

Softer tone to dollar persists

The currency market action last week saw the dollar on the defensive. This continued the trend from the previous week. It also came despite some encouraging US data, which included a much stronger than forecast print for retail sales for March.

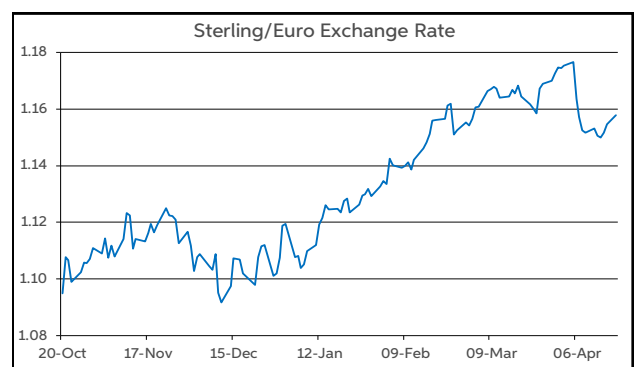
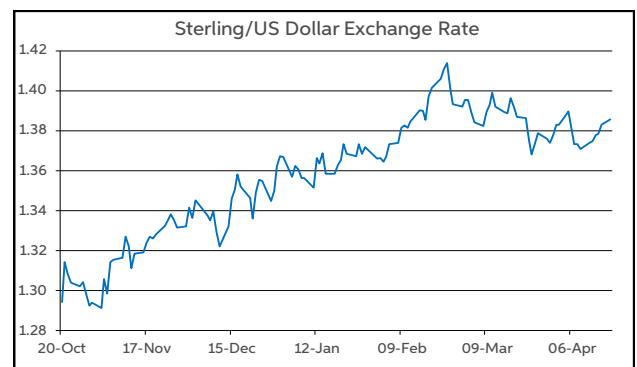
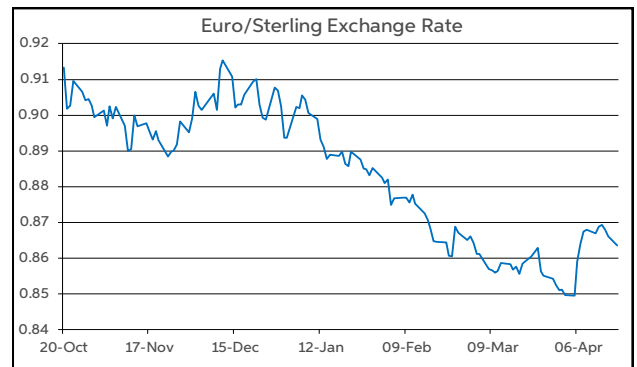
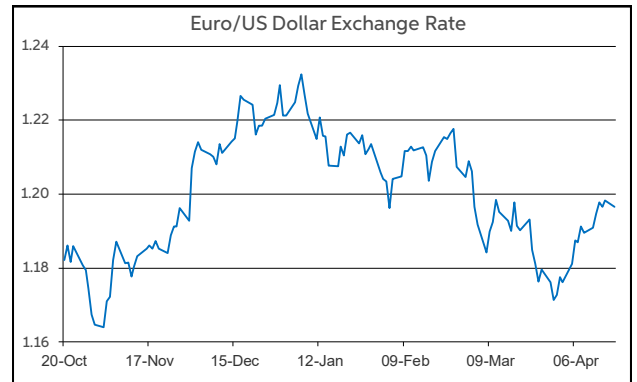
The downward pressure on the dollar did coincide with some easing back in US Treasury yields. The 10 year yield fell back below the 1.6% level, having been above 1.75% at the start of the month. UK gilt yields have also fallen back, but not to the same extent, while Eurozone yields have been broadly unchanged. It is also worth noting that market positioning on the dollar over recent weeks has moved from being extremely short to more neutral.

The softer dollar tone is reflected in EUR/USD changing hands this morning in the upper half of \$1.19-\$1.20, having started last week just below \$1.19. Meantime, GBP/USD is operating above \$1.38, while USD/JPY is below the ¥109 level.

Elsewhere on the currency front last week, there was no major Eurozone macro data or newsflow to impact the euro. Meanwhile, sterling was largely unreactive to a slight downside miss in GDP for February. As a result, EUR/GBP spent much of the week trading in a very tight range near to 87p. A firmer tone to sterling on Friday, sees EUR/GBP start today at 86.3p.

Ahead this week, it's the start of the April/May round of central bank meetings, with the ECB up first. However, it is expected to be a non-event for the currency. Data-wise, the main highlight will be the flash April PMI's from the US, Eurozone and UK. Overall though, from a currency viewpoint, the main pairs could be confined to relatively tight ranges over the coming days.

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.1965	0.03	-2.03
EUR/GBP	0.8633	-0.66	-3.40
GBP/USD	1.3859	0.69	1.36
GBP/EUR	1.158	0.66	3.52
USD/JPY	108.53	-0.24	5.12
EUR/JPY	129.88	-0.21	2.95

* 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	0.19	0.20	0.28	0.90
EUR	0.00	-0.55	-0.54	-0.53	-0.48	-0.31
GBP	0.10	0.05	0.08	0.12	0.28	0.64

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

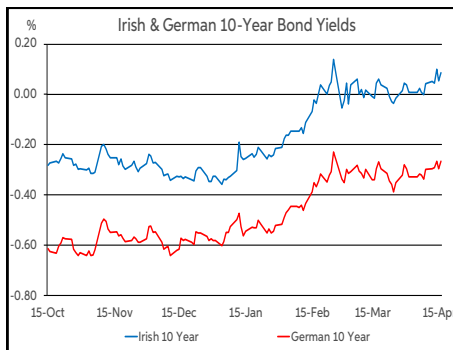
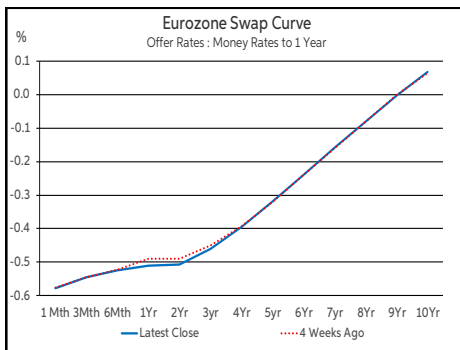
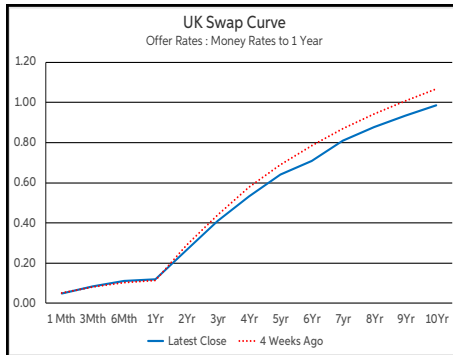
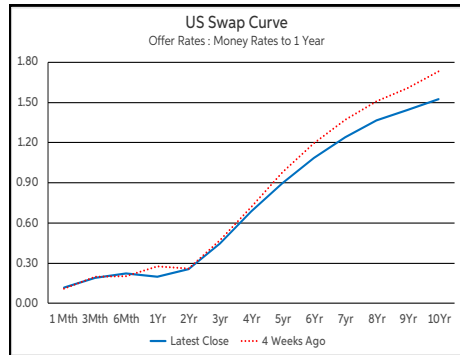
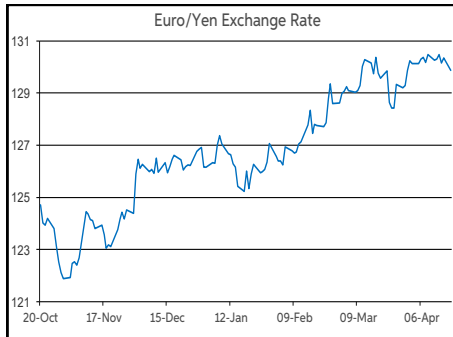
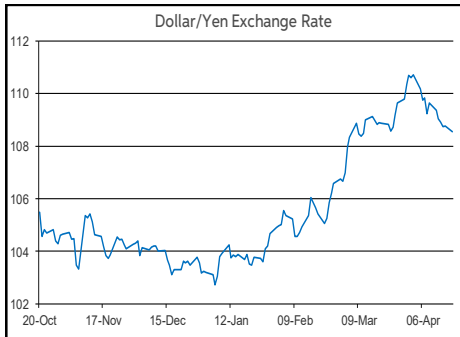
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Opening Levels

Monday 19 April 2021
07:20 am



Euro		Sterling		Dollar	
EUR/GBP	0.8633	GBP/EUR	1.158	USD/JPY	108.53
EUR/USD	1.1965	GBP/USD	1.3859	USD/CAD	1.2499
EUR/JPY	129.88	GBP/CAD	1.7322	USD/CHF	0.9202
EUR/SEK	10.1103	GBP/NZD	1.9375	USD/CNY	6.5222
EUR/DKK	7.4362	GBP/JPY	150.41	USD/BRL	5.5868
EUR/NOK	10.0089	GBP/SEK	11.705	USD/RUB	76.1238
EUR/CHF	1.1011	GBP/DKK	8.6116	USD/INR	74.875
EUR/AUD	1.5454	GBP/NOK	11.5859	AUD/USD	0.7742
EUR/HKD	9.2985	GBP/CHF	1.2754	NZD/USD	0.7149
EUR/CAD	1.4958	GBP/AUD	1.7897		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
10 Year Yield %				
US	1.59	+2	-14	+67
Germany	-0.26	+3	+3	+31
UK	0.77	+3	-8	+57
Ireland				
Ireland	0.12	+3	+6	+43
Belgium	0.05	+2	+3	+44
France	-0.01	+2	+3	+33
Italy	0.75	+2	+8	+23
Spain	0.40	+2	+5	+34
Portugal	0.40	+1	+17	+34
Greece	0.90	+0	-3	+28
5 Year Swap %				
US	0.90	+1	-6	+48
Eurozone	-0.32	+0	+1	+14
UK	0.64	+1	-4	+45
2 Year Swap %				
US	0.26	-2	-0	+6
Eurozone	-0.51	-1	-1	+2
UK	0.27	+1	-1	+24
10 Year Government Bond Spreads to Benchmark bps				
Ireland	38	+0	+3	+11
Belgium	32	-1	+0	+13
France	25	-1	+0	+2
Italy	101	-1	+4	-9
Spain	66	-2	+1	+3
Portugal	66	-2	+13	+3
Greece	117	-3	-6	-4

Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	66.77	-0.25	+3.47	+28.90
West Texas Oil	63.16	-0.41	+2.82	+30.63
Gold \$	1776.3	+0.74	+1.81	-6.34

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