

Dollar action muted despite strong US data

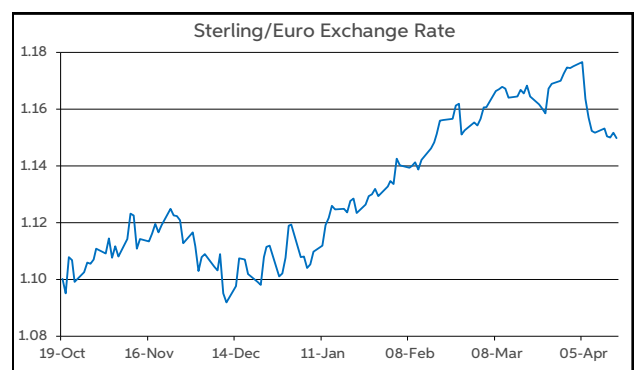
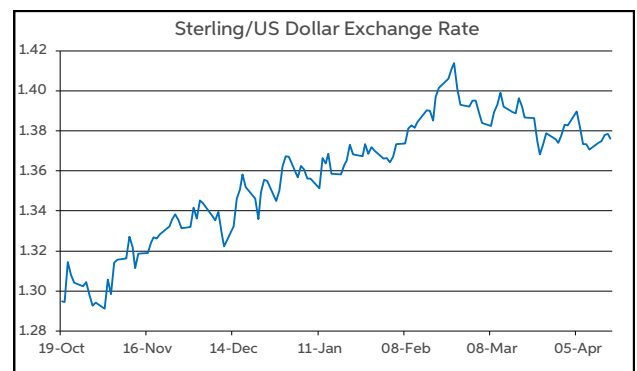
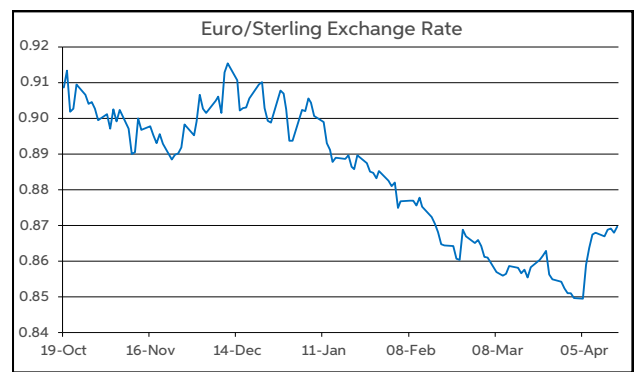
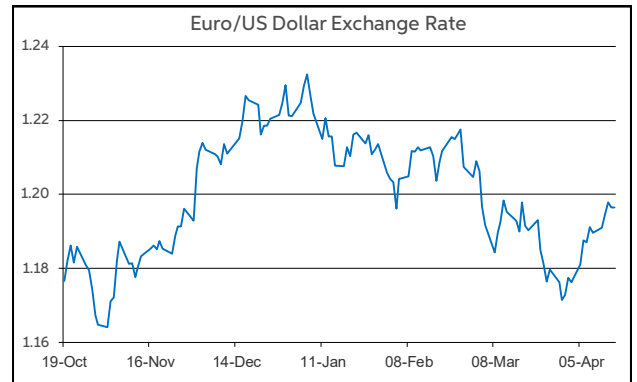
There was a positive tone to investor sentiment yesterday. Equity markets moved higher on both sides of the Atlantic, with the S&P 500 outperforming, gaining 1.1%. On bond markets, despite some strong US data releases, US Treasury yields moved lower. The 10 year US Treasury yield closed at 1.57%, down from 1.63% the day before. Indeed, there was a general 3-7bps move lower in most of the main benchmark sovereigns, including in the UK and Eurozone. However, currency markets were insulated from the moves in equity and bond prices. The main pairs remained tightly range bound yesterday.

Data-wise, US retail sales jumped by 9.8% (+5.8% f'cast) in March. Sales figures for the opening two months of the year were revised higher also. In terms of the other releases, industrial production data for March printed below expectations. Output increased by 1.4% (+2.5% f'cast). Elsewhere, initial jobless claims fell to 576k from 769k, while homebuilder sentiment for April edged higher to 83 from 82. Overall, the strong data suggests that the US economic recovery is gathering momentum as the economy reopens.

The limited moves on currency markets are reflected by the main pairs opening this morning little altered from 24 hours previous. EUR/GBP is changing hands just below 87p. EUR/USD remains above the midpoint of \$1.19-1.20. Meanwhile, cable (GBP/USD) is trading in the heart of \$1.37-1.38 range.

The macro data focus today will remain on the US. The April reading of consumer confidence is projected to jump to 89.6 from 84.9. An otherwise quiet macro calendar suggests the main currency pairs may continue to range trade to finish out the week.

Daniel Noonan, Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1966	-0.02	-2.02
EUR/GBP	0.8695	0.00	-2.71
GBP/USD	1.3757	-0.07	0.61
GBP/EUR	1.1496	0.00	2.78
USD/JPY	108.84	-0.02	5.42
EUR/JPY	130.25	-0.04	3.24

* 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	0.12	0.18	0.20	0.28	0.90
EUR	0.00	-0.55	-0.54	-0.52	-0.49	-0.30
GBP	0.10	0.05	0.08	0.12	0.27	0.64

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

Friday 16 April 2021
07:11 am



Euro

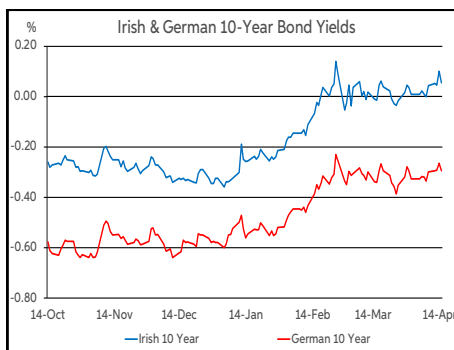
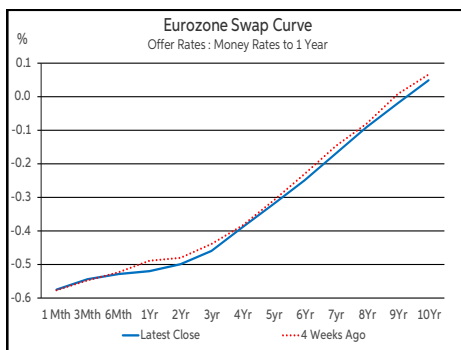
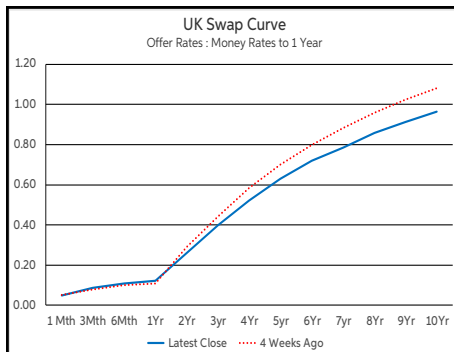
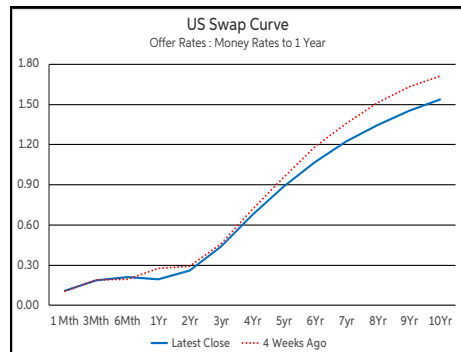
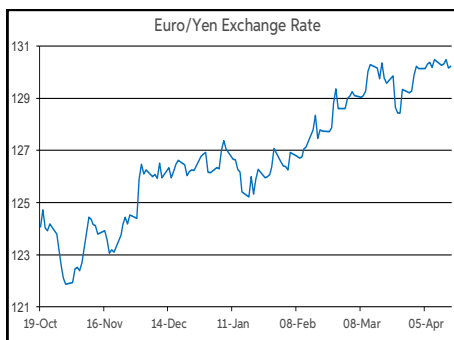
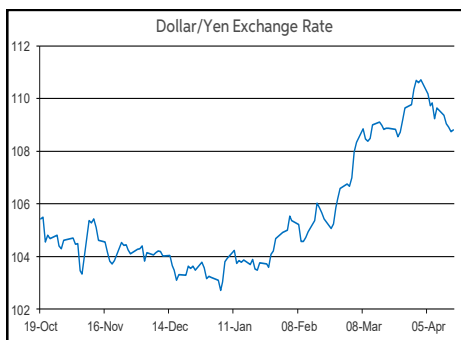
EUR/GBP	0.8697
EUR/USD	1.1964
EUR/JPY	130.25
EUR/SEK	10.1175
EUR/DKK	7.4369
EUR/NOK	10.0314
EUR/CHF	1.1029
EUR/AUD	1.5451
EUR/HKD	9.2955
EUR/CAD	1.4983

Sterling

GBP/EUR	1.1495
GBP/USD	1.3758
GBP/CAD	1.7226
GBP/NZD	1.9197
GBP/JPY	149.76
GBP/SEK	11.63
GBP/DKK	8.5489
GBP/NOK	11.5305
GBP/CHF	1.2678
GBP/AUD	1.7764

Dollar

USD/JPY	108.85
USD/CAD	1.2521
USD/CHF	0.9215
USD/CNY	6.5274
USD/BRL	5.6162
USD/RUB	75.9582
USD/INR	74.5
AUD/USD	0.7743
NZD/USD	0.7163



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.57	-6	-13	+66
Germany	-0.29	-3	-3	+28
UK	0.74	-7	-14	+54
Ireland				
Ireland	0.09	-5	+0	+39
Belgium	0.03	-3	-2	+42
France	-0.04	-3	-2	+31
Italy	0.73	-5	+4	+21
Spain	0.38	-4	+0	+33
Portugal	0.39	+7	+12	+33
Greece	0.90	-1	-6	+27
5 Year Swap %				
US	0.89	-5	-3	+46
Eurozone	-0.32	-2	+0	+14
UK	0.63	-5	-6	+44
2 Year Swap %				
US	0.26	-1	+1	+7
Eurozone	-0.50	-1	-1	+3
UK	0.26	-2	-2	+23
10 Year Government Bond Spreads to Benchmark bps				
Ireland	38	-2	+3	+11
Belgium	32	-0	+1	+13
France	26	-0	+1	+2
Italy	102	-2	+7	-7
Spain	68	-1	+3	+5
Portugal	68	+10	+15	+5
Greece	120	+2	-3	-1

Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	66.94	+0.54	+5.78	+29.23
West Texas Oil	63.42	+0.43	+5.79	+31.17
Gold \$	1763.2	+1.57	+1.54	-7.03

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