

Dollar holding the upper hand

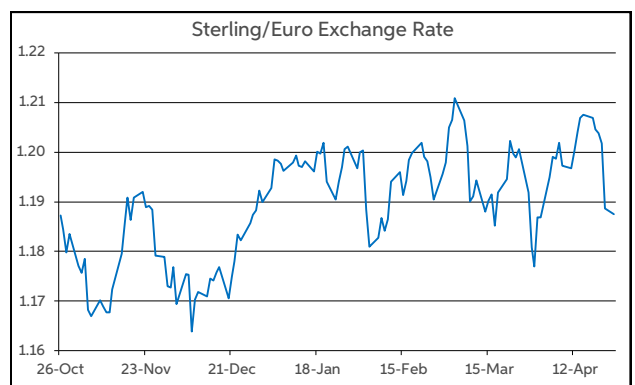
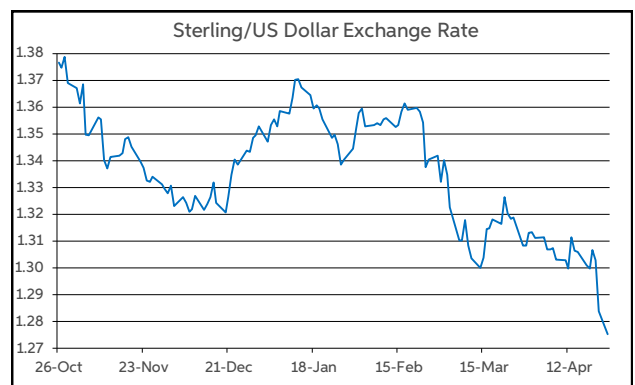
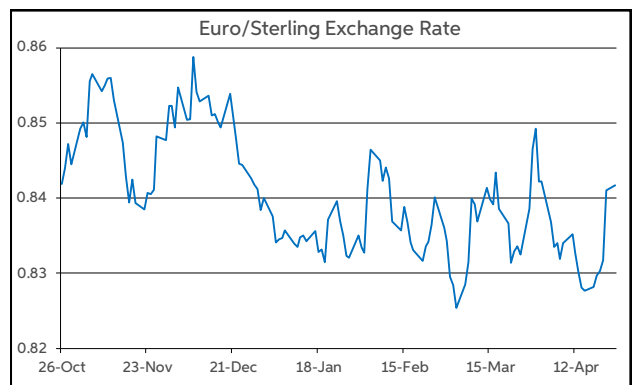
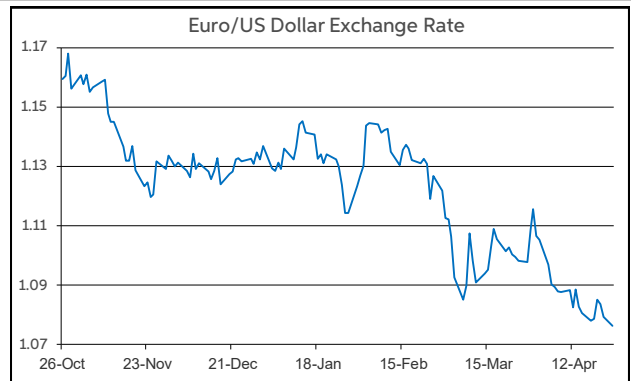
Against the backdrop of a further firming in rate hike expectations, there were volatile trading conditions on markets last week. This coincided with hawkish central bank commentary. In the US, Fed Chair Powell confirmed that a 50bps rate hike was in play for its May meeting. Meanwhile, fellow FOMC member Bullard once again discussed the possibility of a 75bps hike. From an ECB viewpoint, Vice-President de Guindos noted that the first Eurozone rate increase could be possible in July. Some mixed newsflow in terms of corporate earnings also impacted investor sentiment.

At the close on Wall Street on Friday night, the S&P 500 was around 3% lower on the week. Meantime, bond yields continued to move higher. The policy sensitive 2-year yields in the US, UK and Germany were up 15-20bps on the week. Elsewhere along the curve, the 10-year US Treasury yield got within touching distance of the 3% mark. The equivalent German Bund yield moved up towards the 1% threshold, while UK Gilts hit 2%.

Currency-wise, the dollar continued to hold the upper hand and this has carried over into this morning amid some risk aversion. EUR/USD started last week just below the key \$1.08 level. It traded to a high of \$1.094 on Thursday. However, it opens today back below \$1.08. Meantime, weaker than expected UK retail sales figures for March weighed on sterling heading into the weekend. EUR/GBP is up at 84p, GBP/USD has fallen below \$1.28. The yen and Chinese yuan have also been under pressure in recent days.

Ahead this week, there is a busy schedule of data releases. Some of the key highlights are Q1 GDP data from the Eurozone and US. The market will also pay close attention to inflation readings from the US (for March) and Eurozone (for April).

John Fahey, Senior Economist, AIB



Today's Opening FX Rates			
		% Change	
		Day *	End 2021
EUR/USD	1.0758	-0.79	-5.37
EUR/GBP	0.8415	1.09	0.18
GBP/USD	1.2782	-1.86	-5.52
GBP/EUR	1.1877	-1.08	-0.18
USD/JPY	128.5	0.26	11.66
EUR/JPY	138.26	-0.54	5.65

* 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	0.70	1.21	2.40	2.94	2.95
EUR	0.00	-0.52	-0.43	0.16	0.91	1.42
GBP	0.75	0.93	1.24	2.07	2.59	2.48

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

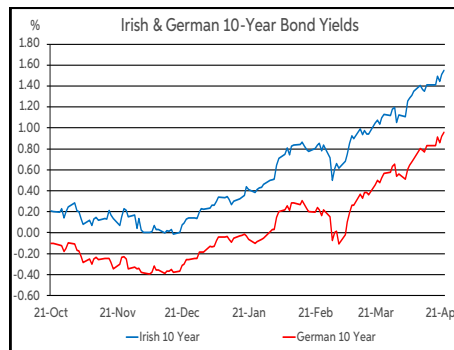
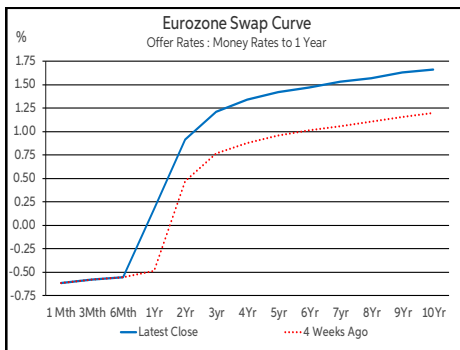
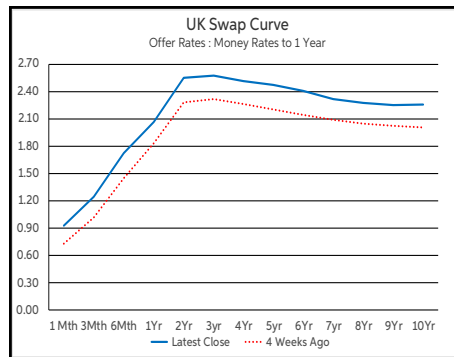
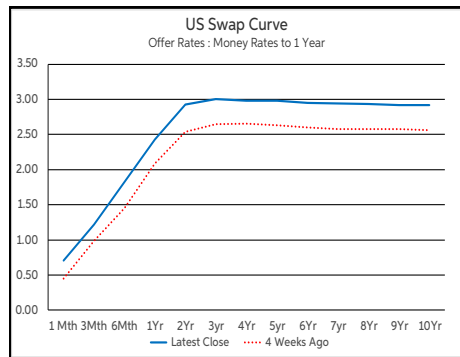
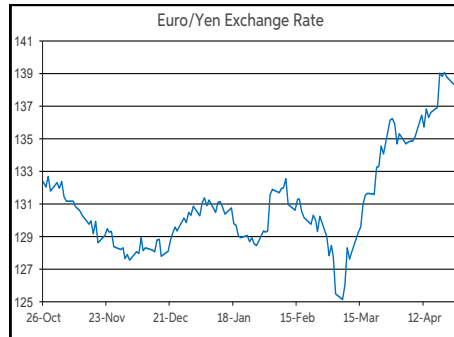
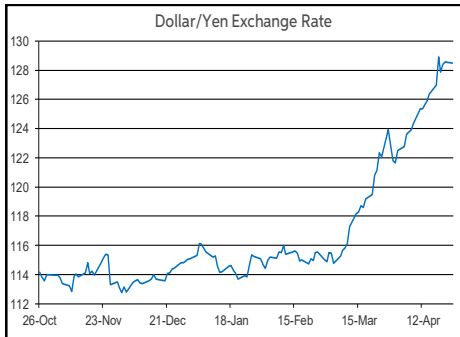
FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Opening Levels

Monday 25 April 2022
07:13 am



Euro		Sterling		Dollar	
EUR/GBP	0.8415	GBP/EUR	1.1877	USD/JPY	128.5
EUR/USD	1.0758	GBP/USD	1.2782	USD/CAD	1.2735
EUR/JPY	138.26	GBP/CAD	1.6298	USD/CHF	0.9585
EUR/SEK	10.3245	GBP/NZD	1.9407	USD/CNY	6.5471
EUR/DKK	7.4395	GBP/JPY	164.25	USD/BRL	4.7937
EUR/NOK	9.7001	GBP/SEK	12.2646	USD/RUB	76.112
EUR/CHF	1.0313	GBP/DKK	8.8368	USD/INR	76.707
EUR/AUD	1.5018	GBP/NOK	11.526	AUD/USD	0.7164
EUR/HKD	8.4425	GBP/CHF	1.2255	NZD/USD	0.6589
EUR/CAD	1.3702	GBP/AUD	1.7844		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 21
10 Year Yield %				
US	2.90	-0	+42	+139
Germany	0.96	+4	+39	+114
UK	1.97	-5	+27	+99
Ireland	1.57	+4	+41	+132
Belgium	1.48	+3	+43	+130
France	1.43	+2	+42	+123
Italy	2.68	+8	+60	+149
Spain	1.94	+4	+50	+135
Portugal	2.00	+6	+67	+151
Greece	2.95	+7	+17	+164
5 Year Swap %				
US	2.98	-2	+39	+164
Eurozone	1.42	+6	+47	+141
UK	2.48	-7	+28	+120
2 Year Swap %				
US	2.93	-2	+42	+199
Eurozone	0.91	+9	+45	+121
UK	2.55	-8	+27	+136
10 Year Government Bond Spreads to Benchmark bps				
Ireland	61	+0	+2	+18
Belgium	51	-1	+4	+16
France	46	-2	+2	+9
Italy	171	+4	+21	+35
Spain	98	+0	+11	+21
Portugal	103	+2	+28	+37
Greece	199	+3	-23	+50

Commodities				
	% Change			
	Close	Day	4 Weeks	End 21
Brent Oil	106.65	-1.55	-11.60	+37.12
West Texas Oil	102.86	-0.99	-11.48	+36.55
Gold \$	1929.7	-1.12	-1.41	+5.54

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