reaction.

In the US, weekly jobless claims printed in line with expectations (2.1m). This means that circa 41m workers have filed for benefits since mid-March. On the plus side, there was a big drop in continuing claims (25m to 21m), possibly suggestive of nascent signs of re-hiring as parts of the economy re-open. The release, though, had no notable impact on the dollar.

In level terms, the softer tone to the dollar is reflected in EUR/USD opening this morning up at the \$1.11 threshold, its highest level since mid-March. At the same time, cable (GBP/USD) has risen back up to trade above the \$1.23 handle. Meanwhile, EUR/GBP remains in the upper half of the 89-90p range.

Today, the flash reading of May HICP is due in the Eurozone. Headline inflation may have eased to 0.1%, though euro impact is likely to be minimal. Elsewhere, April consumption figures are due in the US, though, again, the release may not generate much of a dollar reaction. Instead, the currency and market sentiment may prove more sensitive to geo-political headlines, with President Trump due to announce new policies against China today.

Conor Beakey, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2019
EUR/USD	1.1101	0.86	-0.97
EUR/GBP	0.8994	0.13	6.39
GBP/USD	1.234	0.65	-6.93
GBP/EUR	1.1114	-0.13	-6.00
USD/JPY	107.12	-0.63	-1.37
EUR/JPY	118.94	0.22	-2.37

* 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	0.125	0.17	0.35	0.28	0.27	0.37
EUR	0.00	-0.48	-0.28	-0.22	-0.28	-0.26
GBP	0.10	0.10	0.24	0.30	0.28	0.31

All rates quoted are indicative market rates

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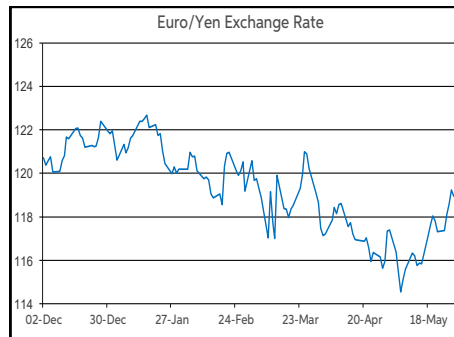
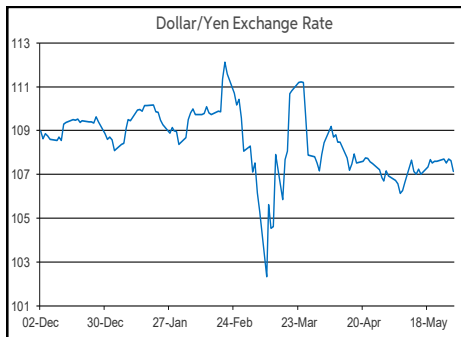
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

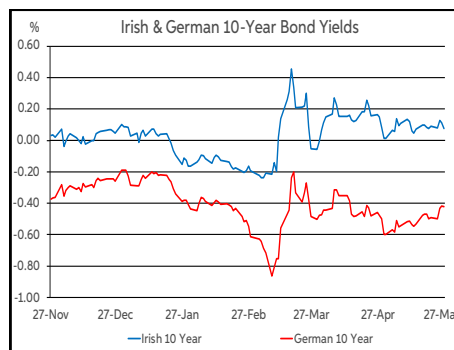
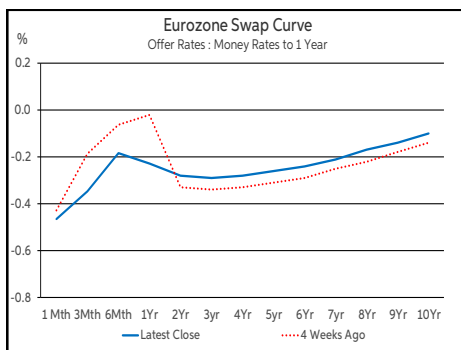
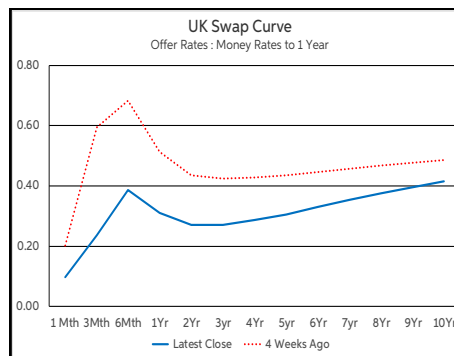
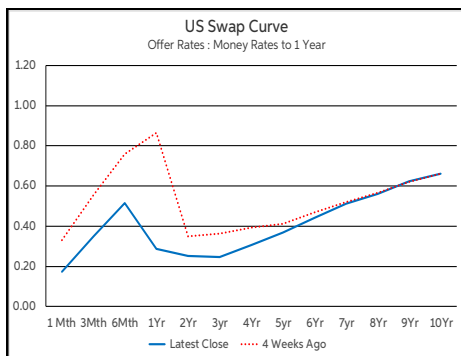
Friday 29 May 2020
07:15 am



Euro		Sterling		Dollar	
EUR/GBP	0.8994	GBP/EUR	1.1114	USD/JPY	107.12
EUR/USD	1.1101	GBP/USD	1.234	USD/CAD	1.3769
EUR/JPY	118.94	GBP/CAD	1.6991	USD/CHF	0.9629
EUR/SEK	10.538	GBP/NZD	1.9868	USD/CNY	7.1457
EUR/DKK	7.4547	GBP/JPY	132.19	USD/BRL	5.4046
EUR/NOK	10.832	GBP/SEK	11.7066	USD/RUB	70.55
EUR/CHF	1.0689	GBP/DKK	8.2848	USD/INR	75.633
EUR/AUD	1.6684	GBP/NOK	12.0335	AUD/USD	0.6653
EUR/HKD	8.6052	GBP/CHF	1.1883	NZD/USD	0.6209
EUR/CAD	1.5282	GBP/AUD	1.8546		



Debt Markets				
	Close	Day	4 Weeks	End 19
10 Year Yield %				
US	0.70	+0	+5	-122
Germany	-0.42	-1	+17	-23
UK	0.21	+2	-2	-61
5 Year Swap %				
US	0.37	-1	-4	-134
Eurozone	-0.26	+0	+6	-14
UK	0.31	+0	-11	-57
2 Year Swap %				
US	0.25	+0	-6	-141
Eurozone	-0.28	+0	+6	+2
UK	0.27	-0	-15	-52
10 Year Government Bond Spreads to Benchmark bps				
Ireland	54	-4	-14	+23
Belgium	42	-5	-15	+14
France	36	-4	-12	+5
Italy	185	-5	-51	+24
Spain	101	-6	-32	+35
Portugal	98	-7	-44	+35
Greece	193	-6	-83	+29



Commodities				
	Close	Day	4 Weeks	End 19
Brent Oil	35.29	+1.58	+39.65	-46.53
West Texas Oil	33.67	+2.65	+75.09	-44.93
Gold \$	1718.5	+0.56	+2.29	+13.28

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