

EUR/USD in the lower half of \$1.08-1.09

Investor sentiment remained somewhat muted yesterday. The Euro Stoxx 50 declined by 0.2%. The S&P 500 finished the day down 0.3%, having moved higher initially at the open. On bond markets, US Treasury yields were 5-11bps lower along the curve. European bonds yields finished down by 2-6bps.

On currency markets the main FX pairs remained tightly range bound throughout much of yesterday's European session. However, as risk appetite faded heading into the US close, the dollar was in the ascendancy, while the euro was on the back foot. In overnight action, the yen has come under further downward pressure also, with USD/JPY rising to 20-year highs, above ¥126.

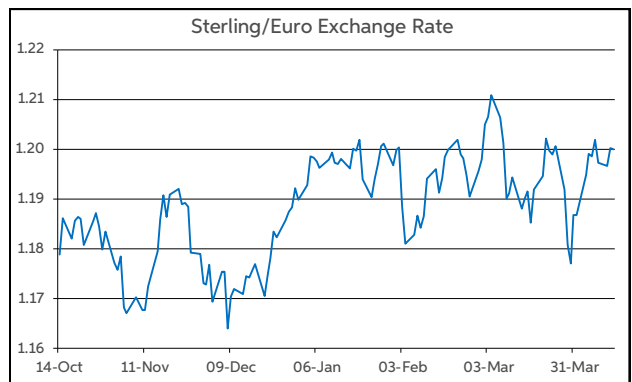
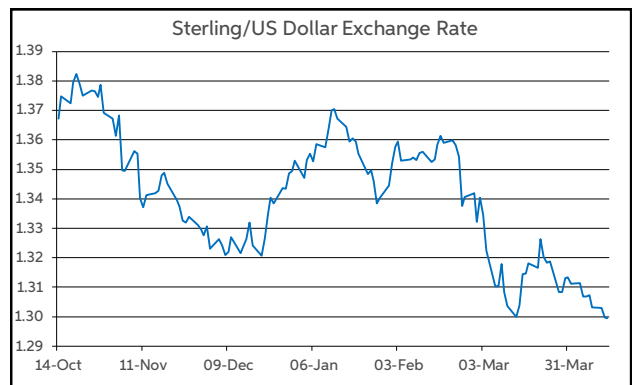
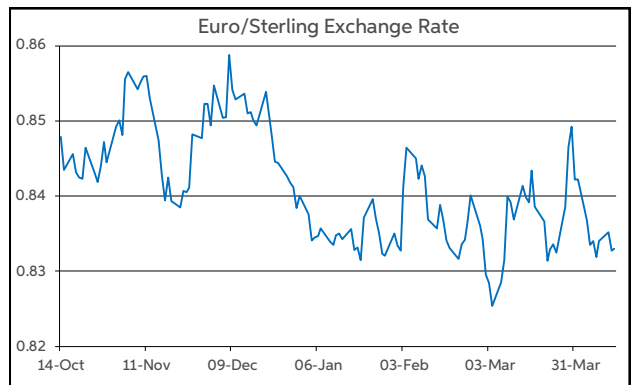
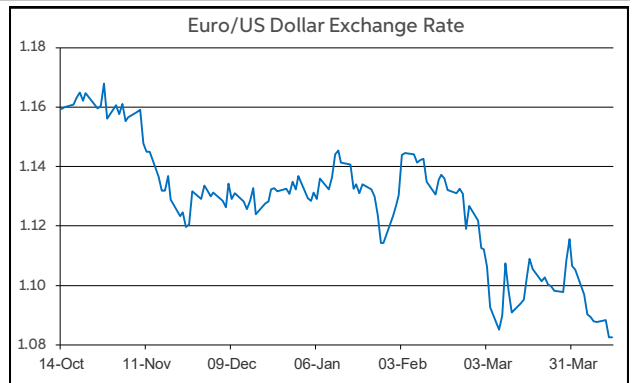
Data-wise, US core-CPI inflation came in below the consensus (6.6%) in March, rising to 6.5%. The monthly increase (+0.3%) was the lowest since last September. The headline rate though, rose to 8.5% (vs. 8.4% f'cast) as energy prices rose by 11% in the month.

Meanwhile, already this morning UK CPI inflation data has printed ahead of expectations. Headline CPI jumped to 7.0% (vs. 6.7% f'cast), while core-CPI rose to 5.7% (vs. 5.4% f'cast). The release has not impacted sterling so far in early trading.

As trading gets underway this morning, EUR/USD opens back down in the lower half of \$1.08-1.09. GBP/USD is changing hands just below the \$1.30 threshold. Meantime, EUR/GBP is operating below the midpoint of the 83-84p band.

Turning to the day ahead, there is a sparse data schedule on both sides of the Atlantic, indicating we may be in for a quiet day on markets.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.0825	-0.49	-4.78
EUR/GBP	0.8329	-0.26	-0.85
GBP/USD	1.2992	-0.26	-3.97
GBP/EUR	1.1997	0.26	0.85
USD/JPY	126.14	0.65	9.61
EUR/JPY	136.57	0.15	4.36

* 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	0.375	0.52	1.02	2.08	2.68	2.79
EUR	0.00	-0.53	-0.44	0.04	0.79	1.32
GBP	0.75	0.78	1.09	1.91	2.36	2.35

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				

Euro

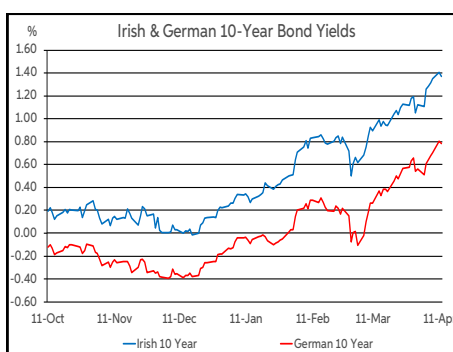
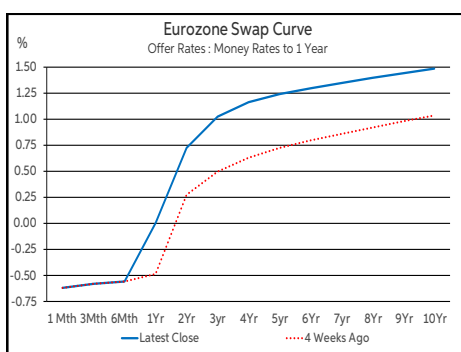
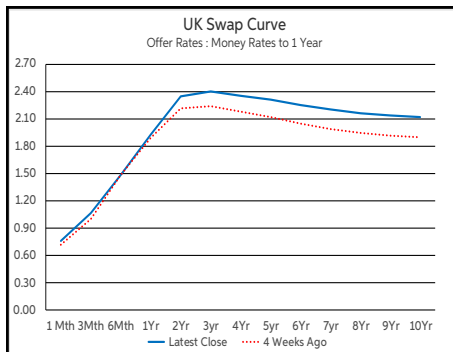
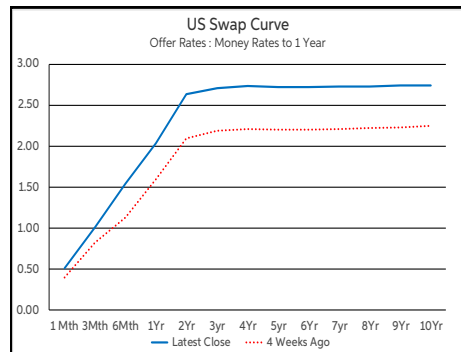
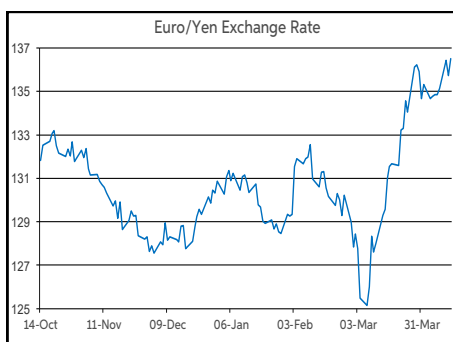
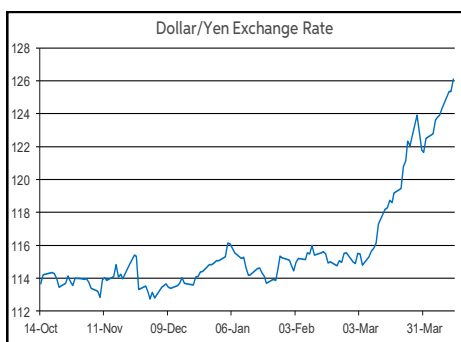
EUR/GBP	0.8329
EUR/USD	1.0825
EUR/JPY	136.57
EUR/SEK	10.3198
EUR/DKK	7.4378
EUR/NOK	9.5587
EUR/CHF	1.0105
EUR/AUD	1.4558
EUR/HKD	8.4857
EUR/CAD	1.3676

Sterling

GBP/EUR	1.1997
GBP/USD	1.2992
GBP/CAD	1.6415
GBP/NZD	1.9104
GBP/JPY	163.88
GBP/SEK	12.3837
GBP/DKK	8.9251
GBP/NOK	11.472
GBP/CHF	1.2129
GBP/AUD	1.7472

Dollar

USD/JPY	126.14
USD/CAD	1.2631
USD/CHF	0.9334
USD/CNY	6.366
USD/BRL	4.6735
USD/RUB	83.683
USD/INR	76.225
AUD/USD	0.7435
NZD/USD	0.6799



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	2.73	-5	+58	+122
Germany	0.79	-2	+46	+97
UK	1.80	-4	+23	+83
Ireland				
Ireland	1.39	-3	+43	+114
Belgium	1.31	-2	+43	+113
France	1.30	-2	+49	+111
Italy	2.41	-6	+50	+123
Spain	1.73	-4	+41	+113
Portugal	1.67	-4	+49	+118
Greece	2.86	-1	+20	+154
5 Year Swap %				
US	2.72	-10	+56	+139
Eurozone	1.24	-3	+53	+123
UK	2.31	-5	+20	+104
2 Year Swap %				
US	2.63	-8	+58	+169
Eurozone	0.73	-5	+46	+103
UK	2.35	-4	+14	+116
10 Year Government Bond Spreads to Benchmark bps				
Ireland	60	-1	-3	+17
Belgium	52	+1	-3	+16
France	51	+1	+3	+14
Italy	162	-3	+5	+26
Spain	94	-1	-5	+16
Portugal	88	-2	+3	+21
Greece	207	+1	-26	+58

Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	104.64	+6.26	+4.73	+34.53
West Texas Oil	100.52	+6.69	+4.25	+33.44
Gold \$	1966.6	+0.67	+2.54	+7.56

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