

Euro gains against sterling and the dollar

The “risk-on” tone to investor sentiment cooled somewhat yesterday as European participants returned to work following the Easter weekend. In Europe, the Euro Stoxx 50 gained 0.6%, but across the Atlantic, the S&P 500 finished flat for the day.

On the currency front, sterling lost circa 1% against the dollar and euro. The euro held the upper hand over the dollar also, as US Treasury yields moved lower. Concerns of a new wave to the virus in the US, and reports that regulators in the UK are investigating a possible link between blood clotting and one of the vaccines created some negative newsflow for the respective currencies.

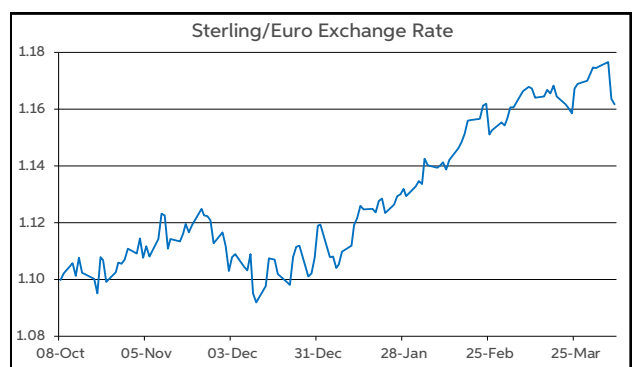
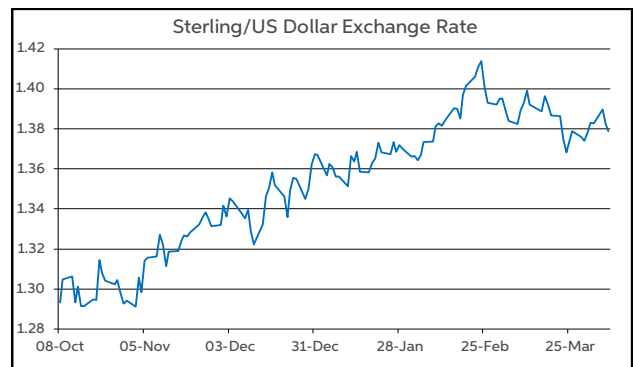
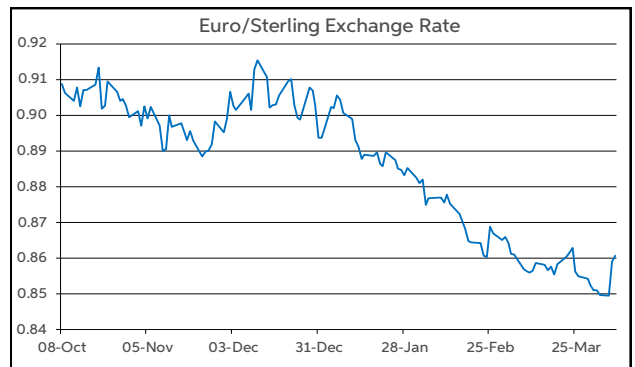
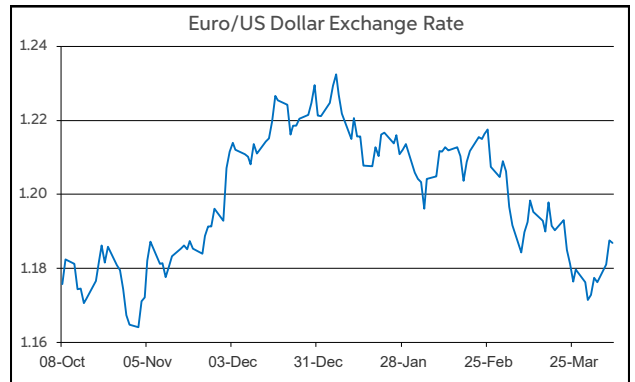
Data-wise, the only noteworthy release was the Eurozone unemployment rate for February, which printed slightly above expectations at 8.3% (vs. 8.1% f’cast). However, the lagged nature of the data and the distortionary effect of government furlough schemes meant the release did not impact the euro.

Elsewhere, the IMF released its latest World Economic Outlook. The institute has revised its global growth forecast higher to 6% this year, from 5.5%. Although, the report highlights that the pace of economic recovery is diverging between regions and sectors.

In level terms, the softer tone to sterling is reflected in EUR/GBP opening this morning above 86p. GBP/USD is changing hands below the \$1.38 mark. Meanwhile, EUR/USD starts today above the midpoint of the \$1.18-1.19 band.

Turning to today’s calendar, the minutes from the latest Fed meeting are due. However, the release occurs after the close in Europe, meaning any currency impact will take place overnight.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1866	0.53	-2.84
EUR/GBP	0.8606	1.39	-3.70
GBP/USD	1.3788	-0.83	0.84
GBP/EUR	1.1618	-1.37	3.85
USD/JPY	109.81	-0.39	6.36
EUR/JPY	130.33	0.15	3.31

* 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	0.125	0.11	0.20	0.20	0.31	0.98
EUR	0.00	-0.55	-0.54	-0.52	-0.50	-0.33
GBP	0.10	0.05	0.09	0.13	0.29	0.68

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

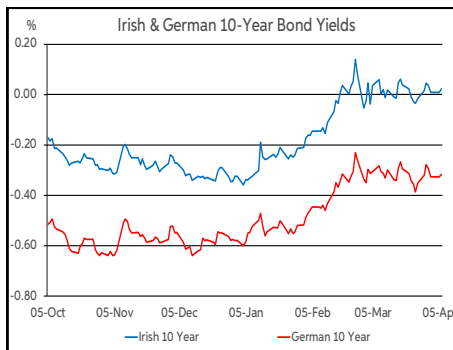
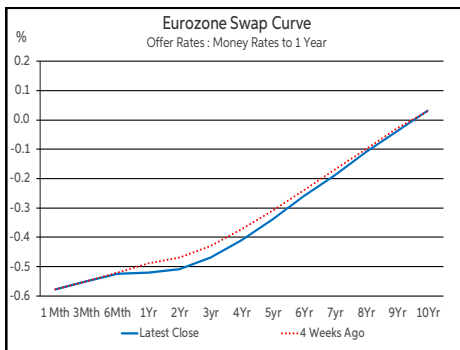
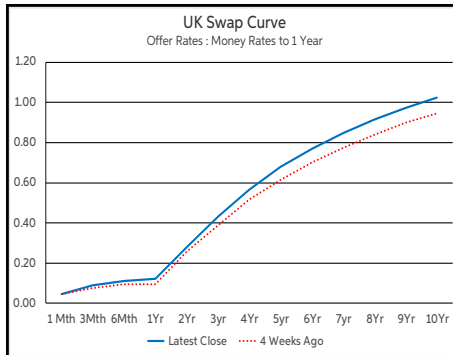
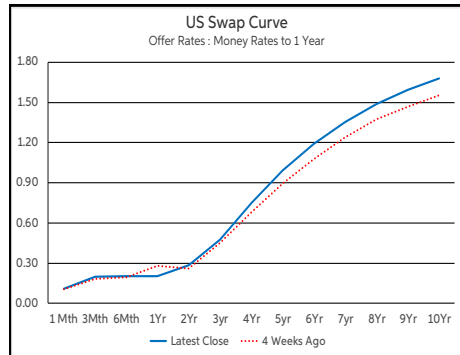
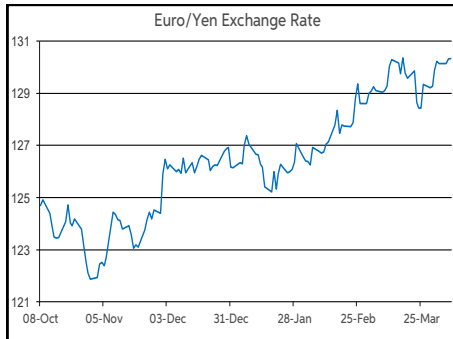
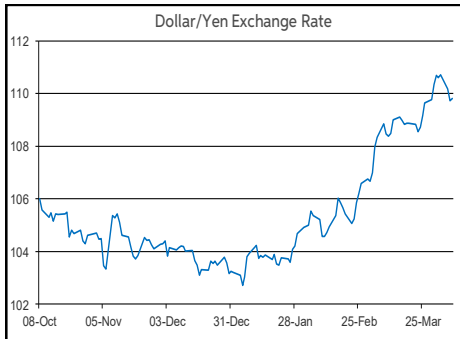
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

Wednesday 07 April 2021
07:20 am



Euro		Sterling		Dollar	
EUR/GBP	0.8606	GBP/EUR	1.1618	USD/JPY	109.81
EUR/USD	1.1866	GBP/USD	1.3788	USD/CAD	1.2604
EUR/JPY	130.33	GBP/CAD	1.7376	USD/CHF	0.9302
EUR/SEK	10.2237	GBP/NZD	1.9571	USD/CNY	6.5391
EUR/DKK	7.4376	GBP/JPY	151.41	USD/BRL	5.5904
EUR/NOK	10.0857	GBP/SEK	11.8751	USD/RUB	77.4483
EUR/CHF	1.1039	GBP/DKK	8.6386	USD/INR	74.077
EUR/AUD	1.5526	GBP/NOK	11.716	AUD/USD	0.7643
EUR/HKD	9.2352	GBP/CHF	1.2826	NZD/USD	0.7044
EUR/CAD	1.4964	GBP/AUD	1.8037		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.66	-5	+13	+74
Germany	-0.32	+1	-1	+26
UK	0.80	+0	+7	+60
Ireland	0.06	+2	-0	+36
Belgium	0.01	+2	+1	+39
France	-0.06	+2	-0	+28
Italy	0.70	+7	+0	+18
Spain	0.35	+4	-2	+30
Portugal	0.25	+4	-2	+19
Greece	0.85	+4	-5	+23
5 Year Swap %				
US	0.99	-4	+12	+57
Eurozone	-0.34	+1	-2	+12
UK	0.68	+1	+7	+49
2 Year Swap %				
US	0.29	+2	+5	+9
Eurozone	-0.51	+1	-3	+2
UK	0.28	+0	+3	+25
10 Year Government Bond Spreads to Benchmark bps				
Ireland	37	+1	+1	+10
Belgium	32	+1	+2	+13
France	25	+1	+1	+2
Italy	101	+6	+1	-8
Spain	67	+3	-1	+4
Portugal	56	+3	-1	-7
Greece	117	+3	-4	-3

Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	62.74	+0.95	-7.08	+21.12
West Texas Oil	59.34	+1.04	-7.31	+22.73
Gold \$	1743.6	+0.88	+1.64	-8.06

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