

Dollar remains on the back foot

There was a generally cautious tone to investor sentiment yesterday. This was against a backdrop of some negative Covid-19 vaccine newsflow as authorities suspended the use of the Johnson & Johnson vaccine, resulting in the company pausing its roll out in Europe. The announcements provided an unhelpful backdrop for risk appetite on markets.

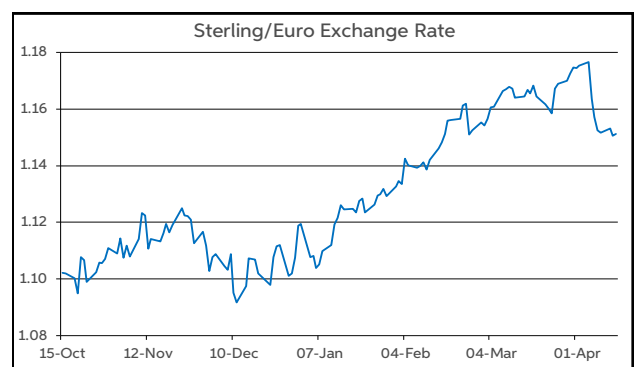
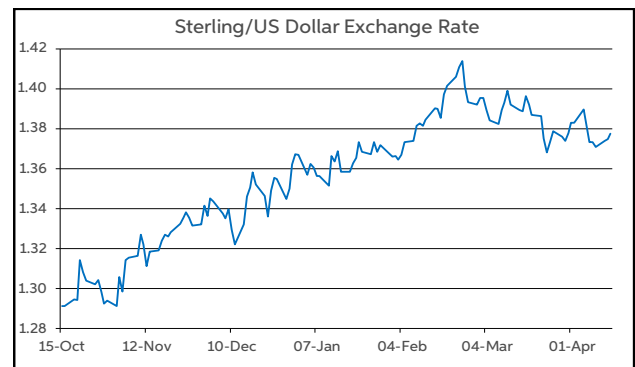
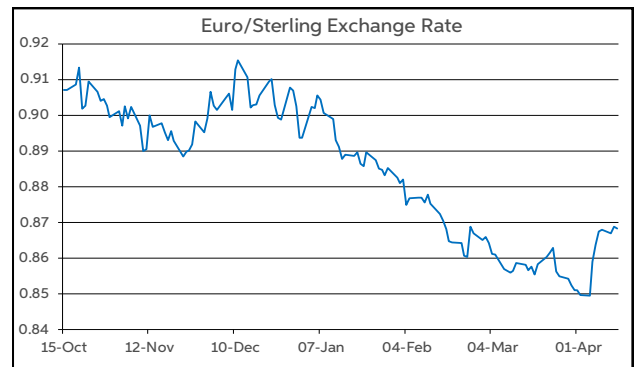
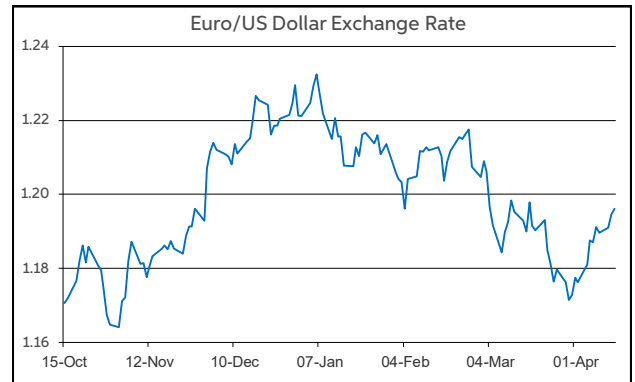
On equity markets both the S&P 500 and the Euro Stoxx 50 traded sideways for much of the day. On bond markets, US Treasury yields fell, as inflation data for March printed broadly in line with expectations. Treasury yields closed 3-5bps lower. The fall in yields coincided with a softer tone to the dollar, with the greenback losing 0.7% against the euro. Elsewhere, the euro continued to hold the upper hand against sterling.

In terms of releases, the aforementioned CPI data in the US were the main highlight. The headline rate rose to 2.6% (vs. 2.5% f'cast) in March from 1.7%, as base affects, such as the collapse in energy prices last year impacted the reading. The core rate rose to 1.6% from 1.3%, trivially above the 1.5% consensus. Elsewhere, the German ZEW for April declined to 70.7 from 76.6 as hiccups with the vaccine rollout weighed on the outlook.

The softer tone to the dollar is evidenced by EUR/USD opening this morning above the midpoint of the \$1.19-1.20 range. Cable (GBP/USD) is changing hands in the top half of the \$1.37-1.38 band. Meanwhile, EUR/GBP is operating near to the 87p mark.

Later today, Eurozone industrial production data is forecast to show that output fell by 1.1% in February. On the monetary policy front, Chair Powell is amongst a host of Fed speakers out today.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1964	0.66	-2.04
EUR/GBP	0.8682	0.27	-2.85
GBP/USD	1.3779	0.39	0.78
GBP/EUR	1.1514	-0.26	2.94
USD/JPY	108.83	-0.79	5.41
EUR/JPY	130.24	-0.12	3.23

* 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	0.19	0.20	0.30	0.94
EUR	0.00	-0.56	-0.54	-0.52	-0.50	-0.33
GBP	0.10	0.05	0.09	0.12	0.29	0.68

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

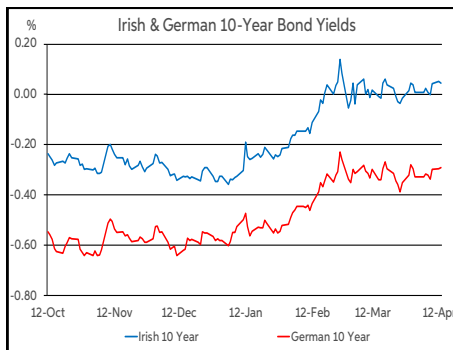
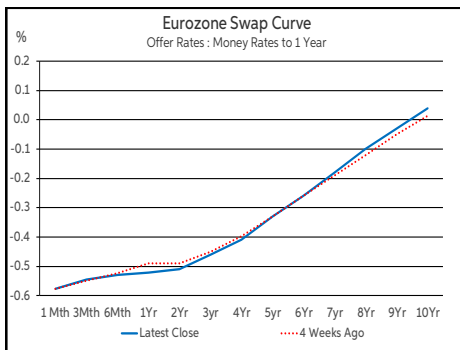
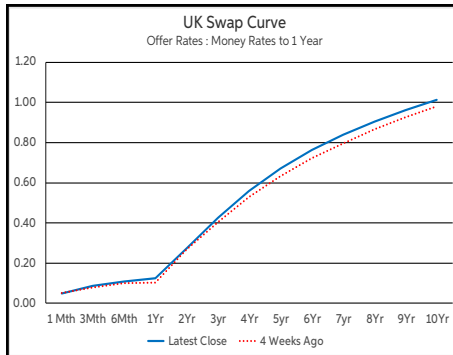
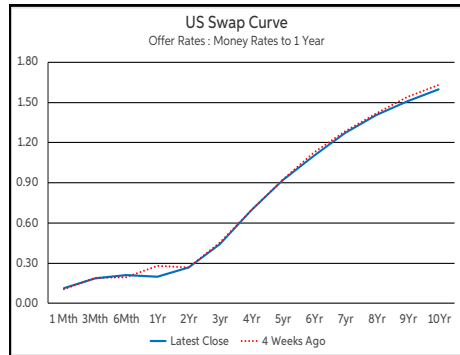
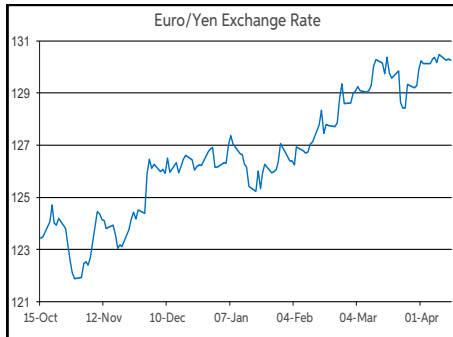
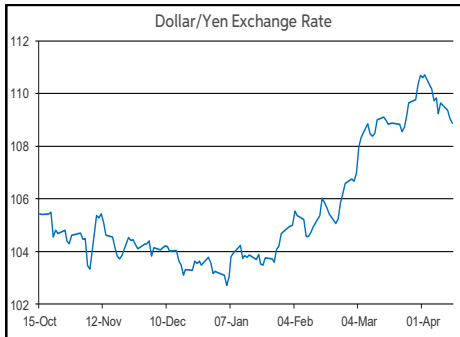
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

Wednesday 14 April 2021
07:08 am



Euro		Sterling		Dollar	
EUR/GBP	0.8682	GBP/EUR	1.1514	USD/JPY	108.83
EUR/USD	1.1964	GBP/USD	1.3779	USD/CAD	1.2532
EUR/JPY	130.24	GBP/CAD	1.7265	USD/CHF	0.9193
EUR/SEK	10.163	GBP/NZD	1.9424	USD/CNY	6.539
EUR/DKK	7.4371	GBP/JPY	149.96	USD/BRL	5.7166
EUR/NOK	10.1048	GBP/SEK	11.7009	USD/RUB	75.6673
EUR/CHF	1.1002	GBP/DKK	8.5647	USD/INR	75.124
EUR/AUD	1.5592	GBP/NOK	11.6352	AUD/USD	0.7672
EUR/HKD	9.2945	GBP/CHF	1.2667	NZD/USD	0.7093
EUR/CAD	1.5	GBP/AUD	1.7956		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.62	-5	-0	+70
Germany	-0.29	+0	+5	+29
UK	0.78	-1	-0	+58
Ireland	0.08	-1	+7	+38
Belgium	0.04	+0	+6	+42
France	-0.03	-0	+5	+31
Italy	0.75	+1	+12	+23
Spain	0.39	-0	+7	+33
Portugal	0.30	+1	+10	+24
Greece	0.92	+4	+5	+29
5 Year Swap %				
US	0.92	-3	+3	+50
Eurozone	-0.33	-1	+1	+13
UK	0.67	-1	+4	+48
2 Year Swap %				
US	0.27	-1	+3	+8
Eurozone	-0.51	+0	-1	+2
UK	0.27	-1	+2	+25
10 Year Government Bond Spreads to Benchmark bps				
Ireland	37	-1	+2	+10
Belgium	33	-0	+1	+14
France	26	-1	+0	+2
Italy	104	+0	+7	-6
Spain	68	-1	+2	+5
Portugal	59	+0	+5	-5
Greece	121	+4	-0	+1

Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	63.67	+0.62	-6.90	+22.92
West Texas Oil	60.2	+0.84	-7.13	+24.51
Gold \$	1743.8	+0.65	+0.74	-8.05

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