

## Markets remain largely subdued

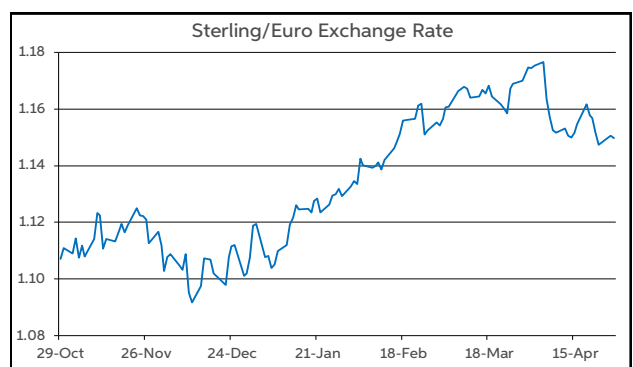
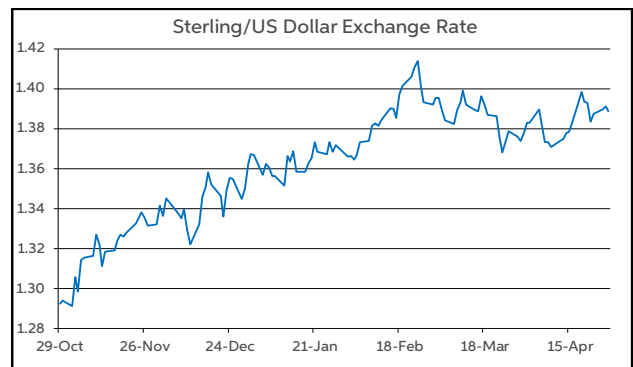
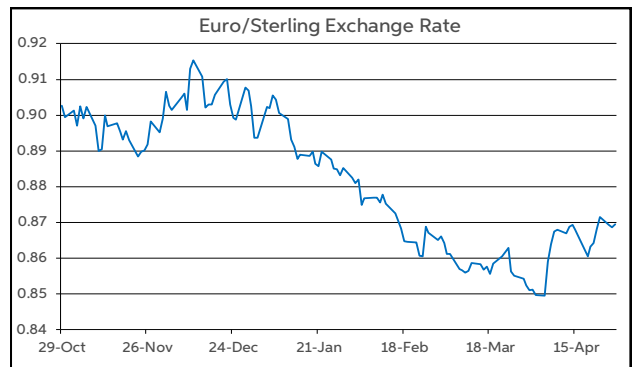
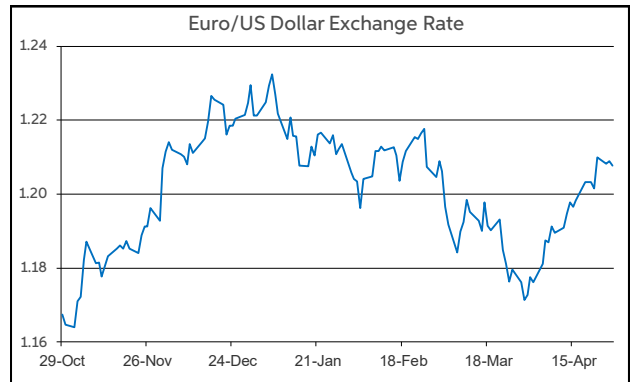
The action on financial markets remained lacklustre for much of yesterday. This was reflected in the main equity indices trading sideways throughout their respective sessions. Indeed, at the closing bell on Wall Street last night, the S&P 500 was flat for the day. On sovereign bond markets, there was some steepening in the US Treasury curve, with 10 year yields up 6bps.

It was also an uneventful day on currency markets. Most of the majors remained confined to tight ranges. Data-wise, the main release of note was from the US diary, with consumer confidence for April, printing well ahead of expectations, with a reading of 121.7 (versus f'cast for 113), its highest level since February 2020. The release is one of many consensus beating data out of the US economy over recent weeks, indicating that economic activity is gaining momentum. However, despite the strong upside surprise, there was no noticeable reaction from the dollar to the news.

So as trading gets underway this morning, most of the main pairs open at levels broadly unchanged from 24 hours earlier. EUR/USD continues to operate in a narrow range just below the \$1.21 threshold. Meantime, EUR/GBP remains up near to the 87p mark. Elsewhere, GBP/USD is straddling the \$1.39 level. Meanwhile, in overnight action, the yen has been on the defensive, with USD/JPY rising up towards ¥109.

Looking ahead to today, the US Fed concludes (after the close in Europe) its two-day meeting. However, with no policy changes expected and barring any surprise comments from Fed Chair Powell's press conference, it may be a non-event for the dollar. Given this, combined with a sparse data calendar, the main FX pairs may continue to trade within tight ranges.

**John Fahey, Senior Economist, AIB**



Today's Opening FX Rates			
		% Change	
		Day *	End 2020
EUR/USD	1.2075	0.03	-1.13
EUR/GBP	0.8695	0.06	-2.71
GBP/USD	1.3886	-0.01	1.56
GBP/EUR	1.1496	-0.06	2.78
USD/JPY	108.9	0.64	5.48
EUR/JPY	131.53	0.68	4.26

\* v Previous Day's European Open

See Next Page for More Rates

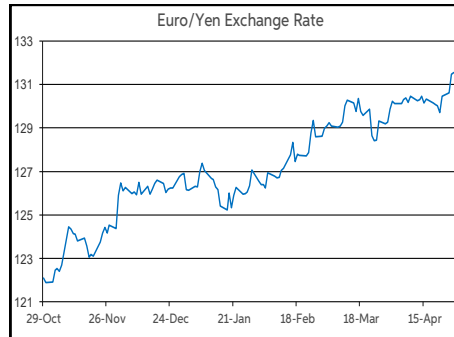
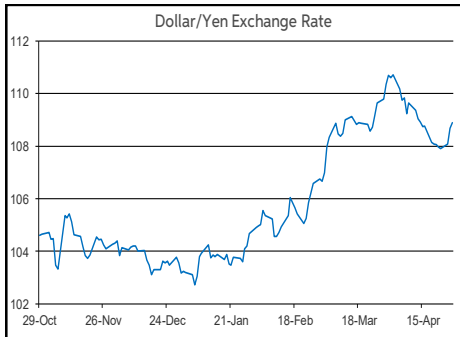
Opening Interest Rates						
	Base Rate	Money Market		Swap Rates		
		1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	0.125	0.11	0.18	0.20	0.31	0.97
EUR	0.00	-0.56	-0.54	-0.51	-0.47	-0.27
GBP	0.10	0.05	0.09	0.13	0.30	0.69

All rates quoted are indicative market rates

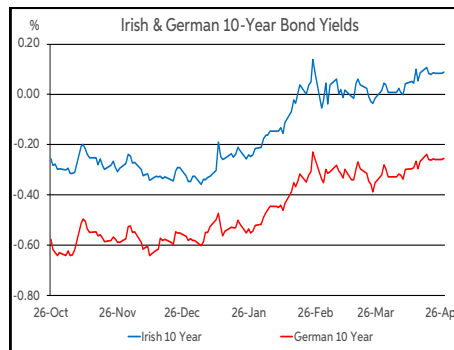
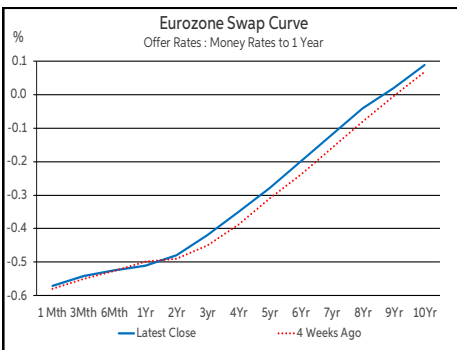
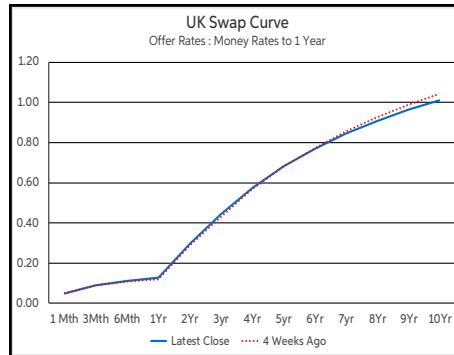
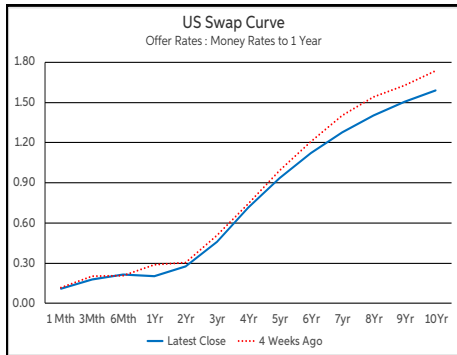
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FX Spot	Karl Cooke Shane Gargan Enda Homan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie
		Equity Options	Gary Luff				

Euro		Sterling		Dollar	
EUR/GBP	0.8695	GBP/EUR	1.1496	USD/JPY	108.9
EUR/USD	1.2075	GBP/USD	1.3886	USD/CAD	1.2396
EUR/JPY	131.53	GBP/CAD	1.7213	USD/CHF	0.9159
EUR/SEK	10.1181	GBP/NZD	1.9264	USD/CNY	6.4862
EUR/DKK	7.4355	GBP/JPY	151.22	USD/BRL	5.4522
EUR/NOK	9.9955	GBP/SEK	11.6317	USD/RUB	74.8606
EUR/CHF	1.1061	GBP/DKK	8.5497	USD/INR	74.385
EUR/AUD	1.5587	GBP/NOK	11.4908	AUD/USD	0.7748
EUR/HKD	9.3725	GBP/CHF	1.272	NZD/USD	0.7207
EUR/CAD	1.4968	GBP/AUD	1.7924		



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 20
<b>10 Year Yield %</b>				
US	1.63	+6	-8	+71
Germany	-0.25	+0	+3	+32
UK	0.78	+2	-5	+58
Ireland	0.12	+1	+5	+43
Belgium	0.07	+1	+4	+45
France	0.00	+1	+4	+34
Italy	0.82	+2	+14	+30
Spain	0.42	+1	+7	+37
Portugal	0.42	+1	+18	+36
Greece	0.92	+2	+1	+29
<b>5 Year Swap %</b>				
US	0.94	+3	-5	+51
Eurozone	-0.28	+1	+4	+18
UK	0.68	+2	+1	+49
<b>2 Year Swap %</b>				
US	0.28	+1	+0	+8
Eurozone	-0.48	-0	+2	+5
UK	0.30	+1	+2	+27
<b>10 Year Government Bond Spreads to Benchmark bps</b>				
Ireland	38	+0	+2	+11
Belgium	32	+0	+1	+13
France	25	+0	+1	+2
Italy	107	+2	+11	-2
Spain	67	+1	+5	+4
Portugal	67	+1	+16	+4
Greece	117	+1	-1	-3



Commodities				
	% Change			
	Close	Day	4 Weeks	End 20
Brent Oil	66.42	+1.17	+3.55	+28.22
West Texas Oil	63.03	+1.63	+4.10	+30.36
Gold \$	1776.7	-0.20	+5.45	-6.32

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